

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

Marking Scheme---Business Studies (Outside Delhi) 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 OUTSIDE DELHI – 66/1 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1	66/2	66/3		
1	6	3	<p>Q. Give the meaning of ‘supervision’ as an element of directing.</p> <p>Ans. Supervision means <u>overseeing</u> the employees at work to ensure optimum utilization of resources and achievements of work targets.</p> <p style="text-align: center;">OR</p> <p>Supervision means instructing, observing monitoring and guiding the efforts of the subordinates for the achievement of work targets in the desired manner.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organization on the basis of ‘flow of communication’.</p> <p>Ans. In a formal organisation, communication takes place through the scalar chain while in an informal organisation flow of communication is not through a planned route. It can take place in any direction.</p>	1 mark
3	2	1	<p>Q. Why is ‘Aptitude Test’ conducted in the process of selection?</p> <p>Ans. Aptitude test is conducted to measure an individual’s potential for learning new skills.</p>	1 mark
4	7	8	<p>Q. Bhagwati Enterprises is a company engaged in the marketing of air-conditioners of a famous brand. The company has a functional structure with the four main functions- Purchase, Sales, Finance and Staffing. As the demand for the product grew, the company decided to recruit more employees. Identify the concept which will help the Human resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department.</p>	

			Ans. Workforce analysis.	1 mark
5	8	2	<p>Q. Isha Machines was a renowned name for quality sewing machines since 1960. Mr Suresh, the owner of Isha Machines was worried as the production had declined during the last three months. He directed the production Manager to find out the reason. The production Manager ordered the different supervisors to prepare a performance report of the workers working under them. Identify the step taken by the production Manager that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark
6	1	4	<p>Q. What is meant by ‘Capital Structure’?</p> <p>Ans. The capital structure means the <u>proportion of debt and equity</u> used for financing the operations of a business.</p> <p style="text-align: center;">or</p> <p>It refers to the mix between owner’s funds and borrowed funds.</p>	1 mark
7	4	6	<p>Q. Sika Ltd., a reputed industrial machines manufacturer, needs Rupees twenty crores as additional capital to expand the business. Mr.Amit Joshi, the chief Executive officer (CEO) of the company wants to raise funds through equity. The finance Manager, Mr. Narender Singh, suggested that the shares may be sold to investing public through intermediaries, as the same will be less expensive. Name the method through which the company decided to raise additional capital.</p> <p>Ans. Offer for Sale.</p>	1 mark
8	3	5	<p>Q. Mansi took her niece, Ridhima, for shopping to ‘Mega Stores’ to buy her a bag for her birthday. She was delighted when on payment of the bag she got a pencil box along with the bag free of cost. Identify the technique of sales promotion used by the company.</p>	1 mark

			Ans. Product Combination	
9	-	-	<p>Q. Explain briefly ‘Unity of Direction’ and ‘Order’ as principles of general management.</p> <p>Ans. <u>Unity of Direction</u></p> <ul style="list-style-type: none"> ▪ Unity of direction states that all the units of an organisation should be moving towards the same objectives through coordinated and focussed efforts. ▪ Each group of activities having the same objective must have one head and one plan. <p><u>Order</u></p> <ul style="list-style-type: none"> ▪ It states that there should be a place for everything and everyone in an organization and that thing or person should be found in its allotted place. ▪ People and materials must be in suitable places at appropriate time for maximum efficiency. 	<p>1½ marks</p> <p>+</p> <p>1½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
10	-	-	<p>Q. State any three features of planning.</p> <p>Ans. Features of planning: (Any three)</p> <p>(i) <u>Focuses on achieving objectives</u> It focuses on achieving organisational objectives as specific goals are set out in the plans along with the activities to be undertaken to achieve the goals.</p> <p>(ii) <u>Primary function of management</u> It is the primary function of management as it lays down the basis for all other functions of management.</p> <p>(iii) <u>Pervasive</u> It is pervasive as it is required in all organisations, at all levels and in all departments.</p> <p>(iv) <u>Continuous</u> It is continuous because a plan is framed and implemented for a specific periods of time and is followed by another plan and so on.</p> <p>(v) <u>Futuristic</u> It is futuristic as it involves looking ahead and</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>

			<p>preparing for the future based on forecasting which involves anticipating future events and drawing plans accordingly.</p> <p>(vi) <u>Involves decision making</u> Planning <u>involves decision making</u> as a manager has to make a choice from among the various alternative courses of action.</p> <p>(vii) <u>Mental exercise</u> It is a mental exercise as it is intellectual activity of thinking rather than doing requiring application of mind involving foresight, intelligent imagination and sound judgement.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	
11	-	-	<p>Q. Explain briefly any three semantic barriers to communication.</p> <p>Ans. <u>Semantic barriers to communication: (Any three)</u> (a) Badly expressed message. (b) Symbols with different meanings. (c) Faulty translations. (d) Unclarified assumptions. (e) Technical jargon. (f) Body language and gesture decoding.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for the heading + 1/2 mark for explanation = 1 x3 = 3 marks</p>
12	13	9	<p>Q. Ramanath Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikrant Dhull, estimated the amount of funds required and the</p>	

			<p>timings. This will help the company in linking the investment and the financing decisions on a continuous basis.</p> <p>Therefore, Mr. Vikrant Dhull began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources.</p> <p>Identify the financial concept discussed in the above paragraph. Also state any two points of importance of the financial concept, so identified.</p> <p>Ans. <u>Financial Planning</u></p> <p><u>Importance of Financial planning (any two):</u></p> <p>(a) It helps the company to prepare for the future by forecasting what may happen in the future under different business situations.</p> <p>(b) It helps in avoiding business shocks and surprises.</p> <p>(c) It helps in co-ordinating various business functions by providing clear policies and procedures.</p> <p>(d) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.</p> <p>(e) It links the present with the future.</p> <p>(f) It provides a link between investment and financing decisions.</p> <p>(g) It serves as a control technique as it makes evaluation of actual performance easier.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each statement</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>1 + 2</p> <p>=</p> <p>3 marks</p>
13	12	10	<p>Q. Hemant, Guddu and Toshita were friends from college days and presently they were doing different kinds of business. They regularly meet and discuss their business ideas, and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns, etc. In one of such meetings, Hemant drew the attention of Guddu and Toshita towards the exploitation of consumers. He told that most of the seller were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas he was not doing so. Guddu told that they were under pressure to satisfy the consumers but stated that the</p>	

		<p>consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.</p> <p>Toshita stressed that a company cannot achieve its objectives without satisfying the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind, because business is run by the resources made available by the society. She further stated that she herself was taking into consideration the needs of the customers. Identify the various types of thinking that guided Hemant , Guddu and Toshita in the marketing efforts of their business. Also, state one more feature each of the various types of thinking identified that is not given in the above paragraph.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p>Hemant Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p> <p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p> <p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to <u>earn profits through customer satisfaction and social welfare.</u></p> <p>(iv) The marketing efforts <u>start from the identification of needs of the target market and the society.</u></p> <p>Guddu Selling concept</p> <p><u>Feature of Selling concept: (Any one)</u></p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like <u>advertising, personal selling and sales promotion</u> to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products.</u></p>	<p>$\frac{1}{2}$ mark for identifying each type of thinking = $\frac{1}{2} \times 3$ = 1 $\frac{1}{2}$ marks</p> <p>+ $\frac{1}{2}$ mark for each feature = $\frac{1}{2} \times 3$ = 1 $\frac{1}{2}$ marks</p> <p>= 1 $\frac{1}{2}$ + 1 $\frac{1}{2}$ = 3 marks</p>
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			<p>(iii) Its objective is to earn <u>profits through increased volume of sales.</u></p> <p>(iv) The marketing efforts <u>start</u> after the product is produced in the <u>factory.</u></p> <p>Toshita Marketing concept</p> <p><u>Feature of Marketing concept: (Any one)</u></p> <p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts <u>start from the</u> identification of needs of the target <u>market.</u></p>	
14	15	15	<p>Q. Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing referigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.</p> <p>(a) Identify the level at which Rishitosh Mukerjee was working.</p> <p>(b) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.</p> <p>Ans. Middle level</p> <p><u>Functions required to be performed by Rishitosh Mukerjee: (Any three)</u></p> <ol style="list-style-type: none"> 1. To interpret the policies framed by the top management. 2. To ensure that their department has the necessary personnel. 3. To assign necessary duties and responsibilities to the employees of their respective departments for 	<p>1 mark for identification of correct level</p> <p>+</p> <p>1 mark for each function</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>

			<p>implementation of the plan.</p> <p>4. To motivate employees of their respective departments to achieve the desired objectives.</p> <p>5. To co-operate with other departments for smooth functioning of the organisation.</p> <p style="text-align: center;">(Or any other correct function)</p>	<p style="text-align: center;">=</p> <p style="text-align: center;">1+3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">4 marks</p>
15	14	16	<p>Q. Sanket, after completing his entrepreneurship course from U.S.A . returned to India and started a coffee shop ‘Fioma Coffee’ in a famous mall in Mumbai. The specialty of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanket was keen to find out the reason. He appointed Riya , an MBA from a reputed management institute as a manager to find out the causes of the business not doing well. Riya, took a feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions which could be eliminated. She fixed a standard time for processing the order. She also realized that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours .As a result, within a short period Riya was able to attract the customers.</p> <p>Identify and explain any two techniques of scientific management used by Riya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Riya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to determine the standard time taken by a worker of reasonable skill and 	<p style="text-align: center;">½ mark for identification</p> <p style="text-align: center;">+</p> <p style="text-align: center;">1½ marks for the explanation</p> <p style="text-align: center;">=</p> <p style="text-align: center;">½ + 1 ½</p> <p style="text-align: center;">=</p>

			<p>efficiency to perform a well-defined job.</p> <ul style="list-style-type: none"> It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs. <p>(ii) <u>Simplification of Work</u></p> <ul style="list-style-type: none"> Meaning: It is a technique to eliminate <u>superfluous</u> varieties, sizes and dimensions of products. It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. <p>(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification of Work’, full credit be given)</p>	<p>2 marks</p> <p>=</p> <p>2 + 2</p> <p>=</p> <p>4 marks</p>
16	-	-	<p>Q. Give the meaning of ‘Strategy’ and ‘Rule’ as types of plans.</p> <p>Ans. <u>Strategy</u></p> <p>A strategy is a comprehensive plan for accomplishing an organisation’s objectives taking business environment into consideration. It provides broad contours of an organisation’s business and refers to future decisions defining the organisation’s direction and scope in the long run.</p> <p><u>Rule</u></p> <p>A rule is a statement that specifies what is to be done or not to be done. It is a guide to behaviour. A rule does not allow for any flexibility or discretion and prescribes a penalty for violation.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
17	19	19	<p>Q. Explain briefly ‘Casual Callers’ and ‘Labour Contractors’ as external sources of recruitment.</p> <p>Ans. Casual callers</p> <ul style="list-style-type: none"> It is an external source of recruitment in which a list of job seekers is prepared and screened to fill the vacancies as they arise, from the database of <u>unsolicited applications kept in the office.</u> It reduces the cost of recruitment. 	<p>2 marks</p> <p>+</p> <p>2 marks</p>

			<p>Labour Contractors</p> <ul style="list-style-type: none"> • It is an external source of recruitment in which a Labour Contractor maintains close contacts with labourers and provides the required number of unskilled workers at short notice. • Labour contractors who recruit the workers are employees of the organisation who recruit the workers. 	<p style="text-align: center;">=</p> <p style="text-align: center;">4 marks</p>									
18	17	17	<p>Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this , there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p> <p>(a) Name the function being performed by the market in the above case.</p> <p>(b) Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded.</p> <p>Also, give any three points of difference between the two.</p> <p>Ans. (a) Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p> <p>(b) Money market</p> <p><u>Difference between Capital Market and Money Market:</u> (Any three)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Money Market</th> <th style="width: 40%;">Capital Market</th> </tr> </thead> <tbody> <tr> <td>(i) Participants</td> <td>The participants are RBI, financial institutions, banks, corporates,</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> </tr> <tr> <td>(ii) Instruments</td> <td>Instruments traded are treasury bill,</td> <td>Instruments traded are shares,</td> </tr> </tbody> </table>	Basis	Money Market	Capital Market	(i) Participants	The participants are RBI, financial institutions, banks, corporates,	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	(ii) Instruments	Instruments traded are treasury bill,	Instruments traded are shares,	<p style="text-align: center;">$\frac{1}{2}$ mark for naming the function</p> <p style="text-align: center;">+</p> <p style="text-align: center;">$\frac{1}{2}$ mark for naming the market segment</p> <p style="text-align: center;">+</p> <p style="text-align: center;">1 mark for each correct difference</p>
Basis	Money Market	Capital Market											
(i) Participants	The participants are RBI, financial institutions, banks, corporates,	The participants are financial institutions, banks, corporates, foreign investors and retail investors.											
(ii) Instruments	Instruments traded are treasury bill,	Instruments traded are shares,											

			commercial paper, certificates of deposit, call money and commercial bill,	debentures and bonds.	1 x 3	
			(iii) Safety	Money market securities are comparatively safer.	Capital market securities are riskier than money market instruments.	
			(iv) Expected return	Money market securities yield comparatively less return.	Generally yield a higher return than money market instruments.	
			(v) Investment outlay	Money market securities have a large investment outlay	Capital market securities have small investment outlay	
			(vi) Duration	Money market deals in short term securities whose period of maturity is upto one year.	Capital market deals in medium term and long term securities with period of maturity of more than one year.	
			(vii) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.	
					3 marks	
					4 marks	
19	18	18	<p>Q. Avdhesh is the Managing Director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The production Manager, Ms. Priyanka was efficiently handling the processing of orders and had a team of ten motivated employees working under her. Everything was going on well. Unfortunately, Priyanka met with an accident. Avdhesh knew that in the absence of Priyanka, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as</p>			

		<p>a team because the behaviour of Avdhesh was positive towards the employees of the organisation. Everyone put in extra time and efforts and the targets were met on time. Not only this, Avdhesh visited Priyanka and advised her to take adequate rest.</p> <p>(a) Identify the leadership style of Avdhesh and draw a diagram depicting the style. (b) Also, identify any two values highlighted by the behaviour of Avdhesh.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p> <div style="text-align: center;"> </div> <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Avdhesh are: (i) Teamwork/ Team spirit (ii) Good behaviour in human interaction</p> <p style="text-align: center;">(or any other correct value)</p>	<p>1 mark for identification</p> <p style="text-align: center;">+</p> <p>1 mark for the diagram</p> <p style="text-align: center;">+</p> <p>1 mark for each value = 1 x 2 = 2 marks = (1+1+2) = 4 marks</p>
20	21	20	<p>Q. Nandrachal Networks and Technologies Ltd. is a leader in technology innovation in U.S.A. creating products and solutions for a connected world. It has a large Research and development team which invented the first smart watch W-I, which besides showing the time would also monitor few health parameters like heart beat, blood pressure, etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take</p>

		<p>advantage of the fact that licensing requirements had been abolished. The company was also aware that there had been increased level of interaction and interdependence among the various nations of the world and India could be made a base for its international trade. It set up its office in Gujarat with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefitting the customers.</p> <p>(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain those concepts.</p> <p>(b) Also, explain briefly any three impacts of those concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) Impact of these concepts on Indian business and industry: (Any three)</p> <p>(i) Increasing competition (ii) More demanding customers (iii) Rapidly changing technological environment (iv) Necessity for change (v) Need for developing human resources. (vi) Market orientation (vii) Loss of budgetary support to the public sector.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+ (½ mark for the heading + ½ mark for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>
21	-	-	<p>Q. State any five points that highlight the importance of controlling.</p>

			<p>Ans. <u>Importance of controlling (any five):</u></p> <p>(a) <u>Accomplishing organisational goals</u> It helps in accomplishing organisational goals by bringing to light, deviations if any and indicating corrective action.</p> <p>(b) <u>Making efficient use of resources</u> It helps in making efficient use of resources by ensuring that each activity is performed in accordance with pre-determined standards.</p> <p>(c) <u>Ensuring order and discipline</u> It ensures order and discipline among employees by keeping a close check on their activities.</p> <p>(d) <u>Improving employee motivation</u> It improves employee motivation as the employees' know well in advance the standards of performance on the basis of which they will be appraised.</p> <p>(e) <u>Judging accuracy of standards</u> It helps in judging accuracy of standards in the light of changes taking place in the organisation and in the environment.</p> <p>(f) <u>Facilitating coordination in action</u> It facilitates coordination in action as each employee and department is governed by pre-determined standards which are well coordinated with one another.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>
22	20	21	<p>Q. 'RO Youth Club' organised a visit of its members to an Old Age Home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the Old Age Home were not hygienic. So, the RO Youth Club members decided to clean the premises. During their cleanliness drive, they realised that the Old Age Home also required pest control. But some of the</p>	

		<p>inmates of the Old Age Home were reluctant for it because they believed that the pest control may create health problems for them. RO Youth Club, therefore, decided to provide ethical, safe and odourless pest control. They showed to the inmates of the Old Age Home a pamphlet of the proposed pest control product which promised easy, inexpensive and long-lasting pest control. The inmates happily agreed and the pest control was carried out. The effect of the pest control started wearing off after a fortnight. RO Youth Club contacted the pest control company which kept on postponing their visit. After waiting for a month, RO Youth Club filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p> <p>(a) State any six directions that might have been issued by the court.</p> <p>(b) Identify any two values that are being communicated by RO Youth Club to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six)</p> <p>(i) To <u>remove the deficiency in service.</u></p> <p>(ii) To <u>refund the price paid for the service provided.</u></p> <p>(iii) To <u>pay a reasonable amount of compensation for any loss suffered by the inmates of old age home.</u></p> <p>(iv) To <u>pay punitive damages.</u></p> <p>(v) To <u>discontinue the unfair/ restrictive trade practice and not to repeat the same in future.</u></p> <p>(vi) To <u>pay any amount (not less than 5% of the value of the service provided) to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner.</u></p> <p>(vii) To <u>issue corrective advertisement to neutralize the effect of misleading pamphlet.</u></p> <p>(xii) To <u>pay adequate costs to RO Youth Club</u></p> <p>(b) <u>Values that are being communicated by RO Youth Club to the society are: (Any two)</u></p> <p>(i) Sensitivity towards the environment.</p> <p>(ii) Respect for the elderly.</p> <p>(iii) Cleanliness and hygiene.</p> <p>(iv) Concern for health of people.</p>	<p>(½ mark for each correct direction = ½ x 6 = 3 marks)</p> <p>+ (1 mark for each value = 1 x 2 = 2 marks)</p> <p>= 3+2 = 5 marks</p>
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			(or any other correct value)	
23	24	25	<p>Q. Anoop Gaur started ‘Cat’s Eye’, a company for providing cyber security solutions to businesses. Its objective to prevent, detect, respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the work by himself. Therefore he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Aarav and Pranshi were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Anoop Gaur was thus, able to focus on the objectives and with the help of Aarav and Pranshi, the project was completed on time. Not only this, Anoop Gaur was also able to extend his area of operations. On the other hand, Aarav and Pranshi also got opportunities to develop and exercise initiative.</p> <p>(a) Identify and explain briefly the concept used by Anoop Gaur in the above case which helped him in focussing on the objectives.</p> <p>(b) Also, explain any four points of importance of the concept identified in part (a).</p> <p>Ans. <u>Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p>(or any other relevant explanation)</p> <p><u>Importance of delegation: (Any four)</u></p> <p>(i) Effective management.</p> <p>(ii) Employee development.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the explanation</p> <p>+</p> <p>½ mark for each heading</p> <p>+</p> <p>½ mark for explanation</p> <p>=</p> <p>1 x 4</p>

			<p>(iii) Motivation of employees. (iv) Growth facilitation. (v) Better co-ordination. (vi) Creation of management hierarchy.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>= 4 marks = 1+1+4 = 6 marks</p>
24	-	-	<p>Q. Explain briefly any four factors that affect the working capital requirements of a company.</p> <p>Ans. <u>Factors affecting requirements of working capital (any four):</u></p> <ol style="list-style-type: none"> 1. Nature of Business 2. Scale of Operations 3. Business Cycle 4. Seasonal Factors 5. Production Cycle 6. Credit Allowed 7. Credit Availed 8. Operating Efficiency 9. Availability of Raw Material 10. Growth Prospects 11. Level of Competition 12. Inflation <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>$\frac{1}{2}$ mark for heading + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6marks</p>
25	23	24	<p>Q. Medi Instruments Ltd. is a company dealing in the distribution of medical instruments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.</p> <p>In the meeting, Sanjay, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally to explain its working to the hospital staff we would be using the machines. He also suggested that additional trained people may be recruited for the same. Hitesh, another Zonal Head, added that since</p>	

		<p>lot of money had been spent on the import of the machines, the company was short of funds to pay the additional staff, as suggested by Sanjay. Revansh, a newly appointed Zonal Head of South Zone, suggested that since the size of the order was not large, a detailed study of the factors determining the choice of channels of distribution was required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other considerations to be taken care of in each factor identified in part (a).</p> <p><u>Ans. (a) Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors</p> <p>(ii) Company characteristics</p> <p>(iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p>1 mark for each correct identification = 1 x 3 = 3marks</p> <p>+ ½ mark for naming other consideration + ½ mark for its explanation = 1+1+1 = 3 marks = 3 +3 = 6 marks</p>
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SET2

			MARKING SCHEME – 2016-17 BUSINESS STUDIES OUTSIDE DELHI – 66/2 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1	66/2	66/3		
6	1	4	<p>Q. What is meant by ‘Capital Structure’?</p> <p>Ans. The capital structure means the <u>proportion of debt and equity</u> used for financing the operations of a business.</p> <p style="text-align: center;">or</p> <p>It refers to the mix between owner’s funds and borrowed funds.</p>	1 mark
3	2	1	<p>Q. Why is ‘Aptitude Test’ conducted in the process of selection?</p> <p>Ans. Aptitude test is conducted to measure an individual’s potential for learning new skills.</p>	1 mark
8	3	5	<p>Q. Mansi took her niece, Ridhima, for shopping to ‘Mega Stores’ to buy her a bag for her birthday. She was delighted when on payment of the bag she got a pencil box along with the bag free of cost. Identify the technique of sales promotion used by the company.</p> <p>Ans. Product Combination.</p>	1 mark
7	4	6	<p>Q. Sika Ltd., a reputed industrial machines manufacturer, needs Rupees twenty crores as additional capital to expand the business. Mr. Amit Joshi, the chief Executive officer (CEO) of the company wants to raise funds through equity. The finance Manager, Mr. Narender Singh, suggested that the shares may be sold to investing public through intermediaries, as the same will be less expensive. Name the method through which the company decided to raise additional capital.</p> <p>Ans. Offer for Sale.</p>	1 mark
2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organization on the basis of ‘flow of communication’.</p>	

			<p>Ans. In a formal organisation, communication takes place through the scalar chain while in an informal organisation flow of communication is not through a planned route. It can take place in any direction.</p>	1 mark
1	6	3	<p>Q. Give the meaning of ‘supervision’ as an element of directing.</p> <p>Ans. Supervision means <u>overseeing</u> the employees at work to ensure optimum utilization of resources and achievements of work targets.</p> <p style="text-align: center;">OR</p> <p>Supervision means instructing, observing monitoring and guiding the efforts of the subordinates for the achievement of work targets in the desired manner.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
4	7	8	<p>Q. Bhagwati Enterprises is a company engaged in the marketing of air-conditioners of a famous brand. The company has a functional structure with the four main functions- Purchase, Sales, Finance and Staffing. As the demand for the product grew, the company decided to recruit more employees. Identify the concept which will help the Human resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department.</p> <p>Ans. Workforce analysis.</p>	1 mark
5	8	2	<p>Q. Isha Machines was a renowned name for quality sewing machines since 1960. Mr Suresh, the owner of Isha Machines was worried as the production had declined during the last three months. He directed the production Manager to find out the reason. The production Manager ordered the different supervisors to prepare a performance report of the workers working under them. Identify the step taken by the production Manager that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark

-	9	-	<p>Q. Explain briefly ‘Initiative’ and ‘Esprit de Corps’, as principles of general management.</p> <p>Ans. Initiative</p> <ul style="list-style-type: none"> ▪ It states that the workers should be encouraged to develop and carry out their plans for improvement in the organisation. ▪ It does not mean going against the established practices of the company for the sake of being different. <p>Esprit de Corps</p> <ul style="list-style-type: none"> ▪ It states that management should promote a <u>team spirit</u> of unity and harmony among employees to realise organisational objectives. The manager should replace ‘I’ with ‘We’ to foster team spirit. ▪ This will give rise to a spirit of mutual trust and belongingness among team members. It will also minimise the need for using penalties. 	<p>1½ marks</p> <p>+</p> <p>1½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
-	10	-	<p>Q. State any three points of importance of planning.</p> <p>Ans. Importance of planning (any three):</p> <p>(i) <u>Provides directions</u> Planning provides directions by deciding in advance what action should be taken.</p> <p>(ii) <u>Reduces the risks of uncertainty</u> Planning reduces the risks of uncertainty by anticipating changes and developing managerial responses to them.</p> <p>(iii) <u>Reduces overlapping and wasteful activities</u> Planning reduces overlapping and wasteful activities by coordinating the activities of different divisions.</p> <p>(iv) <u>Promotes innovative ideas</u> Planning promotes innovative ideas requiring application of mind and foresight.</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>

			<p>(v) <u>Facilitates decision making</u> Planning facilitates decision making by making a choice from among the alternative courses of action.</p> <p>(vi) <u>Establishes standards for controlling</u> Planning establishes standards against which actual performance is measured.</p> <p>(If an examinee has not written the headings, no mark should be deducted.)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded.)</p>	
-	11	-	<p>Q. Explain briefly any three organisational barriers to communication.</p> <p>Ans. <u>Organisational barriers:</u> (Any three)</p> <p>(i) Organisational policy. (ii) Rules and regulations. (iii) Status. (iv) Complexity in organisational structure. (v) Organisational facilities.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for the heading + ½ mark for explanation = 1 x 3 = 3 marks</p>
13	12	10	<p>Q. Hemant, Guddu and Toshita were friends from college days and presently they were doing different kinds of business. They regularly meet and discuss their business ideas, and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns, etc. In one of such meetings, Hemant drew the attention of Guddu and Toshita towards the exploitation of consumers. He told that most of the seller were exploiting the consumers in various ways and were not paying attention towards the social , ethical and ecological aspects of marketing ,whereas he was not doing so. Guddu told that they were under pressure to satisfy the consumers but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for</p>	

		<p>the same.</p> <p>Toshita stressed that a company cannot achieve its objectives without satisfying the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind, because business is run by the resources made available by the society. She further stated that she herself was taking into consideration the needs of the customers. Identify the various types of thinking that guided Hemant , Guddu and Toshita in the marketing efforts of their business. Also, state one more feature each of the various types of thinking identified that is not given in the above paragraph.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p>Hemant Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p> <p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p> <p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to earn <u>profits through customer satisfaction and social welfare.</u></p> <p>(iv) The marketing efforts <u>start from the identification of needs of the target market and the society.</u></p> <p>Guddu Selling concept</p> <p><u>Feature of Selling concept: (Any one)</u></p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like <u>advertising, personal selling and sales promotion</u> to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products.</u></p> <p>(iii) Its objective is to earn <u>profits through increased volume of sales.</u></p>	<p>½ mark for identifying each type of thinking</p> <p>=</p> <p>$\frac{1}{2} \times 3$</p> <p>=</p> <p>1 ½ marks</p> <p>+</p> <p>½ mark for each feature</p> <p>=</p> <p>$\frac{1}{2} \times 3$</p> <p>=</p> <p>1 ½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
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			<p>(iv) The marketing efforts <u>start</u> after the product is produced in the <u>factory</u>.</p> <p>Toshita Marketing concept</p> <p><u>Feature of Marketing concept: (Any one)</u></p> <p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts <u>start from the</u> identification of needs of the target <u>market</u>.</p>	
12	13	9	<p>Q. Ramanath Ltd.is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikrant Dhull, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Therefore, Mr.Vikrant Dhull began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources. Identify the financial concept discussed in the above paragraph. Also state any two points of importance of the financial concept, so identified.</p> <p>Ans. <u>Financial Planning</u></p> <p><u>Importance of Financial planning (any two):</u> (a) It helps the company to prepare for the future by</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for each statement</p>

			<p>forecasting what may happen in the future under different business situations.</p> <p>(b) It helps in avoiding business shocks and surprises.</p> <p>(c) It helps in co-ordinating various business functions by providing clear policies and procedures.</p> <p>(d) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.</p> <p>(e) It links the present with the future.</p> <p>(f) It provides a link between investment and financing decisions.</p> <p>(g) It serves as a control technique as it makes evaluation of actual performance easier.</p>	<p>1 x 2 = 2 marks</p> <p>= 1 + 2 = 3 marks</p>
15	14	16	<p>Q. Sanket, after completing his entrepreneurship course from U.S.A . returned to India and started a coffee shop ‘Fioma Coffee’ in a famous mall in Mumbai. The specialty of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanket was keen to find out the reason. He appointed Riya , an MBA from a reputed management institute as a manager to find out the causes of the business not doing well. Riya, took a feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions which could be eliminated. She fixed a standard time for processing the order. She also realized that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours .As a result, within a short period Riya was able to attract the customers.</p> <p>Identify and explain any two techniques of scientific management used by Riya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Riya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful 	<p>½ mark for identification</p> <p>+</p> <p>1½ marks for the</p>

			<p>movements so that it takes less time to complete a job efficiently.</p> <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to determine the standard time taken by a worker of reasonable skill and efficiency to perform a well-defined job. ▪ It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs. <p>(ii) <u>Simplification of Work</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to eliminate <u>superfluous</u> varieties, sizes and dimensions of products. ▪ It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. <p>(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification of Work’, full credit be given)</p>	<p>explanation</p> <p>=</p> <p>$\frac{1}{2} + 1 \frac{1}{2}$</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>$2 + 2$</p> <p>=</p> <p>4 marks</p>
14	15	15	<p>Q. Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing referigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.</p> <p>(a) Identify the level at which Rishitosh Mukerjee was working.</p> <p>(b) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.</p> <p>Ans. Middle level</p> <p><u>Functions required to be performed by Rishitosh Mukerjee: (Any three)</u></p> <ol style="list-style-type: none"> 1. To interpret the policies framed by the top management. 2. To ensure that their department has the necessary personnel. 3. To assign necessary duties and responsibilities to the 	<p>1 mark for identification of correct level</p> <p>+ 1 mark for each function</p> <p>=</p> <p>1x 3</p> <p>=</p>

			<p>employees of their respective departments for implementation of the plan.</p> <p>4. To motivate employees of their respective departments to achieve the desired objectives.</p> <p>5. To co-operate with other departments for smooth functioning of the organisation.</p> <p style="text-align: center;">(Or any other correct function)</p>	<p>3 marks</p> <p>=</p> <p>1+3</p> <p>=</p> <p>4 marks</p>
-	16	-	<p>Q. Give the meaning of ‘policy’ and ‘Budget’ as types of plans.</p> <p>Ans. Policy</p> <p>Policy is a general guideline that guides thinking or channelises energies towards a particular direction. It defines the broad parameters within which a manager may function. It brings uniformity in decision making and action for interpretation of strategy.</p> <p>Budget</p> <p>A budget is a statement of expected results for a given future period expressed in numerical terms from where deviations can be taken care of. It is a fundamental planning instrument as making a budget involves forecasting.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
18	17	17	<p>Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this , there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p> <p>(a) Name the function being performed by the market in the above case.</p> <p>(b) Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded.</p> <p>Also, give any three points of difference between the two.</p> <p>Ans. (a) Mobilisation of savings and channeling them</p>	<p>½ mark for naming the function</p>

		<p>into the most productive uses/ Allocative function.</p> <p>(b) Money market</p> <p><u>Difference between Capital Market and Money Market:</u> (Any three)</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Money Market</th> <th>Capital Market</th> </tr> </thead> <tbody> <tr> <td>(i) Participants</td> <td>The participants are RBI, financial institutions, banks, corporates,</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> </tr> <tr> <td>(ii) Instruments</td> <td>Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,</td> <td>Instruments traded are shares, debentures and bonds.</td> </tr> <tr> <td>(iii) Safety</td> <td>Money market securities are comparatively safer.</td> <td>Capital market securities are riskier than money market instruments.</td> </tr> <tr> <td>(iv) Expected return</td> <td>Money market securities yield comparatively less return.</td> <td>Generally yield a higher return than money market instruments.</td> </tr> <tr> <td>(v) Investment outlay</td> <td>Money market securities have a large investment outlay</td> <td>Capital market securities have small investment outlay</td> </tr> <tr> <td>(vi) Duration</td> <td>Money market deals in short term securities whose period of maturity is upto one year.</td> <td>Capital market deals in medium term and long term securities with period of maturity of more than one year.</td> </tr> <tr> <td>(vii) Liquidity</td> <td>Money market securities are comparatively more liquid.</td> <td>Capital market securities are comparatively less liquid.</td> </tr> </tbody> </table>	Basis	Money Market	Capital Market	(i) Participants	The participants are RBI, financial institutions, banks, corporates,	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	(ii) Instruments	Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,	Instruments traded are shares, debentures and bonds.	(iii) Safety	Money market securities are comparatively safer.	Capital market securities are riskier than money market instruments.	(iv) Expected return	Money market securities yield comparatively less return.	Generally yield a higher return than money market instruments.	(v) Investment outlay	Money market securities have a large investment outlay	Capital market securities have small investment outlay	(vi) Duration	Money market deals in short term securities whose period of maturity is upto one year.	Capital market deals in medium term and long term securities with period of maturity of more than one year.	(vii) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.	<p>+ ½ mark for naming the market segment</p> <p>+ 1 mark for each correct difference</p> <p>1 x 3 =</p> <p>3 marks =</p> <p>½ + ½ + 3 =</p> <p>4 marks</p>
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(vi) Duration	Money market deals in short term securities whose period of maturity is upto one year.	Capital market deals in medium term and long term securities with period of maturity of more than one year.																									
(vii) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.																									

19	18	18	<p>Q. Avdhesh is the Managing Director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The production Manager, Ms. Priyanka was efficiently handling the processing of orders and had a team of ten motivated employees working under her. Everything was going on well. Unfortunately, Priyanka met with an accident. Avdhesh knew that in the absence of Priyanka, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Avdhesh was positive towards the employees of the organisation. Everyone put in extra time and efforts and the targets were met on time. Not only this, Avdhesh visited Priyanka and advised her to take adequate rest.</p> <p>(a) Identify the leadership style of Avdhesh and draw a diagram depicting the style.</p> <p>(b) Also, identify any two values highlighted by the behaviour of Avdhesh.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p> <div data-bbox="573 1333 974 1663" data-label="Diagram"> </div> <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Avdhesh are:</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the diagram</p> <p>+</p> <p>1 mark for each value</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>(1+1+2)</p> <p>=</p>
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			(i) Teamwork/ Team spirit (ii) Good behaviour in human interaction (or any other correct value)	4 marks
17	19	19	Q. Explain briefly ‘Casual Callers’ and ‘Labour Contractors’ as external sources of recruitment. Ans. Casual callers <ul style="list-style-type: none"> • It is an external source of recruitment in which a list of job seekers is prepared and screened to fill the vacancies as they arise, from the database of <u>unsolicited applications kept in the office.</u> • It reduces the cost of recruitment. Labour Contractors <ul style="list-style-type: none"> • It is an external source of recruitment in which a Labour Contractor maintains close contacts with labourers and provides the required number of unskilled workers at short notice. • Labour contractors who recruit the workers are employees of the organisation who recruit the workers. 	2 marks + 2 marks = 4 marks
22	20	21	Q. ‘RO Youth Club’ organised a visit of its members to an Old Age Home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the Old Age Home were not hygienic. So, the RO Youth Club members decided to clean the premises. During their cleanliness drive, they realised that the Old Age Home also required pest control. But some of the inmates of the Old Age Home were reluctant for it because they believed that the pest control may create health problems for them. RO Youth Club, therefore, decided to provide ethical, safe and odourless pest control. They showed to the inmates of the Old Age Home a pamphlet of the proposed pest control product which promised easy, inexpensive and long-lasting pest control. The inmates happily agreed and the pest control was carried out. The effect of the pest control started wearing off after a fortnight. RO Youth Club contacted the pest control company which kept on postponing their visit. After waiting for a month,	

			<p>RO Youth Club filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p> <p>(a) State any six directions that might have been issued by the court.</p> <p>(b) Identify any two values that are being communicated by RO Youth Club to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six)</p> <p>(i) To <u>remove the deficiency</u> in service.</p> <p>(ii) To <u>refund the price</u> paid for the service provided.</p> <p>(iii) To <u>pay a reasonable amount of compensation</u> for any loss suffered by the inmates of old age home.</p> <p>(iv) To <u>pay punitive damages</u>.</p> <p>(v) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(vi) To <u>pay any amount</u> (not less than 5% of the value of the service provided) to be credited to <u>the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(vii) To <u>issue corrective advertisement</u> to neutralize the effect of misleading pamphlet.</p> <p>(xii) To <u>pay adequate costs</u> to RO Youth Club</p> <p>(b) Values that are being communicated by RO Youth Club to the society are: (Any two)</p> <p>(i) Sensitivity towards the environment.</p> <p>(ii) Respect for the elderly.</p> <p>(iii) Cleanliness and hygiene.</p> <p>(iv) Concern for health of people.</p> <p>(or any other correct value)</p>	<p>(½ mark for each correct direction = ½ x 6 = 3 marks)</p> <p>+</p> <p>(1 mark for each value = 1 x 2 = 2 marks)</p> <p>= 3+2 = 5 marks</p>
20	21	20	<p>Q. Nandrachal Networks and Technologies Ltd. is a leader in technology innovation in U.S.A. creating products and solutions for a connected world. It has a large Research and development team which invented the first smart watch W-I, which besides showing the time would also monitor few health parameters like heart beat, blood pressure, etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take</p>	

		<p>advantage of the fact that licensing requirements had been abolished. The company was also aware that there had been increased level of interaction and interdependence among the various nations of the world and India could be made a base for its international trade. It set up its office in Gujarat with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefitting the customers.</p> <p>(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain those concepts.</p> <p>(b) Also, explain briefly any three impacts of those concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) Impact of these concepts on Indian business and industry: (Any three)</p> <p>(i) Increasing competition (ii) More demanding customers (iii) Rapidly changing technological environment (iv) Necessity for change (v) Need for developing human resources. (vi) Market orientation (vii) Loss of budgetary support to the public sector.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+ (½ mark for the heading + ½ mark for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>	
-	22	-	<p>Q. Describe briefly the steps in the process of controlling.</p>	½ mark for the

			<p>Ans. Steps in the process of controlling:</p> <p>(i) Setting performance standards (ii) Measuring actual performance (iii) Comparing actual performance with standards (iv) Analysing deviations</p> <ul style="list-style-type: none"> • Critical Point Control • Management by Exception <p>(v) Taking corrective action</p> <p>(If an examinee has not written the steps in the correct sequence, ½ mark is to be deducted)</p> <p>(If an examinee has not given the headings as above but has explained/described correctly, no marks may be deducted)</p>	<p>heading + ½ mark for explanation = 1 x 5 = 5 marks</p>
25	23	24	<p>Q. Medi Instruments Ltd. is a company dealing in the distribution of medical instruments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.</p> <p>In the meeting, Sanjay, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally to explain its working to the hospital staff wo would be using the machines. He also suggested that additional trained people may be recruited for the same. Hitesh, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay the additional staff, as suggested by Sanjay.</p> <p>Revansh, a newly appointed Zonal Head of South Zone, suggested that since the size of the order was not large, a detailed study of the factors determining the choice of channels of distribution was required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other considerations to be taken care of in each factor identified in part (a).</p>	<p>1 mark for each correct</p>

			<p>Ans. (a) <u>Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors (ii) Company characteristics (iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p>identification</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3marks</p> <p>+</p> <p>½ mark for naming other consideration</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1+1+1</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>3 +3</p> <p>=</p> <p>6 marks</p>
23	24	25	<p>Q. Anoop Gaur started ‘Cat’s Eye’, a company for providing cyber security solutions to businesses. Its objective to prevent, detect, respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the work by himself. Therefore he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Aarav and Pranshi were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Anoop Gaur was thus, able to focus on the objectives and with the help of Aarav and Pranshi, the project was completed on time. Not only this, Anoop Gaur was also able to extend his area of operations. On the other hand, Aarav and Pranshi also got opportunities to develop and</p>	

		<p>exercise initiative.</p> <p>(a) Identify and explain briefly the concept used by Anoop Gaur in the above case which helped him in focussing on the objectives.</p> <p>(b) Also, explain any four points of importance of the concept identified in part (a).</p> <p>Ans. <u>Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p>(or any other relevant explanation)</p> <p><u>Importance of delegation: (Any four)</u></p> <p>(i) Effective management. (ii) Employee development. (iii) Motivation of employees. (iv) Growth facilitation. (v) Better co-ordination. (vi) Creation of management hierarchy.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the explanation</p> <p>+</p> <p>½ mark for each heading</p> <p>+</p> <p>½ mark for explanation</p> <p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks</p> <p>=</p> <p>1+1+4</p> <p>=</p> <p>6 marks</p>	
-	25	-	<p>Q. Explain briefly any four factors that affect the fixed capital requirements of a company.</p> <p>Ans. <u>Factors affecting fixed capital requirements of a company: (Any four)</u></p> <p>1. Nature of business. 2. Scale of operations. 3. Choice of technique. 4. Growth prospects. 5. Technology upgradation. 6. Diversification. 7. Financing alternatives. 8. Level of collaboration.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for heading</p> <p>+</p> <p>1 mark for explanation</p> <p>1 ½ x 4</p> <p>=</p> <p>6 marks</p>

SET 3

			MARKING SCHEME – 2016-17 BUSINESS STUDIES OUTSIDE DELHI – 66/3 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1	66/2	66/3		
3	2	1	<p>Q. Why is ‘Aptitude Test’ conducted in the process of selection?</p> <p>Ans. Aptitude test is conducted to measure an individual’s potential for learning new skills.</p>	1 mark
5	8	2	<p>Q. Isha Machines was a renowned name for quality sewing machines since 1960. Mr Suresh, the owner of Isha Machines was worried as the production had declined during the last three months. He directed the production Manager to find out the reason. The production Manager ordered the different supervisors to prepare a performance report of the workers working under them. Identify the step taken by the production Manager that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark
1	6	3	<p>Q. Give the meaning of ‘supervision’ as an element of directing.</p> <p>Ans. Supervision means <u>overseeing</u> the employees at work to ensure optimum utilization of resources and achievements of work targets.</p> <p style="text-align: center;">OR</p> <p>Supervision means instructing, observing monitoring and guiding the efforts of the subordinates for the achievement of work targets in the desired manner.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
6	1	4	<p>Q. What is meant by ‘Capital Structure’?</p> <p>Ans. The capital structure means the <u>proportion of debt and equity</u> used for financing the operations of a business.</p> <p style="text-align: center;">or</p> <p>It refers to the mix between owner’s funds and</p>	1 mark

			borrowed funds.	
8	3	5	<p>Q. Mansi took her niece, Ridhima, for shopping to ‘Mega Stores’ to buy her a bag for her birthday. She was delighted when on payment of the bag she got a pencil box along with the bag free of cost. Identify the technique of sales promotion used by the company.</p> <p>Ans. Product Combination.</p>	1 mark
7	4	6	<p>Q. Sika Ltd., a reputed industrial machines manufacturer, needs Rupees twenty crores as additional capital to expand the business. Mr. Amit Joshi, the chief Executive officer (CEO) of the company wants to raise funds through equity. The finance Manager, Mr. Narender Singh, suggested that the shares may be sold to investing public through intermediaries, as the same will be less expensive. Name the method through which the company decided to raise additional capital.</p> <p>Ans. Offer for Sale.</p>	1 mark
2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organization on the basis of ‘flow of communication’.</p> <p>Ans. In a formal organisation, communication takes place through the scalar chain while in an informal organisation flow of communication is not through a planned route. It can take place in any direction.</p>	1 mark
4	7	8	<p>Q. Bhagwati Enterprises is a company engaged in the marketing of air-conditioners of a famous brand. The company has a functional structure with the four main functions- Purchase, Sales, Finance and Staffing. As the demand for the product grew, the company decided to recruit more employees. Identify the concept which will help the Human resource Manager to find out the number and type of personnel available so that he could decide and recruit the required number of persons for each department.</p>	

			Ans. Workforce analysis.	1 mark
12	13	9	<p>Q. Ramanath Ltd. is dealing in import of organic food items in bulk. The company sells the items in smaller quantities in attractive packages. Performance of the company has been up to the expectations in the past. Keeping up with the latest packaging technology, the company decided to upgrade its machinery. For this, the Finance Manager of the company, Mr. Vikrant Dhull, estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis.</p> <p>Therefore, Mr. Vikrant Dhull began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources. For the remaining funds he is trying to find out alternative sources. Identify the financial concept discussed in the above paragraph. Also state any two points of importance of the financial concept, so identified.</p> <p>Ans. <u>Financial Planning</u></p> <p><u>Importance of Financial planning (any two):</u></p> <p>(a) It helps the company to prepare for the future by forecasting what may happen in the future under different business situations.</p> <p>(b) It helps in avoiding business shocks and surprises.</p> <p>(c) It helps in co-ordinating various business functions by providing clear policies and procedures.</p> <p>(d) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.</p> <p>(e) It links the present with the future.</p> <p>(f) It provides a link between investment and financing decisions.</p> <p>(g) It serves as a control technique as it makes evaluation of actual performance easier.</p>	<p>1 mark for identification</p> <p>+ 1 mark for each statement 1 x 2 = 2 marks</p> <p>= 1 + 2 = 3 marks</p>
13	12	10	<p>Q. Hemant, Guddu and Toshita were friends from college days and presently they were doing different kinds of business. They regularly meet and discuss</p>	

		<p>their business ideas, and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns, etc. In one of such meetings, Hemant drew the attention of Guddu and Toshita towards the exploitation of consumers. He told that most of the seller were exploiting the consumers in various ways and were not paying attention towards the social , ethical and ecological aspects of marketing ,whereas he was not doing so. Guddu told that they were under pressure to satisfy the consumers but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.</p> <p>Toshita stressed that a company cannot achieve its objectives without satisfying the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind, because business is run by the resources made available by the society. She further stated that she herself was taking into consideration the needs of the customers. Identify the various types of thinking that guided Hemant , Guddu and Toshita in the marketing efforts of their business. Also, state one more feature each of the various types of thinking identified that is not given in the above paragraph.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p>Hemant Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p> <p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p> <p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to earn <u>profits through customer satisfaction and social welfare.</u></p> <p>(iv) The marketing efforts <u>start from the identification of needs of the target market and the society.</u></p>	<p>½ mark for identifying each type of thinking</p> <p>=</p> <p>$\frac{1}{2} \times 3$</p> <p>=</p> <p>1 ½ marks</p> <p>+</p> <p>½ mark for each</p>
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			<p>Guddu Selling concept</p> <p><u>Feature of Selling concept: (Any one)</u></p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like advertising, personal selling and sales promotion to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products</u>.</p> <p>(iii) Its objective is to earn <u>profits through increased volume of sales</u>.</p> <p>(iv) The marketing efforts <u>start</u> after the product is produced in the <u>factory</u>.</p> <p>Toshita Marketing concept</p> <p><u>Feature of Marketing concept: (Any one)</u></p> <p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts <u>start from the</u> identification of needs of the target <u>market</u>.</p>	<p>feature = $\frac{1}{2} \times 3$ = 1 ½ marks = $1 \frac{1}{2} + 1 \frac{1}{2}$ = 3 marks</p>
-	-	11	<p>Q. Explain briefly ‘Remuneration of Employees’ and ‘Scalar Chain’ as principles of general management.</p> <p>Ans. <u>Remuneration of employees</u></p> <ul style="list-style-type: none"> ▪ It states that the remuneration of employees should be just and equitable. ▪ Employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time it should be within the paying capacity of the company. 	<p>1½ marks</p> <p style="text-align: right;">+</p>

			<p><u>Scalar Chain:</u></p> <ul style="list-style-type: none"> It refers to chain of authority and communication that runs from top to bottom and should be followed by the managers and the subordinates. For example- There is one head A who has two lines of authority under him, B-C-D and L-M-N. If C has to communicate with M who is at the same level of authority, then he has to transverse the route D-C-B-A-L-M-N due to the principle of scalar chain. However, if there is an emergency, then C can directly contact M through gang plank. <div style="text-align: center;"> <pre> graph TD A --- B A --- L B --- C L --- M C --- D M --- N C -.- M style C stroke-dasharray: 5 5 style M stroke-dasharray: 5 5 </pre> <p>SCALAR CHAIN</p> </div>	<p>1½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
-	-	12	<p>Q. State any three limitations of planning.</p> <p>Ans. <u>Limitations of planning:</u> (Any three)</p> <p>(i) <u>Leads to rigidity</u> Planning leads to rigidity because once a well defined plan is drawn, the managers may not be in a position to change it with the changed circumstances.</p> <p>(ii) <u>May not work in a dynamic environment</u> Planning may not work in a dynamic environment as the environment in which a business operates keeps on changing and planning may not foresee everything.</p> <p>(iii) <u>Reduces creativity</u> Planning reduces creativity as middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own.</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p>

			<p>(iv) <u>Involves huge costs</u> Huge costs are involved in formulating the plans and sometimes costs incurred may not justify the benefit derived from the plan.</p> <p>(v) <u>Time consuming process</u> Planning is time consuming as checking accuracy of facts may involve lot of time and sometimes not much time is left for its implementation.</p> <p>(vi) <u>Does not guarantee success</u> Planning does not guarantee success as managers have a tendency to rely on previously tried and tested successful plans which may create a false sense of security and lead to failure.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>=</p> <p>3 marks</p>
-	-	13	<p>Q. Explain briefly any three personal barriers to communication.</p> <p><u>Ans. Personal barriers to effective communication are:</u> (Any three)</p> <p>(i) Fear of challenge to authority. (ii) Lack of confidence of superior on his subordinates. (iii) Unwillingness to communicate. (iv) Lack of proper incentives.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for the heading + 1/2 mark for explanation = 1 x3 = 3 marks</p>
-	-	14	<p>Q. Give the meaning of ‘Objectives’ and ‘Procedure’ as types of plans.</p> <p><u>Ans. Objectives</u> Objectives are the end points which are numerically expressed, that the management seeks to achieve within a given time period. These are set by the top management and focus on broad general issues. They</p>	<p>2 marks</p> <p>+</p>

			<p>serve as a guide for overall business planning.</p> <p><u>Procedure</u></p> <p>It consists of sequence of routine steps performed in a chronological order to carry out activities within a broad policy framework. It details the exact manner in which any work is to be performed.</p>	<p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
14	15	15	<p>Q. Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing referigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.</p> <p>(a) Identify the level at which Rishitosh Mukerjee was working.</p> <p>(b) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.</p> <p>Ans. Middle level</p> <p><u>Functions required to be performed by Rishitosh Mukerjee: (Any three)</u></p> <ol style="list-style-type: none"> 1. To interpret the policies framed by the top management. 2. To ensure that their department has the necessary personnel. 3. To assign necessary duties and responsibilities to the employees of their respective departments for implementation of the plan. 4. To motivate employees of their respective departments to achieve the desired objectives. 5. To co-operate with other departments for smooth functioning of the organisation. <p>(Or any other correct function)</p>	<p>1 mark for identification of correct level</p> <p>+</p> <p>1 mark for each function</p> <p>=</p> <p>1x 3</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>1+3</p> <p>=</p> <p>4 marks</p>
15	14	16	<p>Q. Sanket, after completing his entrepreneurship course from U.S.A. returned to India and started a coffee shop ‘Fioma Coffee’ in a famous mall in Mumbai. The specialty of the coffee shop was the</p>	

		<p>special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanket was keen to find out the reason. He appointed Riya, an MBA from a reputed management institute as a manager to find out the causes of the business not doing well. Riya, took a feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions which could be eliminated. She fixed a standard time for processing the order. She also realized that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours. As a result, within a short period Riya was able to attract the customers.</p> <p>Identify and explain any two techniques of scientific management used by Riya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Riya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to determine the standard time taken by a worker of reasonable skill and efficiency to perform a well-defined job. ▪ It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs. <p>(ii) <u>Simplification of Work</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to eliminate <u>superfluous</u> varieties, sizes and dimensions of products. ▪ It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. 	<p>½ mark for identification</p> <p>+</p> <p>1½ marks for the explanation</p> <p>=</p> <p>½ + 1 ½</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2 + 2</p> <p>=</p> <p>4 marks</p>
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			(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification of Work’, full credit be given)													
18	17	17	<p>Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed the most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this , there is another market in which unsecured and short-term debt instruments are actively traded every day. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p> <p>(a) Name the function being performed by the market in the above case.</p> <p>(b) Name the market segment other than the capital market segment in which unsecured and short-term debt instruments are traded.</p> <p>Also, give any three points of difference between the two.</p> <p>Ans. (a) Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p> <p>(b) Money market</p> <p><u>Difference between Capital Market and Money Market:</u> (Any three)</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Money Market</th> <th>Capital Market</th> </tr> </thead> <tbody> <tr> <td>(i) Participants</td> <td>The participants are RBI, financial institutions, banks, corporates,</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> </tr> <tr> <td>(ii) Instruments</td> <td>Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,</td> <td>Instruments traded are shares, debentures and bonds.</td> </tr> <tr> <td>(iii) Safety</td> <td>Money market securities are</td> <td>Capital market securities are</td> </tr> </tbody> </table>	Basis	Money Market	Capital Market	(i) Participants	The participants are RBI, financial institutions, banks, corporates,	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	(ii) Instruments	Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,	Instruments traded are shares, debentures and bonds.	(iii) Safety	Money market securities are	Capital market securities are	<p>$\frac{1}{2}$ mark for naming the function</p> <p>+</p> <p>$\frac{1}{2}$ mark for naming the market segment</p> <p>+</p> <p>1 mark for each correct difference</p> <p>1×3</p> <p>=</p> <p>3 marks</p>
Basis	Money Market	Capital Market														
(i) Participants	The participants are RBI, financial institutions, banks, corporates,	The participants are financial institutions, banks, corporates, foreign investors and retail investors.														
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(iii) Safety	Money market securities are	Capital market securities are														

			comparatively safer.	riskier than money market instruments.	= $\frac{1}{2} + \frac{1}{2} + 3$ = 4 marks
		(iv) Expected return	Money market securities yield comparatively less return.	Generally yield a higher return than money market instruments.	
		(v) Investment outlay	Money market securities have a large investment outlay	Capital market securities have small investment outlay	
		(vi) Duration	Money market deals in short term securities whose period of maturity is upto one year.	Capital market deals in medium term and long term securities with period of maturity of more than one year.	
		(vii) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.	
19	18	18	<p>Q. Avdhesh is the Managing Director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The production Manager, Ms. Priyanka was efficiently handling the processing of orders and had a team of ten motivated employees working under her. Everything was going on well. Unfortunately, Priyanka met with an accident. Avdhesh knew that in the absence of Priyanka, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Avdhesh was positive towards the employees of the organisation. Everyone put in extra time and efforts and the targets were met on time. Not only this, Avdhesh visited Priyanka and advised her to take adequate rest.</p> <p>(a) Identify the leadership style of Avdhesh and</p>		

		<p>draw a diagram depicting the style. (b) Also, identify any two values highlighted by the behaviour of Avdhesh.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p> <div style="text-align: center;"> </div> <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Avdhesh are: (i) Teamwork/ Team spirit (ii) Good behaviour in human interaction</p> <p>(or any other correct value)</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the diagram</p> <p>+</p> <p>1 mark for each value = 1 x 2 = 2 marks = (1+1+2) = 4 marks</p>	
17	19	19	<p>Q. Explain briefly ‘Casual Callers’ and ‘Labour Contractors’ as external sources of recruitment.</p> <p>Ans. Casual callers</p> <ul style="list-style-type: none"> • It is an external source of recruitment in which a list of job seekers is prepared and screened to fill the vacancies as they arise, from the database of <u>unsolicited applications kept in the office.</u> • It reduces the cost of recruitment. <p>Labour Contractors</p> <ul style="list-style-type: none"> • It is an external source of recruitment in which a Labour Contractor maintains close contacts with labourers and provides the required number of unskilled workers at short notice. • Labour contractors who recruit the workers are employees of the organisation who recruit the workers. 	<p>2 marks</p> <p>+</p> <p>2 marks = 4 marks</p>

20	21	20	<p>Q. Nandrachal Networks and Technologies Ltd. is a leader in technology innovation in U.S.A. creating products and solutions for a connected world. It has a large Research and development team which invented the first smart watch W-I, which besides showing the time would also monitor few health parameters like heart beat, blood pressure, etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of the fact that licensing requirements had been abolished. The company was also aware that there had been increased level of interaction and interdependence among the various nations of the world and India could be made a base for its international trade. It set up its office in Gujarat with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefitting the customers.</p> <p>(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain those concepts.</p> <p>(b) Also, explain briefly any three impacts of those concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) <u>Impact of these concepts on Indian business and industry: (Any three)</u></p> <p>(i) Increasing competition</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+ (½ mark for the heading + ½ mark</p>

			<p>(ii) More demanding customers (iii) Rapidly changing technological environment (iv) Necessity for change (v) Need for developing human resources. (vi) Market orientation (vii) Loss of budgetary support to the public sector.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>
22	20	21	<p>Q. 'RO Youth Club' organised a visit of its members to an Old Age Home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the Old Age Home were not hygienic. So, the RO Youth Club members decided to clean the premises. During their cleanliness drive, they realised that the Old Age Home also required pest control. But some of the inmates of the Old Age Home were reluctant for it because they believed that the pest control may create health problems for them. RO Youth Club, therefore, decided to provide ethical, safe and odourless pest control. They showed to the inmates of the Old Age Home a pamphlet of the proposed pest control product which promised easy, inexpensive and long-lasting pest control. The inmates happily agreed and the pest control was carried out. The effect of the pest control started wearing off after a fortnight. RO Youth Club contacted the pest control company which kept on postponing their visit. After waiting for a month, RO Youth Club filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p> <p>(a) State any six directions that might have been issued by the court.</p> <p>(b) Identify any two values that are being communicated by RO Youth Club to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six)</p> <p>(i) To <u>remove the</u> deficiency in service. (ii) To <u>refund the price</u> paid for the service provided. (iii) To <u>pay a reasonable amount of compensation</u> for</p>	<p>(½ mark for each correct direction =</p>

			<p>any loss suffered by the inmates of old age home.</p> <p>(iv) To <u>pay punitive damages</u>.</p> <p>(v) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(vi) To <u>pay any amount</u> (not less than 5% of the value of the service provided) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(vii) To <u>issue corrective advertisement</u> to neutralize the effect of misleading pamphlet.</p> <p>(xii) To <u>pay adequate costs</u> to RO Youth Club</p> <p>(b) <u>Values that are being communicated by RO Youth Club to the society are: (Any two)</u></p> <p>(i) Sensitivity towards the environment.</p> <p>(ii) Respect for the elderly.</p> <p>(iii) Cleanliness and hygiene.</p> <p>(iv) Concern for health of people.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>$\frac{1}{2} \times 6$ = 3 marks)</p> <p>+</p> <p>(1 mark f or each value = 1 x 2 = 2 marks) = 3+2 = 5 marks</p>
-	-	22	<p>Q. Explain briefly the relationship between controlling and planning.</p> <p>Ans. Ans. Relationship between planning and controlling: (With explanation)</p> <p>(i) <u>Controlling takes place on the basis of standards developed by planning</u> because if the standards are not set in advance, managers have nothing to control.</p> <p>(ii) <u>Planning without controlling is meaningless</u> because once a plan becomes operational, controlling ensures that events conform to the plans.</p> <p>(iii) <u>Planning is prescriptive whereas controlling is evaluative</u> because planning prescribes an appropriate course of action while controlling evaluates whether decisions have been translated into desired actions.</p> <p>(iv) <u>Planning and controlling both are forward looking</u> because while plans are prepared for the future, controlling <u>seeks to improve the future</u> on the basis of the past experience.</p> <p>(v) <u>Planning and controlling are both looking back</u> because, <u>while planning is guided by past experiences, controlling compares the actual performance with the standards.</u></p> <p>(In case the candidate has not given the relationship</p>	<p>1 mark for each correct point</p> <p>=</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>

			in the form of points but has explained all the points in his answer, full credit be given)	
-	-	23	<p>Q. Explain briefly any four factors that affect the choice of capital structure of a company.</p> <p>Ans. <u>Following are the factors affecting the choice of capital structure of a company: (any four)</u></p> <ul style="list-style-type: none"> (i) Cash flow position (ii) Interest coverage ratio (iii) Debt service coverage Ratio (iv) Return on Investment (v) Cost of debt (vi) Tax rate (vii) Cost of equity (viii) Floatation costs (ix) Fixed operating costs (x) Risk consideration (xi) Flexibility (xii) Control (xiii) Regulatory framework (xiv) Stock market conditions (xv) Capital structure of other companies <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for the heading</p> <p>+</p> <p>1 mark for the explanation</p> <p>=</p> <p>1 ½ x 4</p> <p>=</p> <p>6 marks</p>
25	23	24	<p>Q. Medi Instruments Ltd. is a company dealing in the distribution of medical instruments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.</p> <p>In the meeting, Sanjay, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally to explain its working to the hospital staff wo would be using the machines. He also suggested that additional trained people may be recruited for the same. Hitesh, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay the additional staff, as suggested by Sanjay.</p>	

			<p>Revansh, a newly appointed Zonal Head of South Zone, suggested that since the size of the order was not large, a detailed study of the factors determining the choice of channels of distribution was required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other considerations to be taken care of in each factor identified in part (a).</p> <p>Ans. (a) <u>Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors (ii) Company characteristics (iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p>1 mark for each correct identification</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3marks</p> <p>+</p> <p>½ mark for naming other consideration</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1+1+1</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>3 +3</p> <p>=</p> <p>6 marks</p>
23	24	25	<p>Q. Anoop Gaur started ‘Cat’s Eye’, a company for providing cyber security solutions to businesses. Its objective to prevent, detect, respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Science and Technology. While working on the project he found that the volume of work made it impractical for him to handle all the</p>	

		<p>work by himself. Therefore he decided to expand the team. The company maintained a close liaison with an engineering college in the State. During a campus placement, Aarav and Pranshi were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Anoop Gaur was thus, able to focus on the objectives and with the help of Aarav and Pranshi, the project was completed on time. Not only this, Anoop Gaur was also able to extend his area of operations. On the other hand, Aarav and Pranshi also got opportunities to develop and exercise initiative.</p> <p>(a) Identify and explain briefly the concept used by Anoop Gaur in the above case which helped him in focussing on the objectives.</p> <p>(b) Also, explain any four points of importance of the concept identified in part (a).</p> <p><u>Ans. Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p style="text-align: center;">(or any other relevant explanation)</p> <p><u>Importance of delegation: (Any four)</u></p> <p>(i) Effective management. (ii) Employee development. (iii) Motivation of employees. (iv) Growth facilitation. (v) Better co-ordination. (vi) Creation of management hierarchy.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>1 mark for identification</p> <p style="text-align: center;">+</p> <p>1 mark for the explanation</p> <p style="text-align: center;">+</p> <p>½ mark for each heading</p> <p style="text-align: center;">+</p> <p>½ mark for explanation</p> <p style="text-align: center;">=</p> <p>1 x 4</p> <p style="text-align: center;">=</p> <p>4 marks</p> <p style="text-align: center;">=</p> <p>1+1+4</p> <p style="text-align: center;">=</p> <p>6 marks</p>
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