

CLASS X
Elements of Business
Marking Scheme 2018-19

1.	A) Certificate of incorporation.	1
2.	B) Public company	1
3.	D) Both a and b.	1
4.	B) Ineffective	1
5.	A) Sale	1
6.	A) A seller to a buyer	1
7.	A) Personal touch	1
8.	D) Quotation	1
	OR	
	B) Identification of other buyers	
9.	A) Electronic mail	1
10.	B) Delivery note	1
11.	A) Transmission of ideas and information.	1
	OR	
	B) Customers	
12.	D) Is generally formed as a joint stock company.	1
	OR	
	C) Multiple shop	
13.	C) Both a and b	1
14.	C) Salesman	1
	OR	
	A) Internet	
15.	A) Buying and selling in small quantity	1
	OR	
	B) Multiple shops	
16.	D). Publicity	1
	OR	
	A) Product Combination	

17.	1. Following are the differences between a public company and a private company: <table> <tr> <th>BASIS OF DIFFERENCE</th><th>PUBLIC COMPANY</th><th>PRIVATE COMPANY</th></tr> <tr> <td>NUMBER OF MEMBERS</td><td>Has a minimum of 7 members and no limit on maximum members</td><td>Has a minimum of 2 and a maximum of 200 members, excluding the present and past employees.</td></tr> <tr> <td>RESTRICTION ON TRANSFER OF SECURITIES</td><td>Has no restriction on transfer of securities</td><td>Restricts the right of members to transfer its shares</td></tr> <tr> <td>INVITING PUBLIC</td><td>Is not prohibited from inviting the public to subscribe to its securities</td><td>Does not invite public to subscribe to its securities</td></tr> </table>	BASIS OF DIFFERENCE	PUBLIC COMPANY	PRIVATE COMPANY	NUMBER OF MEMBERS	Has a minimum of 7 members and no limit on maximum members	Has a minimum of 2 and a maximum of 200 members, excluding the present and past employees.	RESTRICTION ON TRANSFER OF SECURITIES	Has no restriction on transfer of securities	Restricts the right of members to transfer its shares	INVITING PUBLIC	Is not prohibited from inviting the public to subscribe to its securities	Does not invite public to subscribe to its securities	3
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18.	Advantages of an email: 1. Fast: It is a fast method of communication; 2. Economical- It is an inexpensive method of communication; 3. little chance of loss in transmission: As compared to traditional sources of communication, there is little chance of loss in transmission. OR Besides listening to the voice, the participants of the conference can also see the picture of each other while talking themselves. This is called video conferencing. There are two different types of video conferencing processes. i. One-way video and two way audio: In this system, the participants can listen to the voice and see the picture of the persons sitting in the studio. The audience maintains a contact with the studio through telephone and the persons in the studio listen to the voice of the participants. ii. Both way audio and video: Here participants at both the ends i.e studio as well as audience end, are able to listen to the voice and see the picture of each other while talking amongst themselves.	3												

19.	Purchase is process through which a person gets some goods or properties transferred in his name from another in exchange of money. It also includes availing of services by one person from another for money.	3
	OR	
	The difference between a cash transaction & credit transaction is the timing of the payment. A cash transaction is a transaction where payment is settled immediately on the other hand payment for a credit transaction is settled at a later date. For example Ram buys grocery and makes payment immediately in cash it will be known as a cash transaction. However, if Ram makes the payment on a later date it will be known as a credit transaction.	
20.	Following are the points of importance of personal selling (any three): I It creates demand for products both new as well as existing ones. li. It creates new customers and thus helps in expanding the market for the product. lii. It leads to product improvement. Iv. Personal selling provides an opportunity to the consumers to know about new products introduced in the market. V. It is because of personal selling that customers come to know about the use of the new products. Vi. Personal selling also guides customers in selecting goods best suited to their requirements and tastes. Vii. Personal selling gives an opportunity to the customers to put forward their complaints and difficulties in using the product and get the solution immediately.	3
21.	Methods of sale: (Any three of the following) (i) Sale on hire purchase basis. (ii) Sale through instalment payment system. (iii) Sale on approval basis. (iv) Sale through tenders. (v) Auction sale. (vi) Wash sales.	1X3=3
22.	Tele-shopping: Buying of goods by placing orders with the sellers using telephones is	(1)

	called Tele-shopping. It is a kind of non-store retailing wherein the sellers contact the prospective buyers through telephone and persuade them to buy their products. In some cases they advertise their products on television or other media and also make live demonstration of the product. Advantages of Tele-shopping: (Any two of the following): (i). It saves time, money and efforts in placing a written order to buy the goods. (ii). It is a convenient method of shopping for people who are busy and do not have much time for shopping. (iii). It eliminates the role of middlemen in the process of distribution. (iv). Buyers can inquire about the terms and conditions of sale, mode of payment, from the sellers without visiting the seller's place.	(1x2=2)
23.	Following are sources of raising borrowed funds (any four): i. loans from commercial banks; ii. Loans from financial institution; iii. Issue of debentures; iv. Public deposits; v. trade credit.	
24.	Following are advantages of telephonic conversation as a means of business communication (any two): i. It helps in establishing instant contact between parties; ii. It helps in establishing long distance communication through STD and international communication through ISD; iii. Nowadays, mobile phones are very popular as they give an access to the receiver at anytime, anywhere. They also provide many modern features like SMS, Multimedia messaging services.	4
25.	The following are the disadvantages of vending machines because of which Shyam is not ready to use vending machines: i. Initial investment in a machine is very high. ii, The machine requires regular repairs and maintenance. iii. Since the stock holding capacity of the machine is limited, it required frequent loading of stock. iv. The coins or tokens used for this machine are required to be collected periodically. v. Consumer cannot feel or see product before buying & do not have opportunity of returning unwanted product. vi. Special package have to be developed for machines.	4

	OR	
	Following goods are suitable for mail order business: i. Light weight goods and the ones that occupy less space. Bulky goods cannot be sold this way. ii. Durable and non-perishable goods; iii. Goods having high demand in the market; iv. Goods having delivery charges relatively lower than their price.	
26.	a. Oral/Verbal communication: Communication with the help of words is known as oral/verbal communication. It may be in the form of lectures, meetings, group discussions, conferences, telephonic conversations, radio messages, etc., b. Written communication: In written communication message is transmitted through written words in the form of letters, memos, circulars, notices, reports, manuals, handbooks, etc.,	2+2=4
27.	Following are the characteristics of a multinational company (any five): i. They have huge financial resources; ii. They generally enter into foreign collaboration with Indian companies. iii. They possess advanced technology; iv. They are engaged in product innovation; v. The marketing strategies of global companies are far more effective than other companies. vi. They expand their market territory beyond the physical boundaries of their country.	5
28.	The two sources of finance she can use to expand her business are Share capital- Capital obtained by issue of equity shares and preference shares is called the share capital. Equity share capital is the prerequisite for the formation of a company. The preference this shareholder enjoy a preferential position over the equity shareholders and Retained earnings. A portion of the net earnings may be retained in the business for use in the future. This is known as retained earnings.	5
29.	A. The hire purchase system is essentially a contract for hiring of goods. The ownership rights remain with the seller and the customer exercises his option for purchasing the goods. The buyer can return	5

	the goods at any stage. The seller can also take back the goods in case of non-payment. B. When goods are sold and payment is agreed to be made in instalments, it is known as instalment payment system. In this case if there is default in payment of any instalment by the buyer, the seller cannot ask for the goods to be returned as the ownership rights pass to be buyer when goods are sold and initial payment is made. The seller can only sue the buyer in a law court for payment of the balance due.	
30.	The American marketing association defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.” Following are the points of importance of advertising (any three): i. Mass reach; ii. Enhancing customer satisfaction and confidence; iii. Expressiveness; iv. Economy.	5
	OR	
	Following are the features of personal selling: i. Personal Form; ii. Development of relationship. Following are the merits of personal selling: i. Flexibility; ii. Direct Feedback; iii. Minimum wastage.	2+3