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Senior School Certificate Examination

March -----2018-19

Marking Scheme---Business Studies 66/3/1, 66/3/2, 66/3/3

General Instructions:

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. Small mistakes in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. Evaluation is a 10-12 days mission for all of us. Hence, it is desired from you too give your best in this process.

2. Evaluation is to be done as per instructions provided in the marking scheme. It should not be done according to one's own interpretation or any other consideration. Marking scheme should be strictly adhered to and religiously followed. However, while evaluating answers which are based on latest information or knowledge and innovative may be assessed and marks be awarded to them.

3. The head examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per instructions given in the marking scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking and encircled.

4. 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.

5. If a question does not have any parts marks must be awarded in the left hand margin and encircled.

6. If a student has attempted an extra question ,answer of the question deserving more marks should be retained and other answer scored out

7. 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.

8. The examiners should acquaint themselves with the instructions given in the Guidelines for Spot Evaluation before starting the actual evaluation.

9. Every examiner should stay full working hours i.e. 8 hours every day and evaluate 25 answer books.

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. Avoid the following common type of errors committed by the examiners in the pat-

- Leaving answers or parts thereof unassessed in the answer script.
- Giving more marks for an answer than assigned to it or deviation from the marking scheme.
- Wrong transference of marks from the inside pages of the answer books to the title page.
- Wrong question wise totaling on the title page.
- Wrong totaling of marks of the two columns on the title page.
- Wrong grand total.
- Marks in words and figures not tallying.
- Wrong transference of marks from answer books to award list.
- Answer marked as correct but marks not awarded.
- Half or a part of answer marked correct and the rest as wrong but no marks awarded.

12. 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.

13. 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.

14. 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.

15. 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.

16. As per the orders of Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/ Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

			<p>Q. Differentiate between ‘Single Use Plan’ and ‘Standing Plan’ on the basis of meaning.</p> <p>Ans. Single use plan is a one time plan specifically designed to achieve a particular goal that once achieved will not recur in the future.</p> <p>A standing plan is used for activities that occur regularly over a period of time.</p> <p style="text-align: center;">(or any other correct meaning)</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">½ mark + ½ mark = 1 mark</p>
3	-	7	<p>How does an organisation satisfy ‘Esteem Needs’ of its employees? State.</p> <p>Ans. Organisation satisfies ‘Esteem Needs’ of its employees by giving job titles to the employees.</p>	1 mark
4	2	8	<p>Q. People think that it is the ‘Product’ only that can be marketed. But something else can also be marketed, e.g. ‘Visit Kerala for Health Tourism’. Identify what is being marketed here.</p> <p>Ans. Place.</p>	1 mark
5	3	-	<p>Q. Give the meaning of ‘Price’ as an element of marketing mix.</p> <p>Ans. Price Mix involves different Pricing Methods, Pricing strategies, Pricing Policies and Price Changes. It involves decisions regarding the basic price of the product, discounts to customers, traders and credit terms, terms of payment etc. so that the customers perceive the price to be in line with the value of the product.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by ‘Public Relations’?</p>	<p style="text-align: center;">1 mark</p> <p style="text-align: center;">OR</p>

			<p>Ans. Public Relations refer to a variety of programmes to promote and protect a company's image or its products in the eyes of the public.</p>	<p>1 mark</p>
6	4	2	<p>Q. As a part of its capital structure, 'Venus Ltd.' had ₹50 lakhs as Equity Share Capital and a loan of ₹20 lakhs from Neon Bank. On earning a good profit, Venus Ltd decided to give dividend to the Equity Shareholders but were surprised when the Neon Bank imposed restrictions on the payment of dividend.</p> <p>Identify the factor affecting dividend decision which allows Neon Bank to impose restrictions on the payment of dividend by 'Venus Ltd.'</p> <p>Ans. Contractual constraints.</p>	<p>1 mark</p>
7	5	3	<p>Q. Mark Nar, a Latin American while closing a business deal with a businessman from Spain, used a word which was considered offensive in Spanish when translated. This made the Spanish businessman upset and he backed away.</p> <p>Name the semantic barrier to effective communication.</p> <p>Ans. Badly expressed message.</p>	<p>1 mark</p>
8	6	4	<p>Q. As a part of its comprehensive plan 'Neerja Ltd. decided to combine a new line of activity with its existing footwear business.</p> <p>Identify the type of plan.</p> <p>Ans. Strategy.</p>	<p>1 mark</p>
SECTION B				
9	12	-	<p>Q. State three features of directing function of management.</p> <p>Ans. <u>Features of directing function of management:</u> (Any three)</p>	

		<p>(i) While other functions prepare a setting for action, directing initiates action by people in the organisation towards attainment of desired objectives.</p> <p>(ii) Directing takes place at every level of management. Every manager from from top executive to the supervisor performs the directing function.</p> <p>(iii) Directing is a continuous process as it takes place throughout the life of the organisation irrespective of the people occupying managerial positions.</p> <p>(iv) Directing flows from top to bottom through the organisation hierarchy. Every manager can direct his immediate subordinates and take instructions from his immediate boss.</p> <p style="text-align: center;">OR</p> <p>Q. State any three measures to improve communication effectiveness.</p> <p>Ans. <u>Measures to improve communication effectiveness: (Any three)</u></p> <p>(i) The manager should <u>clarify the ideas before communicating</u> to the subordinates. The entire problem should be studied in depth, analysed and stated in such a manner that it is clearly conveyed to the subordinates.</p> <p>(ii) The manager should adjust his <u>communication according to the needs</u> and understanding level of the subordinates.</p> <p>(iii) The manager should <u>consult others</u> before developing a plan for communication. Participation and involvement of subordinates may help to gain ready acceptance and willing co-operation from</p>	<p style="text-align: center;">1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 3 = 3 marks</p>
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			<p>them.</p> <p>(iv) The manager should <u>be aware of the languages, tone and content of the message</u> so that it does not offend the sentiments of the listeners.</p> <p>(v) The manager should know the interests and needs of the people with whom the communication is being done so that he/ she can <u>convey things of help and value to listeners.</u></p> <p>(vi) The manager should <u>ensure proper feedback</u> by asking questions regarding the message conveyed.</p> <p>(vii) The manager should <u>communicate for present as well as future</u> goals of the enterprise.</p> <p>(viii) The manager should do a regular <u>follow up</u> and review of the instructions given to the subordinates.</p> <p>(ix) The manager should be a <u>good listener</u> as patient and attentive listening can solve half of the problems.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	
10	13	11	<p>Roasted Coffee Corporation is a coffeehouse chain operating in 7 states of India. Through its effective organisational structure, it has grown despite pressure from competitors in the national market.</p> <p>The company has a Purchase and Production department, Supply chain management and logistics department, Brand management department and Sales department.</p> <p>This structure has facilitated operational efficiency, as employees became specialists within their own realm of expertise. They could be imparted specialised training as the focus was on limited range of skills.</p> <p>Identify the organizational structure of Roasted Coffee Corporation. Also state the three</p>	

		<p>advantages of this structure other than those discussed in the above paragraph.</p> <p>Ans. <u>Functional Structure</u></p> <p><u>Three more advantages Roasted Coffee Corporation would be experiencing by deploying Functional structure:</u></p> <p>(a) Occupational specialisation since emphasis is placed on specific functions.</p> <p>(b) Control and coordination within a department because of similarity in the tasks being performed.</p> <p>(c) Different functions would be getting due attention.</p> <p>(d) Lower cost because of minimal duplication of effort.</p>	<p>1 mark</p> <p>1 x 2 = 2 marks = 1+2 = 3 marks</p>	
11	-	12	<p>Q. Explain any three factors affecting capital budgeting decision of a company.</p> <p>Ans. <u>Factors affecting capital budgeting decision of a company:</u></p> <p>(a) Cash flows of the project</p> <p>(b) Rate of return of the project.</p> <p>(c) Investment criteria.</p> <p style="text-align: center;">OR</p> <p>Q. Explain the twin objectives of financial planning.</p> <p>Ans. <u>Objectives of financial planning:</u></p>	<p>½ mark for the heading + ½ mark for its explanation = 1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for the heading + 1 mark</p>

			(i) To ensure availability of funds whenever required (ii) To see that the firm does not raise resources unnecessarily	for its explanation = 1 ½ x 2 = 3 marks																					
12	10	13	<p>Differentiate between delegation and decentralisation on any three bases.</p> <p>Ans. Difference between delegation and Decentralisation:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Delegation</th> <th>Decentralisation</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Delegation refers to the downward transfer of authority from a superior to a subordinate</td> <td>Decentralisation refers to systematic delegation of authority through all the levels of management and in all the departments except that which can be exercised only at central points.</td> </tr> <tr> <td>Nature</td> <td>It is compulsory because no individual can perform all tasks on his own.</td> <td>It is optional because it is done at the discretion of the top management.</td> </tr> <tr> <td>Freedom of action</td> <td>More control by superiors, hence less freedom to take own decisions</td> <td>Less control over executives, hence greater freedom of action</td> </tr> <tr> <td>Scope</td> <td>It has a narrow scope as it is limited to superior and his immediate subordinate.</td> <td>It has a wide scope as it implies extension of delegation to the lowest level of management.</td> </tr> <tr> <td>Status</td> <td>It is a process followed to share tasks</td> <td>It is a result of the policy decision of the top management.</td> </tr> <tr> <td>Purpose</td> <td>To lessen the burden of the manager</td> <td>To increase the role of the subordinates in the organisation by giving them more autonomy.</td> </tr> </tbody> </table>	Basis	Delegation	Decentralisation	Meaning	Delegation refers to the downward transfer of authority from a superior to a subordinate	Decentralisation refers to systematic delegation of authority through all the levels of management and in all the departments except that which can be exercised only at central points.	Nature	It is compulsory because no individual can perform all tasks on his own.	It is optional because it is done at the discretion of the top management.	Freedom of action	More control by superiors, hence less freedom to take own decisions	Less control over executives, hence greater freedom of action	Scope	It has a narrow scope as it is limited to superior and his immediate subordinate.	It has a wide scope as it implies extension of delegation to the lowest level of management.	Status	It is a process followed to share tasks	It is a result of the policy decision of the top management.	Purpose	To lessen the burden of the manager	To increase the role of the subordinates in the organisation by giving them more autonomy.	1 x 3 = 3 marks
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13	11	10	<p>Steelone Enterprises is manufacturing high quality steel utensils. The demand for steel is rising as people are getting aware that plastic is not good for health. This has led to increase in the production of steel utensils. To encourage sales, Steelone Enterprises declared a liberal credit policy, which allows three months credit to its wholesale buyers.</p> <p>In the light of the above, identify the two factors affecting capital requirements of Steelone Enterprises. State with reason, whether the factors as identified above, will result in high or low working capital requirement.</p> <p><u>Ans. Factors affecting working capital requirements are:</u></p> <p>(i) Nature of business (ii) Credit allowed (iii) Scale of operations</p> <p>(i) Nature of business Since Steelone Enterprises is a manufacturing business, it will require high/ more working capital as raw materials need to be converted into finished goods.</p> <p>(ii) Credit allowed Since it has a liberal credit policy it will require high/ more working capital because of higher debtors.</p> <p>(iii) Scale of operations Since the business will be operating on a higher scale, it will require high/ more working capital as the quantum of inventory and debtors required will be high.</p>	<p>½ mark for identifying each factor + ½ mark for each reason = 1 x 3 = 3 marks</p>
SECTION C				
14	18	19	<p>Damini D'souza took over the reins of 'Kinsa Retail' as its Managing Director in India. Kinsa Retail with its headquarters at Japan has been in</p>	

		<p>retail business for the last 40 years. It has regional offices in many countries with each regional office taking care of the shops in that particular region. As it is a large organisation, the regional officers have been given the powers to decide and spend funds sanctioned to them by the headquarter for the welfare of the customers of their region. Kinsa Retail wants the highest possible standards of ethical conduct being followed for which a code of conduct is in place for putting values into practice. All employees as well as Board members are required to act in accordance with the highest standards of personal and professional integrity when acting on behalf of the company. Non-compliance involves a heavy penalty including termination of employment. State two principles of general management being followed by Kinsa Retail.</p> <p><u>Ans. Principles of General management being followed by Kinsa Retail are:</u></p> <p>(i) Discipline which refers to obedience to organizational rules and employment agreement that are necessary for the working of the organization. It requires good superiors at all levels, clear and fair agreement and judicious application of penalties.</p> <p>(ii) Centralisation and Decentralisation which suggests that there is a need to balance subordinate involvement through decentralisation with managers retention of final authority through centralisation.</p>	<p>1 mark each for identifying each principle + 1 mark for each explanation = 2 + 2 = 4 marks</p>
15	-	<p>Q. Explain any four functions of ‘Stock Exchange.’</p> <p><u>Ans. Functions of Stock Exchange are: (Any four)</u></p> <p>(a) Providing liquidity and marketability to existing securities</p> <p>(b) Pricing of securities</p>	<p>½ mark for the heading +</p>

		<p>(c) Safety of transaction</p> <p>(d) Contributes to economic growth</p> <p>(e) Spreading of equity cult</p> <p>(f) Providing scope for speculation</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four methods of floatation of new issues in the primary market.</p> <p><u>Ans. Methods of floatation of new issues in the primary market: (Any four)</u></p> <p>(i) Offer through Prospectus</p> <p>(ii) Offer for Sale</p> <p>(iii) Private Placement</p> <p>(iv) Rights Issue</p> <p>(v) E-IPO</p>	<p>½ mark for its explanation = 1 x 4 = 4 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for naming the method + ½ mark for its explanation = 1 x 4 = 4 marks</p>	
16	19	14	<p>Tapas Sen, a manufacturer, redesigned his existing soup making machine into a small portable machine. For selling the machine, he entered into an agreement with his uncle who agreed to finance the project with a 50% share in the profits. To launch the machine, they decided to start with direct channels of distribution. They named the venture ‘Cup-a-Soup’. In the first year, their main objective was profit maximisation. They appointed 30 trained salesmen for distribution of the machine across the country. They offered incentives and awards to salesmen for achieving their sales targets.</p> <p>(a) Identify the marketing philosophy used by</p>	

		<p>‘Cup-a-soup’. (b) Identify the tool of promotion used by ‘Cup-a-Soup’. (c) For hiring the salesmen, state any two qualities ‘Cup-a-soup’ would have kept in mind.</p> <p>Ans. (a) Product concept</p> <p>(b) Personal Selling.</p> <p>(c) <u>Qualities of a good salesman:</u> (Any two)</p> <p>(i) A good salesman should have physical qualities such as pleasing and charming personality which creates a good impression on the customers.</p> <p>(ii) He/ she should be social, humble and cooperative.</p> <p>(iii) A salesman must possess imagination, foresight, presence of mind, good memory and initiative.</p> <p>(iv) He/ she should have full and updated knowledge about the product he is selling.</p> <p>(v) He/ she should have good communication skills.</p> <p>(vi) He must be honest and sincere in performing his duty.</p> <p>(vii) A salesman who is polite and courteous generates buyer’s confidence</p> <p>(viii) The salesman should have the convincing power to develop the belief in a customer that the product he is buying is the best.</p> <p>(or any other correct quality)</p>	<p>1 mark for identifying the marketing philosophy + 1 mark for identifying the tool of promotion</p> <p>+</p> <p>1 x 2 = 2 marks</p> <p>= 1+1+2 = 4 marks</p>
17	-	-	<p>Q. What is meant by ‘Branding’? State any three advantages of branding to customers.</p> <p>Ans. Branding is the process of giving a name, or a</p>

		<p>sign or a symbol to a product which helps in identifying and distinguishing it from the competitors' product.</p> <p><u>Advantages of branding to customers: (Any three)</u></p> <p>(i) Branding helps the customers in identifying the product as a customer who is satisfied with the product need not make a close inspection every time he has to buy the product.</p> <p>(ii) Branding ensures quality as the customers can have recourse to the manufacturer or marketer if there is any deviation in quality.</p> <p>(iii) Some brands become status symbols because of their quality. The consumer of these brands feel proud and satisfied by using them</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by 'Packaging'? State any three functions of packaging.</p> <p>Ans. Packaging refers to the act of designing and producing the container or wrapper of a product.</p> <p><u>Functions of packaging: (Any three)</u></p> <p>(i) It helps in product identification.</p> <p>(ii) It helps in protection of the product from spoilage, breakage, leakage, damage etc.</p> <p>(iii) It facilitates use of the product to the consumers through appropriate sizes and shapes.</p> <p>(iv) It helps in promotion of the product as a good package attracts the attention of the people at the time of purchase.</p>	<p>1 mark</p> <p>+</p> <p>1 x 3 = 3 marks</p> <p>= 1+3 = 4 marks</p> <p>OR</p> <p>1 mark</p> <p>+</p> <p>1 x 3 = 3 marks</p> <p>= 1+3 = 4 marks</p>
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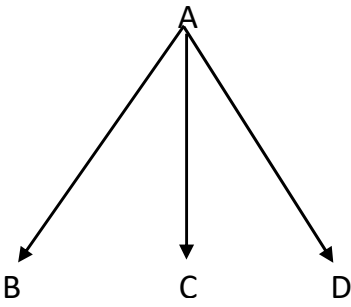
			(v) It helps in preventing adulteration as the product is properly packed.	
18	14	16	<p>Q. Xeno Ltd. is a global information technology consulting company with 45,000 employees serving over 600 clients in 23 countries. Its Chief Executive Officer, Mr Neil Suman guided the company through two decades of diversification and growth to emerge as one of the leading Indian companies in the software industry. The company has set standards in ensuring the best training opportunities for its employees.</p> <p>The Project Guidance Program is a 52 day structured training program offered to all recruits of varied backgrounds to be trained on essential behavioural and technical skills that prepares them to work in live customer projects. These recruits are hired from universities and management institutes for technical, professional as well as managerial jobs. It is to help the new employees in settling down quickly into the job by becoming familiar with the people, the surroundings, the job and the business.</p> <p>(a) Identify the external sources of recruitment used by the company to hire new employees.</p> <p>(b) Explain the method of training used by the company to train employees selected by the source of recruitment identified in part (a)</p> <p>(c) State two ways in which the Project Readiness Program can benefit Xeno Ltd.</p> <p>Ans. (a) Campus Recruitment</p> <p>(b) <u>Induction Training</u></p> <p>It is a type of training given to help the new employee in settling down quickly into the job by becoming familiar with the people, the surroundings, the job and the business.</p>	<p>1 mark for identifying the external source of recruitment</p> <p>+</p> <p>[½ mark for identifying method of training</p> <p>+</p>

			<p>(c) <u>Ways in which Project Readiness Program can benefit Xeno Ltd.: (Any two)</u></p> <p>(i) Avoiding wastage of efforts and money as training is systematic learning, better than hit and trial methods.</p> <p>(ii) Enhancing employee productivity both in terms of quantity and quality leading to higher profits.</p> <p>(iii) Equipping the future manager to take over in an emergency.</p> <p>(iv) Reducing employees' turnover as it increases employee morale and reduces absenteeism.</p> <p>(v) Helping the organisation in obtaining effective response in a fast changing environment</p>	<p>$\frac{1}{2}$ mark for its explanation = 1 mark] +</p> <p>1 x 2 = 2 marks</p> <p>=</p> <p>1+1+2 = 4 marks</p>
19	16	18	<p>Q. Aditya Khosla, the Managing Director of 'D.L.W. Ltd.' and Rajesh Puri, the Finance Manager were discussing about the avenues of investing the idle funds of the company. Aditya Khosa was of the opinion that money should be invested in the capital market whereas Rajesh Puri, being more conservative, feels that it would be better if the investment was made in money market.</p> <p>Since the economy was buoyant, the Managing Director convinced Rajesh that they should take advantage of it and invest in the capital market to get good returns. Ultimately it was decided to invest the idle funds in the capital market.</p> <p>(a) What kind of instruments should the company buy?</p> <p>(b) Why is the capital market expected to give a</p>	

		<p>better return in a buoyant economy? State the reason.</p> <p>(c) Why and how safe are the securities in this market as compared to money market?</p> <p>Ans. (a) Shares, debentures, bonds</p> <p>(b) Capital market is expected to give a better return in a buoyant economy as:</p> <p>(i) The securities are held for a longer duration</p> <p>(ii) There is a scope of earning capital gains on shares.</p> <p>(c) Securities in capital market are riskier with respect to return and principal repayment. Issuing company may fail to perform as promoters may defraud investors.</p>	<p>1 mark</p> <p>+</p> <p>[1 mark for each reason</p> <p>=</p> <p>1 x 2</p> <p>= 2 marks]</p> <p>+</p> <p>1 mark</p> <p>=</p> <p>1+2+1</p> <p>=</p> <p>4 marks</p>
		SECTION D	
20	22	22	<p>Q. Suman wanted to purchase a sandwich toaster. She checked about the various sandwich toasters available online and compared the prices so that an intelligent and wise choice could be made. Then she went to a nearby market to buy the sandwich toaster. Being an informed consumer, she looked for the correct standardisation mark. The shopkeeper showed her different toasters but was quoting higher price than the price she had checked online. After negotiating with the shopkeeper, she was able to bring the price down. As a responsible consumer, she asked for a cash memo against the amount paid for the product and took the toaster home. On opening the package, she found an instruction booklet, which</p>

		<p>she read carefully. Then she followed all instructions step by step and made nicely toasted paneer sandwiches for her family.</p> <p>(a) State the consumer responsibilities, which have been discharged by Suman besides asking for a cash memo.</p> <p>(b) Explain the two rights being discussed in the above case.</p> <p>Ans. Consumer responsibilities, which have been discharged by Suman besides asking for a cash memo: (Any three)</p> <p>(i) <u>She was aware</u> about various goods and services available in the market and made an <u>intelligent and wise choice</u>.</p> <p>(ii) She bought <u>standardised product</u> as standardisation provides quality assurance.</p> <p>(iii) She <u>learnt</u> about the <u>risks</u> associated with product and <u>followed manufacturer's instructions</u></p> <p>(iv) She <u>asserted herself</u> to get a <u>fair deal</u>.</p> <p>(b) <u>Rights discussed in the above case are:</u></p> <p>(i) Right to choose</p> <p>(ii) Right to be informed</p> <p>(iii) Right to safety</p>	<p>1 x 3 = 3 marks</p> <p>½ mark for identifying the right + ½ mark for its explanation 1 x 2 = 2 marks = 3+2 = 5 marks</p>
21	-	-	<p>Q. Explain any five points which highlight the importance of management.</p>

		<p>Ans. <u>Importance of management:</u> (Any five)</p> <p>(a) Helps in achieving group goals.</p> <p>(b) Increases efficiency.</p> <p>(c) Creates a dynamic organisation.</p> <p>(d) Helps in achieving personal objectives.</p> <p>(e) Helps in the development of society.</p> <p>(If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</p> <p style="text-align: center;">OR</p> <p>Q. Explain any five features of ‘Co-ordination’.</p> <p>Ans. <u>Features of co-ordination:</u> (Any five)</p> <p>(i) Integrates group efforts.</p> <p>(ii) Ensures unity of action.</p> <p>(iii) Continuous process.</p> <p>(iv) Pervasive function.</p> <p>(v) Responsibility of all managers.</p> <p>(vi) Deliberate function.</p> <p>(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)</p>	<p>½ mark for heading + ½ mark for explanation = 1x5 = 5 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for heading + ½ mark for explanation = 1x5 = 5 marks</p>
22	20	20	<p>Handsen is the CEO of Newcastle Enterprises, one of the world’s most successful companies. His</p>

		<p>success stories have been well documented. He chooses highly motivated and capable managers who can perform their tasks creatively and adequately without his help. He allows the group members to work on their own tasks and resolve issues themselves.</p> <p>He intervenes, but only when needed to correct an unfavorable situation. He does not use power unless it is absolutely essential. He even allows mistakes to happen for his people to learn from them. He supports them and supplies them the required information to complete the assigned task.</p> <p>(a) Identify the leadership style adopted by Handsen.</p> <p>(b) With the help of a diagram, explain the other two leadership styles based on the use of authority.</p> <p>Ans. (a) Laissez Faire leadership style</p> <p>(b) The other two leadership styles based on the use of authority are:</p> <p>(i) <u>Autocratic leadership style</u></p> <div style="text-align: center;">  <pre> graph TD A --> B A --> C A --> D </pre> </div> <p><u>A is the leader and B, C and D are the followers.</u></p> <p>An autocratic leader gives orders and expects his subordinates to obey those orders. There is one-way communication with the subordinates who act according to the command given by the manager.</p>	<p>1 mark</p> <p>$\frac{1}{2}$ mark</p> <p>+</p> <p>$\frac{1}{2}$ mark</p> <p>+</p> <p>1 mark = 2 marks</p>
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			<p>(ii) <u>Democratic leadership style</u></p> <p><u>In the above diagram, A is the leader and B, C, D and E are subordinates.</u></p> <p>A democratic leader develops action plans and makes decisions in consultation with his subordinates. Such a leader recognises that people perform best if they set their own objectives.</p>	<p>½ mark</p> <p>+</p> <p>½ mark</p> <p>+</p> <p>1 mark</p> <p>=</p> <p>1+2+2</p> <p>=</p> <p>5 marks</p>
SECTION E				
23	25	25	<p>Q. Saurabh Jain set up a telecom business in Nasik ‘ Ketone’ with an ambitious target of reaching out to 90% of the Indian population within one year. He chose this business on the belief that the demand for data services will increase 4 times within the next 2-3 years. To fulfill such an ambitious target, he had to either acquire an existing telecom business or collaborate or go independent aggressively in the light of tough competition. He assessed the proposals of different companies vis-s-vis earnings per share, taxes, dividends paid etc. and their future projections knowing fully well that the projections may change if the country’s economic policies get modified.</p> <p>The above paragraph discusses some of the steps of one of the functions of management. By quoting the lines from the above paragraph, explain these steps in chronological order.</p> <p>Ans. <u>Steps discussed in the above case are:</u></p>	

		<p>(i) <u>Setting objectives</u></p> <p><i>‘Saurabh Jain set up a telecom business in Nasik ‘Ketone’ with an ambitious target of reaching out to 90% of the Indian population within one year’</i></p> <p>Objectives may be set for the entire organisation and each department or unit within the organisation. They specify what the organisation wants to achieve.</p> <p style="text-align: center;"><i>(or any other suitable explanation)</i></p> <p>(ii) <u>Developing premises</u></p> <p><i>‘He chose this business on the belief that the demand for data services will increase 4 times within the next 2-3 years’</i></p> <p>A manager is required to make certain assumptions about the future called premises. Assumptions are the base material upon which plans are to be drawn.</p> <p style="text-align: center;"><i>(or any other suitable explanation)</i></p> <p>(iii) <u>Identifying alternative courses of action</u></p> <p><i>‘To fulfill such an ambitious target, he had to either acquire an existing telecom business or collaborate or go independent aggressively in the light of tough competition’</i></p> <p>As there may be many ways to achieve the objectives, all the alternative courses of action should be identified and thoroughly discussed.</p> <p style="text-align: center;"><i>(or any other suitable explanation)</i></p> <p>(iv) <u>Evaluating alternative courses</u></p> <p><i>‘He assessed the proposals of different companies vis-s-vis earnings per share, taxes, dividends paid etc and their future projections knowing fully well that the projections may change if the country’s economic</i></p>	<p>½ mark for naming each step</p> <p>+</p> <p>½ mark for quoting the line</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1 ½ x 4</p> <p>=</p> <p>6 marks</p>
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		<p><i>policies get modified'</i></p> <p>The pros and cons of each alternative are weighed in the light of the objective to be achieved, their feasibility and consequences.</p> <p><i>(or any other suitable explanation)</i></p> <p>(If an examinee has not given the headings of the steps as above but has given the correct explanations, full credit should be given)</p>	
24	-	<p>Q. Define 'Controlling'. Explain the relationship between planning and controlling functions of management.</p> <p>Ans. Controlling means ensuring that the activities in an organisation are performed as per the plans.</p> <p><u>Relationship between planning and controlling:</u> (With explanation)</p> <p>(i) Controlling takes place on the basis of standards developed by planning.</p> <p>(ii) Planning without controlling is meaningless.</p> <p>(iii) Planning is prescriptive whereas controlling is evaluative.</p> <p>(iv) Planning and controlling both are forward-looking.</p> <p>(v) Planning and controlling both are looking back.</p> <p>(In case the candidate has not given the relationship in the form of points but has explained all the points in his answer, full credit be given)</p> <p style="text-align: center;">OR</p>	<p>1 mark</p> <p>1 x 5 = 5 marks = 1+5 = 6 marks</p> <p style="text-align: center;">OR</p>

		<p>Q. Explain the various steps in the process of controlling.</p> <p>Ans. <u>Steps in the process of controlling:</u></p> <p>(i) Setting performance standards</p> <p>(ii) Measuring actual performance</p> <p>(iii) Comparing actual performance with standards</p> <p>(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 given the headings as above but has given the correct explanations, full credit should be given)</p>	<p>1 mark each for steps (i), (ii), (iii) and (v)</p> <p>+ 2 marks for step (iv)</p> <p>= 4+2</p> <p>= 6 marks</p>	
25	23	23	<p>India's craft heritage continues because if its customs and traditions. Crafts are used not only in the country by craftsmen in Rajasthan, Gujarat and Assam but are also exported to USA, Germany, UK and France. The volume of exports and imports give India an advantage in balance of payments and the much needed foreign exchange reserves. The Prime Minister desires that the handicraft industry should be expanded by linking it with technology. Focus should be on changing the manufacturing process, ensuring durability and adapting innovations.</p> <p>Quoting the lines from the above para, explain four dimensions of the business environment.</p> <p>Ans. <u>Dimensions of business environment are:</u></p> <p>(a) <u>Social environment</u></p> <p><i>India's craft heritage continues because if its customs and traditions</i></p>	<p>½ mark for</p>

		<p>Social Environment includes social forces like custom and traditions, values, social trends and society's expectation from business.</p> <p>(b) <u>Economic environment</u></p> <p><i>The volume of exports and imports give India an advantage in balance of payments and the much needed foreign exchange reserves</i></p> <p>Economic environment refers to factors like interest rates, inflation rates and changes in disposable income of people etc. which have an impact on business enterprise.</p> <p>(c) <u>Political environment</u></p> <p><i>The Prime Minister desires that the handicraft industry should be expanded by linking it with technology</i></p> <p>Political environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.</p> <p>(d) <u>Technological environment</u></p> <p><i>Focus should be on changing the manufacturing process, ensuring durability and adapting innovations</i></p> <p>Technological Environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.</p>	<p>naming each dimension + ½ mark for its explanation + ½ mark for quoting the line = 1 ½ x 4 = 6 marks</p>
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