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Senior School Certificate Examination

March -----2018-19

Marking Scheme---Business Studies 66/4/1, 66/4/2, 66/4/3

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.

			MARKING SCHEME – 2018-19 BUSINESS STUDIES 66/4/1 EXPECTED ANSWERS / VALUE POINTS	MARKS
66 /4 /1	66 /4 /2	66 /4 /3		
			SECTION A	
1	3	5	<p>Q. Principles of management equip the managers to foresee the cause and effect relationships of their decisions and actions so that the wastages associated with a trial and error approach can be overcome.</p> <p>Identify the point of significance of principles of management highlighted here.</p> <p>Ans. Optimum utilization of resources and effective administration.</p>	1 mark
2	4	6	<p>Q. How are ‘Policies’ and ‘Procedures’ interlinked?</p> <p>Ans. ‘Policies’ and ‘Procedures’ are <u>interlinked</u> as procedures are steps to be carried out within a broad policy framework to enforce a policy.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by ‘Developing Premises’ in the process of planning?</p> <p>Ans. ‘<u>Developing Premises</u>’ in the process of planning means making certain assumptions about future conditions which are considered to be the base upon which</p>	<p>1 mark</p> <p style="text-align: center;">OR</p> <p>1 mark</p>

			plans are to be drawn.	
3	5	7	<p>Q. Why is it said that Controlling is a continuous activity?</p> <p>Ans. <u>Controlling</u> is said to be a <u>continuous activity</u> as it involves a constant review of actual performance to ensure that organizational activities are performed as per the plans.</p> <p style="text-align: center;">OR</p> <p>Q. Why is Controlling called a forward looking function?</p> <p>Ans. <u>Controlling</u> is called a <u>forward looking function</u> because controlling seeks to improve the future performance on the basis of past experience.</p>	<p style="text-align: center;">1 mark</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 mark</p>
4	-	-	<p>Q. State any one function performed by non-governmental organisations for protection and promotion of interest of consumers.</p> <p>Ans. <u>Functions performed by non-governmental organisations for protection and promotion of interest of consumers:</u> (Any one)</p> <p>(i) <u>Educating the general public</u> about consumer rights by organizing training programs, seminars and workshops.</p> <p>(ii) <u>Publishing periodicals and other publications</u> to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of interest.</p> <p>(iii) <u>Carrying out comparative testing of</u></p>	<p style="text-align: center;">1 mark</p>

		<p><u>consumer products</u> in accredited laboratories to test relative qualities of competing brands and publishing the test results for the benefit of consumers.</p> <p>(iv) Encouraging consumers to strongly <u>protest and take action</u> against unscrupulous, exploitative and unfair trade practices of sellers.</p> <p>(v) Providing <u>legal assistance</u> to consumers by way of providing aid , legal advice, etc.in seeking legal remedy.</p> <p>(vi) <u>Filing complaints</u> in appropriate consumer courts on behalf of the consumers.</p> <p>(vii) Taking initiative in <u>filing cases in consumer courts</u> in the interest of the general public, not for any individual.</p>	
5	-	<p>Q. What is the meant by ‘Packaging’?</p> <p>Ans. ‘<u>Packaging</u>’ means the act of designing and producing the container or wrapper of a product and putting the product into it.</p> <p style="text-align: center;">OR</p> <p>Q. State any one quality of a good salesman.</p> <p>Ans. <u>Qualities of a good salesman: (Any one)</u></p> <p>(i) A good salesman should have <u>physical qualities</u> such as pleasing and charming personality which creates a good</p>	<p style="text-align: center;">1 mark</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 mark</p>

			<p>impression on the customers.</p> <p>(ii) He/she should be <u>social, humble</u> and cooperative</p> <p>(iii) A salesman must possess <u>imagination, foresight</u>, presence of mind, good memory and initiative.</p> <p>(iv) He/she should have full and <u>updated knowledge</u> about the product he is selling.</p> <p>(v) He/she should have <u>good communication skills</u>.</p> <p>(vi) He/she must be <u>honest and sincere</u> in performing his / her duty.</p> <p>(vii) A salesman who is <u>polite and courteous</u> generates buyer's confidence.</p> <p>(viii) A salesman should have the <u>convincing power</u> to develop a belief in a customer that the product he is buying is the best.</p>	
6	8	2	<p>Q. Koby Ltd. is an 87-year-old reputed consumer goods company. It is known for offering good quality electronic products at reasonable prices. It has branches all over India. It has a large shareholder base. The shareholders desired that some dividend is paid every year on their investments. Company's management understands that it is important to keep the shareholders happy and satisfied. As a matter of policy, they declare a certain amount of dividend every year out of profits rather than reinvesting the whole as retained earnings.</p> <p>Identify the factor affecting dividend decision being highlighted in the above situation.</p>	

			Ans. Shareholders preference	1 mark
7	1	3	<p>Q. Mahima Jain is the Senior Manager in the Advisory Services Department of Kodes Ltd. She regularly prepares performance reports of her subordinates as a part of the appraisal.</p> <p>Identify the step of the controlling process performed by her.</p> <p>Ans. Measurement of actual performance</p>	1 mark
8	2	4	<p>Q. Ravi Jain was the Chief Executive Officer of Nath Traders. He was worried about the heavy expenditure on advertising. He asked his Finance Manager, Mohit Verma to know the views of the Sales Manager and his team regarding this expenditure. Mohit Verma was thinking of calling a meeting of the Sales Manager and his team after tea-break. But by chance at the time of tea-break, Mohit Verma met with the Sales Manager and his team in the canteen. They all discussed about this expenditure and finalised to give suggestion to reduce this expenditure.</p> <p>Identify the type of organisation which helped the Finance Manager Mohit Verma, the sales Manager and his team in finalising the suggestion</p> <p>Ans. Informal Organisation</p>	1 mark
SECTION B				
9	-	-	Q.Explain any three points that highlight the importance of controlling	

		<p>function of management.</p> <p>Ans. Importance of controlling: (Any three)</p> <ul style="list-style-type: none"> (i) Accomplishing organisational goals. (ii) Judging accuracy of standards (iii) Making efficient use of resources. (iv) Ensuring order and discipline (v) Improving employee motivation (vi) Facilitating coordination in action <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p> <p style="text-align: center;">OR</p> <p>Q.Explain with the help of an example how ‘Management by Exception’ helps in the controlling process.</p> <p>Ans. Management by Exception</p> <ul style="list-style-type: none"> • It helps in the controlling process by identifying only significant deviations which go beyond the permissible limit and bringing them to the notice of the management. • It is based on the belief that an attempt to control everything results in controlling nothing. • Example- In a manufacturing organization, if the plans lay down 2% increase in labour cost as an acceptable range of deviation, then only increase in labour cost beyond 2% should be brought to the notice of the management for corrective action. 	<p>½ mark for heading + ½ mark for explanation =1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">=2+1 =3 marks</p>
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			(or any other suitable example)	
10	12	9	<p>Q.Kavita Ghai was the Managing Director of a restaurant in Lucknow called ‘Healthy Kitchen’. The restaurant was doing well and the volume of work started increasing slowly and steadily. Kavita Ghai was not able to manage all the work on her own. The increasing magnitude of work made it impractical for her to handle it all by herself. Moreover her objective is to open more branches of this restaurant at different places. She appointed Nikhil Gupta, as a General Manager of ‘Healthy Kitchen’, Lucknow and gave him the right to command his subordinates and to take action within the scope of his position. For smooth running of the restaurant she also gave him authority to hire and train the staff as per the requirements.</p> <p>Kavita Ghai was satisfied with the work of Nikhil Gupta and was able to open other branches of the restaurant in Agra and Kanpur also.</p> <p>(a)Identify the concept followed by KavitaGhai which helped her to open the new branches of the restaurant.</p> <p>(b)Also, explain briefly the two points of importance of the concept identified in (a) above</p> <p>Ans. (a) Delegation of authority</p> <p>(b) <u>Importance of Delegation of authority:</u> (Any two)</p>	<p>1 mark</p> <p>+</p>

			<p>(i) Effective management (ii) Employee development (iii) Motivation of employees (iv) Facilitation of growth (v) Basis of management hierarchy (vi) Better coordination.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>½ mark for heading + ½ mark for explanation 1x2= 2 Marks = 1+2= 3 marks</p>
11	13	10	<p>Q.Explain with the help of any three points how proper Financial Planning enables the companies to tackle the uncertainty in respect of availability and timings of funds and helps in smooth functioning of the organisation.</p> <p>Ans. <u>Financial planning enables the management to tackle the uncertainty in respect of availability and timing of funds and helps in smooth functioning of the organization by: (Any three)</u></p> <p>(i) Helping in forecasting what may happen in future, it makes the firm better prepared to face the future situations.</p> <p>(ii) Helping in avoiding business shocks and surprises and prepares the company for it.</p> <p>(iii) Helping in co-ordinating various business functions by providing clear policies and procedures.</p> <p>(iv) Detailed plans of action reduce waste, duplication of efforts and gaps in planning.</p>	<p>=1 mark for each point =1 x 3 =3 marks</p>

		<p>(v) Financial plan serves as a control technique by making the evaluation of actual performance easier.</p> <p>(vi) Linking the present with the future.</p> <p>(vii) Providing a link between investment and financing decisions.</p> <p style="text-align: center;">OR</p> <p>Q. How do debt and equity differ in their costs and risks involved? Explain.</p> <p>Ans. <u>Debt and Equity differ in their costs and risks involved</u></p> <p>Cost</p> <ul style="list-style-type: none"> • <u>The cost of debt is lower than the cost of equity</u> for a firm because the lender requires a lower rate of return as his risk is lower than the equity shareholder. • Moreover, interest paid on debt is a tax deductible expense whereas dividends are paid out of after-tax profits. <p>Risk</p> <ul style="list-style-type: none"> • <u>Debt is more risky</u> for a business because the payment of interest and the return of principal amount are obligatory for the business which increases the financial risk of a company whereas there is no such compulsion in case of equity, making it riskless for the company. 	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">+</p> <p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
12	-	-	<p>Q. How is ‘planning a pervasive function of management’ Explain.</p> <p>Ans. ‘Planning is a pervasive function of</p>

			<p>management' as it is required in <u>all types of organizations</u>, at <u>all levels of management</u> and in <u>all departments</u> of an organization. It is not an exclusive function of top management nor of any particular department.</p> <p>The scope of planning differs at different levels and among different departments.</p>	3 marks
13	10	12	<p>Q. Indian equity markets are going through a phase of boom. There is a huge growth potential for innovative technologies. This has resulted in lots of new ventures vying for a market share and old enterprises trying to keep up with the pace with which changes are taking place in the economy. This technological innovation has helped even smaller businesses to compete on a global scale.</p> <p>Identify and explain the three factors highlighted above which affect the working capital requirements of such enterprises.</p> <p>Ans. <u>Factors affecting Working Capital Requirements:</u></p> <p>(i) Business Cycle (ii) Growth Prospects (iii) Level of competition</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>½ mark for identifying the factor + ½ mark for its explanation =1 x 3 =3 marks</p>

SECTION C			
14	17	15	<p>Q. In an environment of rising petroleum prices and a large middle class population in India, KV Motors Ltd. recognized the need for small cars in India. It created a product far superior than their competitors not only in terms of quality but also in terms of overall driving experience. It soon became the leader in the small car market. As the Indian government was encouraging foreign investment, MNCs having a big name in car manufacturing entered the Indian market.</p> <p>KV Motors further expanded its service network and quality creating an entry barrier for the competitors. It depicted its strengths through various brand-building activities. As a result, the market share of KV Motors is refusing to go down in spite of all major automakers as its competitors.</p> <p>(a) Identify the economic reforms highlighted in the above case.</p> <p>(b) Quoting the lines, explain any two points of importance of Business Environment being highlighted in the above case.</p> <p>Ans. (a) Liberalisation and Globalisation</p> <p>(b) <u>Importance of Business Environment</u> (Any two)</p> <p>(i) It helps the firm to identify</p>
			<p>½ mark for each reform = ½ x 2 = 1 mark</p> <p style="text-align: center;">+</p> <p>½ mark for</p>

		<p><u>opportunities and get the first mover advantage.</u></p> <p><i>“KV Motors Ltd. recognized the need for small cars in India.”</i></p> <p>(ii) It helps the firm in improving performance.</p> <p><i>“It created a product far superior than their competitors not only in terms of quality but also in terms of overall driving experience. It soon became the leader in the small car market.</i></p> <p><u>(iii) It helps the firm in planning and policy formulation.</u></p> <p><i>“KV Motors further expanded its service network and quality creating an entry barrier for the competitors. It depicted its strengths through various brand-building activities.”</i></p> <p>(Full credit is to be given only if the examinee has given the correct explanation also in the answer)</p>	<p>quoting the line</p> <p>+</p> <p>½ mark for naming the point of importance</p> <p>+</p> <p>½ MARK FOR EXPLANATION</p> <p>=1 ½ x 2</p> <p>= 3 marks</p> <p>=1 +3 marks</p> <p>=4 marks</p>
15	18	16	<p>Q. Differentiate between Money Market and Capital Market on the following basis:</p> <p>(a) Expected return</p> <p>(b) Safety</p> <p>(c) Liquidity</p> <p>(d) Instruments</p> <p>Ans. Difference between Money Market and Capital Market</p>

Basis	Money Market	Capital Market	<p style="text-align: center;">1 mark for each correct difference =1 x 4 = 4 marks</p>
(a) Expected Return	Money market securities yield comparatively less return.	Generally capital market securities yield a higher return than money market instruments.	
(b) Safety	Money market securities are comparatively safer.	Capital market securities are riskier than money market instruments.	
(c) Liquidity	Money market securities are comparatively more liquid.	Capital market securities are comparatively less liquid.	
(d) Instruments	Instruments like treasury bill, commercial paper, certificates of deposit, call money and commercial bill are traded in money market.	Instruments like shares, debentures and bonds are traded in Capital market.	
OR			
<p>Q. Differentiate between Primary Market and Secondary Market on the following basis:</p>			
<p>(a) Company involvement</p>			
<p>(b) Price determination</p>			
<p>(c) Location</p>			
<p>(d) Capital formation</p>			
<p>Ans. Difference between Primary Market</p>			

			<p style="text-align: center;">and Secondary Market</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Primary Market</th> <th>Secondary Market</th> </tr> </thead> <tbody> <tr> <td>(a) Company Involvement</td> <td>Securities are sold by the company to the investors.</td> <td>Ownership of existing securities is exchanged between investors; company is not involved.</td> </tr> <tr> <td>(b) Price Determination</td> <td>Prices are determined by the management of the company.</td> <td>Prices are determined by the forces of demand and supply of securities.</td> </tr> <tr> <td>(c) Location</td> <td>No fixed geographical location.</td> <td>Located at specified places.</td> </tr> <tr> <td>(d) Capital Formation</td> <td>Directly promotes Capital formation.</td> <td>Indirectly promotes Capital formation.</td> </tr> </tbody> </table>	Basis	Primary Market	Secondary Market	(a) Company Involvement	Securities are sold by the company to the investors.	Ownership of existing securities is exchanged between investors; company is not involved.	(b) Price Determination	Prices are determined by the management of the company.	Prices are determined by the forces of demand and supply of securities.	(c) Location	No fixed geographical location.	Located at specified places.	(d) Capital Formation	Directly promotes Capital formation.	Indirectly promotes Capital formation.	<p style="text-align: center;">1 mark for each correct difference =1 x 4 =</p> <p style="text-align: center;">4 marks</p>
Basis	Primary Market	Secondary Market																	
(a) Company Involvement	Securities are sold by the company to the investors.	Ownership of existing securities is exchanged between investors; company is not involved.																	
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(c) Location	No fixed geographical location.	Located at specified places.																	
(d) Capital Formation	Directly promotes Capital formation.	Indirectly promotes Capital formation.																	
16	19	17	<p>Q.Mudit Gupta set up ‘Healthy Biscuits’, a company manufacturing various kinds of biscuits like oat biscuits, soya biscuits, ragi biscuits and wholewheat biscuits. He knew that a customer would only pick up a small quantity of the product, so he did not want to invest in starting his own retail outlets. He planned to market the product at the ‘In and Out’ stores at various petrol pumps in the city though the other biscuit manufacturers were using other channels of distribution.</p> <p>(a) Give the meaning of ‘Channels of Distribution’.</p>																

		<p>(b) Name the factors that affected the determination of choice of channels and state how they will affect the determination of choice of channels of distribution in the above case.</p> <p>Ans. (a) Channels of Distribution mean a set of individuals and firms that take title, or assist in transferring title to particular goods or services as it moves from the producers to the consumers.</p> <p>(b) Factors affecting determination of choice of channels</p> <p>(i)Product related factor: Since the product is a consumer product, its unit value is low and is standardized, longer channels should be used.</p> <p>(ii)Market related factor: Since the size of order of biscuits for ‘Healthy Biscuits’ was small, large number of intermediaries were used.</p> <p>(iii)Competitive factor: The company decided to be different from the choice of channel selected by the competitors, so it decided to market the product at the ‘In and Out’ stores at various petrol pumps in the city.</p>	<p>1 mark</p> <p>+</p> <p>½ mark for naming the factor</p> <p>+</p> <p>½ mark for stating the effect</p> <p>= 1 x 3</p> <p>=3 marks</p> <p>=1+ 3</p> <p>=4 marks</p>
17	-	<p>Q.Explain any four points of importance of consumer protection from the business point of view.</p> <p>Ans. <u>Importance of consumer protection from business point of view: (any four)</u></p> <p>(a) Long term interest of business</p> <p>(b) Business uses society’s resources.</p> <p>(c) Social responsibility</p> <p>(d) Moral Justification</p>	<p>½ mark for each point</p> <p>+</p> <p>½ mark for its explanation</p> <p>= 1 x 4</p> <p>=4 marks</p>

		<p>(e) Government intervention. (If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p> <p style="text-align: center;">OR</p> <p>Q.Describe the following rights of a consumer as per consumer protection Act, 1986: (a) Right to be Heard (b) Right to Safety</p> <p>Ans. <u>(a)Right to be Heard</u> The consumer has right to file a complaint and to be heard in case of dissatisfaction with a product or a service. It is because of this reason many firms have set up their own consumer service and grievance cells.</p> <p><u>(b) Right to Safety</u> The consumer has a right to be protected against goods and services which are hazardous to life and health. It includes the right to get protection against the risks caused due to the use of substandard products or products that do not conform to the safety norms.</p>	<p style="text-align: right;">2 marks</p> <p style="text-align: center;">+</p> <p style="text-align: right;">2 marks</p> <p style="text-align: right;">= 4 marks</p>
18	15	19	<p>Q.Vandana Public School had a vacancy of a Maths teacher. They were looking for a smart and creative teacher having a drive for excellence. An advertisement was given in all leading dailies. Since the response was huge, the school examined</p>

		<p>all the application forms and rejected the candidates who did not have the necessary qualifications. Thereafter, a test was conducted to measure the existing skills of the candidates. After that it was followed by a formal in-depth conversation with the Principal of the school and a panel of Maths experts.</p> <p>(a) Explain the steps that have been performed by Vandana Public School in the process of identifying and choosing the best candidate.</p> <p>(b) Give the name and also the meaning of the test which was conducted by the school.</p> <p>Ans. <u>(a) Steps performed by Vandana Public School in the process of identifying and choosing the best candidate:</u> (i) Preliminary Screening (ii) Selection Tests (iii) Employment Interview</p> <p>(b) Trade test was conducted by the school to measure the existing skills possessed by the candidates.</p>	<p>$\frac{1}{2}$ mark for naming the step + $\frac{1}{2}$ mark for its explanation =1 x 3 =3 marks</p> <p>$\frac{1}{2}$mark for naming the test + $\frac{1}{2}$mark for its meaning =1 mark</p> <p>= 3+ 1 marks</p> <p>4 marks</p>
19	16	14	<p>Q.Financial market is a market for creation and exchange of financial assets. It helps to link the savers with the investors and directs available funds into their most productive investment opportunity. It also facilitates easy</p>

		<p>purchase and sale of financial assets through the stock exchange. The stock exchange not only facilitates buying and selling of existing securities but also educates public about how their investments in the financial market can yield good returns.</p> <p>(a) State two functions performed by financial market in the above case.</p> <p>(b) Explain two more functions of the stock exchange, other than those stated in the above case.</p> <p>Ans. (a) <u>Functions performed by Financial market:</u></p> <p>(i) It <u>mobilises savings and channelises</u> them into most productive use.</p> <p>(ii) It provides <u>liquidity to financial assets</u> by facilitating easy purchase and sale of securities through stock exchanges.</p> <p>(b) <u>Functions of stock exchange, other than those stated in the above case(any two):</u></p> <p>(i) Pricing of securities (ii) Ensures safety of transactions (iii) Contributes to economic growth (iv) Provides scope for speculation</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>1 mark for each function = 1 x 2 = 2 marks</p> <p>+</p> <p>½ mark for naming the function +</p> <p>½ mark for its explanation = 1 x 2 = 2 marks</p> <p>= 2 + 2 = 4 marks</p>
		SECTION D	
20	21	22	Q. Since childhood Niru and Janak had

		<p>been watching their grandmother procuring wheat form the market, washing it well drying it and getting it converted into atta. They conducted a survey to collect data to identify whether there is demand for readymade atta and realised that with the growing number of working women, it is the need of the hour to manufacture high quality atta. They named their product ‘Srijan’ and set up ‘Srijan Atta Factory’ at Jaunpur Village. To penetrate in the market, they decided to keep the price low. For maintaining smooth flow of their product into the market and avoiding delays in delivery, it was decided to store wheat at SKM Services which had scientific processes and logistics facilitating quick delivery. They also set up an online complaint portal to take care of consumer grievances.</p> <p>By quoting the lines from the above paragraph, state five marketing functions undertaken by Niru and Janak for successful marketing of ‘Srijan’ atta.</p> <p><u>Ans. Marketing functions undertaken by Niru and Janak:</u></p> <p><u>(i) Gathering and analyzing market information</u> is necessary to identify the needs of the customers and take various decisions for successful marketing of products and services.</p> <p><i>“They conducted a survey to collect data to identify whether there is demand for readymade atta and realised that with the</i></p>	
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		<p><i>growing number of working women, it is the need of the hour to manufacture high quality atta.”</i></p> <p>(ii) <u>Branding</u> is the process of giving a name/sign/symbol to the product in order to distinguish the product from that of competitors. <i>“They named their product ‘Srijan”</i></p> <p>(iii) <u>Pricing</u> of product involves fixation of price of a product and taking various related decisions like pricing strategies. <i>“To penetrate in the market, they decided to keep the price low.”</i></p> <p>(iv) <u>Storage or warehousing</u> refers to arranging for proper storage of goods to maintain smooth flow of goods in the market and avoid delay in delivery. <i>“For maintaining smooth flow of their product into the market and avoiding delays in delivery, it was decided to store wheat at SKM Services which had scientific processes and logistics facilitating quick delivery.”</i></p> <p>(v) <u>Customer support Services</u> aim at providing maximum satisfaction to the customers for developing brand loyalty for a product. <i>“They also set up an online complaint portal to take care of consumer grievances.”</i></p>	<p>1 mark for each point along with quoting</p> <p>= 1 x 5</p> <p>=5 marks</p>
21	-	-	Q. Explain any five characteristics of co-ordination.

		<p>stores in India with 56 outlets. It sells the best products at the lowest price. The Human Resource department takes care to select, train, motivate and retain the employees. Currently, it has 170 full time employees and 30 part time employees.</p> <p>For top-level management, employees are recruited through private consultants. These professional recruiters can entice the needed top executives from other companies by making the right offers. Employees appointed at the entry level are recruited through walk-in. For that, a notice is placed on the notice board specifying the details of the jobs available. ‘Newrange’ also encourages present employees or their friends and relatives to refer candidates. They also visit some of the reputed educational institutions to hire some of the most talented and promising students as its employees.</p> <p>‘Newrange’ shifts workforce from surplus departments to those where there is shortage of staff instead of laying them off.</p> <p>Explain the various internal and external sources of recruitment used by ‘Newrange’ to recruit its employees.</p> <p>Ans. <u>Sources of recruitment used by ‘Newrange’:</u></p> <p>(i) <u>Internal</u></p> <ul style="list-style-type: none"> • Transfers <p>(ii) <u>External</u></p>	<p>½ mark for identifying + ½ mark for explanation</p>
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			<ul style="list-style-type: none"> • Placement Agencies and Management Consultants • Direct Recruitment • Recommendations of Employees • Campus recruitment 	<p>= 1 mark</p> <p>=1 x 5</p> <p>=5 marks</p>																					
23	-	-	<p>Q. Differentiate between ‘Functional Structure’ and ‘Divisional Structure’ on any six bases.</p> <p>Ans. Difference between Functional structure and Divisional Structure</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Functional Structure</th> <th>Divisional Structure</th> </tr> </thead> <tbody> <tr> <td>(a) Formation</td> <td>Formation is based on functions</td> <td>Formation is based on product lines</td> </tr> <tr> <td>(b) Specialisation</td> <td>Occupational specialisation</td> <td>Product specialisation</td> </tr> <tr> <td>(c) Cost</td> <td>Functions are not duplicated, hence economical</td> <td>Duplication of efforts in various departments, hence costly</td> </tr> <tr> <td>(d) Coordination</td> <td>Difficult for a multi product company</td> <td>Easy as all functions related to a particular product are integrated in one division</td> </tr> <tr> <td>(e) Responsibility</td> <td>Difficult to fix responsibility on a particular department</td> <td>Easy to fix responsibility for performance</td> </tr> <tr> <td>(f) Managerial development</td> <td>Difficult as functional managers are unable to gather experience in diverse areas</td> <td>Facilitated as divisional heads gain experience in all functions related to a particular</td> </tr> </tbody> </table>	Basis	Functional Structure	Divisional Structure	(a) Formation	Formation is based on functions	Formation is based on product lines	(b) Specialisation	Occupational specialisation	Product specialisation	(c) Cost	Functions are not duplicated, hence economical	Duplication of efforts in various departments, hence costly	(d) Coordination	Difficult for a multi product company	Easy as all functions related to a particular product are integrated in one division	(e) Responsibility	Difficult to fix responsibility on a particular department	Easy to fix responsibility for performance	(f) Managerial development	Difficult as functional managers are unable to gather experience in diverse areas	Facilitated as divisional heads gain experience in all functions related to a particular	<p>=</p> <p>1 x 6</p> <p>6 marks</p>
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			product	
			OR	
			<p>Q.Explain any four points of importance of planning function of management.</p> <p>Ans. Importance of planning: (Any four points)</p> <p>(i) Provides directions</p> <p>(ii) Reduces the risks of uncertainty</p> <p>(iii) Reduces overlapping and wasteful activities</p> <p>(iv) Promotes innovative ideas</p> <p>(v) Facilitates decision making</p> <p>(vi) Establishes standards for controlling</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit should be given)</p>	<p>½ mark for the heading</p> <p>+</p> <p>1 mark for explanation</p> <p>= 1 ½ x 4</p> <p>= 6 marks</p>
24	25	23	<p>Q. Three friends, Rajat, Raman and Ansh, after completing their MBA from a reputed business school at Mumbai, were discussing about the type of organisation they would like to join. Rajat was very clear that he would like to take up a government job as it gives stability about the future income and work which will help him to work with greater zeal. It will also provide him pension when he will retire from his service.</p> <p>Raman wanted to work in a company, which has appropriate skill development plans for its employees and helps the employees to grow to higher levels in the</p>	

		<p>organisation. In addition to this, the company should also provide facilities like housing, medical aid, etc.</p> <p>Ansh said that he would prefer to work in an organisation, which has the culture of individual autonomy, is considerate to employees and provides the employees with opportunity for personal growth and a meaningful work experience.</p> <p>(a) Identify the various financial and non-financial incentives discussed by the three friends in the above conversation.</p> <p>(b) Explain three other non-financial incentives which were not discussed by any one of them.</p> <p><u>Ans. Financial and non-financial incentives discussed by the three friends in the above conversation.</u></p> <p>(i) Financial incentives</p> <ul style="list-style-type: none"> • Retirement benefits • Perquisites <p>(ii) Non- Financial incentives</p> <ul style="list-style-type: none"> • Job security • Career advancement opportunity • Organizational climate • Status <p>(b) <u>Other non-financial incentives which were not discussed by any one of them</u> (Any three)</p> <ul style="list-style-type: none"> • Job enrichment • Employee recognition • Employee participation • Employee empowerment 	<p>½ mark for each incentive =½ x 6 =3 marks</p> <p>+</p> <p>½ mark for each incentive + ½ mark for its explanation</p>
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				<p>= 1 x 3 = 3marks = 3+3 marks = 6 marks</p>
25	23	24	<p>Q.Vishesh completed his MBA at a reputed business school in Lucknow. He was impressed by the Principles and Techniques of Scientific Management developed by F.W. Taylor. On completing his MBA, he wanted to apply scientific Management in his family's business of fast food chain of restaurants named 'Burger Mania'.</p> <p>His main goal was to reduce costs with increased output. To begin with, he wanted to develop a standard method which would be followed throughout the organisation. So, he investigated traditional methods through work study and unified the best practices. The standard method, i.e. the best way of doing the job was then developed taking into account all parameters right from the procurement of raw materials till the delivery of the final product to the customer. Vishesh also believed that each person should not only be scientifically selected but should also be given the required training to increase efficiency. For this, he set up a Special Training Unit called 'Hamburger' in Bengaluru where the workers were given the required training to increase efficiency. For this, he set up a workers were given the required training to learn the best method. At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements. The</p>	

		<p>standard time and other parameters were determined on the basis of work study and Vishesh rewarded the workers for meeting the standard output.</p> <p>Now, ‘Burger Mania’ has standardised processes, raw material, time, machinery, product and working conditions that ensure the food they send out to their customers has the same high standards of excellence and level of quality in every chain or franchise. The application of Scientific Management to every aspect of restaurant operations led to ‘Burger Mania’s’ widespread success. Quoting the lines from the above, explain the Principles and Techniques of ‘Scientific Management’ used by ‘Burger Mania’</p> <p><u>Ans. The Principles and Techniques of ‘Scientific Management’ used by ‘Burger Mania’ are: (Any six)</u></p> <p><u>Principles of scientific management</u></p> <ul style="list-style-type: none"> • <u>Science, not rule of thumb</u> <i>“To begin with, he wanted to develop a standard method which would be followed throughout the organisation. So, he investigated traditional methods through work study and unified the best practices.”</i> • <u>Development of each and every person to his/her greatest efficiency and prosperity</u> <i>“Vishesh also believed that each person should not only be scientifically selected but should also be given the required</i> 	<p>½ mark for quoting the line + ½ MARK FOR EXPLAINING the principle/ technique</p> <p>1 x 6 = 6 marks</p>
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		<p><i>training to increase efficiency.”</i></p> <p><u>Techniques of scientific management</u></p> <p><u>Method study</u> <i>“The standard method, i.e. the best way of doing the job was then developed taking into account all parameters right from the procurement of raw materials till the delivery of the final product to the customer.”</i></p> <p><u>Motion study</u> <i>“At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements.”</i></p> <p><u>Time study</u> <i>“The standard time and other parameters were determined on the basis of work study</i></p> <p><u>Standardization (Standardization and Simplification of Work)</u> <i>“Now, ‘Burger Mania’ has standardised processes, raw material, time, machinery, product and working conditions that ensure the food they send out to their customers has the same high standards of excellence and level of quality in every chain or franchise.”</i></p> <p><u>Differential piece wage system</u> <i>“Vishesh rewarded the workers for meeting the standard output.”</i></p> <p>(Full credit is to be given only if the examinee has given the correct explanation also in the answer)</p>	
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