

-Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March -----2018-19
Marking Scheme---Business Studies 66/5/1, 66/5/2, 66/5/3

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 66/5/2 EXPECTED ANSWERS / VALUE POINTS	Distribution of Marks
			SECTION A	
6	1	2	<p>Q. ‘XY Ltd.’ is registered with an authorised capital of Rs. 10 crore. The paid-up capital of the company is Rs. 6 crore. The company was facing shortage of funds. The management of the company decided to raise funds by issue of 1,00,000 equity shares of Rs. 100 each. The issue was fully subscribed. After this it was realised that the funds raised were in excess of the actual requirement. Identify and define the concept which was not considered by the company before deciding the amount of funds to be raised.</p> <p>Ans. Financial Planning</p> <p>The process of <u>estimating the fund requirements</u> of a business and <u>specifying the sources of funds</u> is called financial planning.</p> <p style="text-align: center;">OR</p> <p>Financial planning is the preparation of a financial blueprint of an organisation’s future operations.</p> <p style="text-align: center;">(or any other correct definition)</p>	<p>½ mark for identifying the concept</p> <p style="text-align: center;">+</p> <p>½ mark for its definition</p> <p style="text-align: center;">=</p> <p>1 mark</p>
8	2	4	<p>Q. ‘Nayan Medicare Equipment Ltd.’ manufactures equipment for surgeons having a unique laser technique. The equipment can be used by the surgeons only after proper training. Even their maintenance requires guidance of specialised engineers. Because of this, the equipment is used in a limited number of hospitals. The company wants to increase the sale of the equipment. Suggest the promotion tool to be used by the company giving reason in support of your answer.</p> <p>Ans. Personal Selling.</p> <p>This is because it is a complex product requiring technical details and is best sold through shorter channels.</p>	<p>½ mark for naming the tool</p> <p style="text-align: center;">+</p> <p>½ mark for the reason</p>

				=
				1 mark
7	3	1	<p>Q. Vivek purchased a bike from Saranath Automobiles with a written guarantee to repair or replace, if necessary, within six months or 5,000 kms of distance travelled whichever is earlier. After covering the distance of 400 kms in two months, the gears of the bike started giving problems. Vivek took the bike to the dealer who refused to listen to his complaint. He was confused about what he should do.</p> <p>Suggest the rights that Vivek may exercise in the above case.</p> <p>Ans. (a) Right to Safety</p> <p>(b) Right to seek redressal</p>	<p>$\frac{1}{2}$ mark for naming each right</p> <p>=</p> <p>$\frac{1}{2} \times 2$</p> <p>=</p> <p>1 mark</p>
1	4	3	<p>Q. Various input resources are required by management to complete a task effectively and efficiently. Name any two.</p> <p>Ans. Following are the input resources required by management to complete a task effectively and efficiently:</p> <p>(Any two)</p> <p>(i) Money</p> <p>(ii) Materials</p> <p>(iii) Equipment</p> <p>(iv) Persons</p>	<p>$\frac{1}{2}$ mark</p> <p>+</p> <p>$\frac{1}{2}$ mark</p> <p>=</p> <p>1 mark</p>
3	5	5	<p>Q. All business firms would like to increase their sales and earn profits to be successful. All managers dream of these. To turn their dreams into reality, managers need to work hard in thinking about the future, in making business predictions and achieving targets.</p> <p>The above lines describe one of the functions of management. Identify and define this function.</p> <p>Ans. <u>Planning</u></p> <p><u>Planning</u> is defined as the process of setting objectives for a given time period, formulating various courses of action to achieve them and then selecting the best possible alternative</p>	<p>$\frac{1}{2}$ mark</p> <p>+</p> <p>$\frac{1}{2}$ mark</p>

			from among the various courses of action available. (or any other correct definition)	= 1 mark
-	6	-	<p>Q. What is meant by ‘Formal Organisation’?</p> <p>Ans. <u>Formal organisation</u> refers to the organisation structure which is deliberately created by the management to accomplish a particular task. It specifies clearly the boundaries of authority and responsibility and there is systematic co-ordination among the various activities to achieve organisational goals.</p> <p>(or any other correct meaning)</p> <p>OR</p> <p>Q. What is meant by ‘Informal Organisation’?</p> <p>Ans. <u>Informal organisation</u> is a network of personal and social relations within the formal organisation arising spontaneously as people associate with one another. It has no written rules, is fluid in form and scope and does not have fixed lines of communication.</p> <p>(or any other correct meaning)</p>	<p>1 mark</p> <p>OR</p> <p>1 mark</p>
-	7	-	<p>Q. Differentiate between an ‘Aptitude Test’ and a ‘Personality Test’.</p> <p>Ans. <u>Aptitude Test</u> is a measure of individuals potential for learning new skills</p> <p><u>Personality Test</u> provides clues to a person’s emotions, reactions, maturity, value system etc.</p> <p>OR</p> <p>Q. Differentiate between ‘Recruitment’ and ‘Selection’.</p> <p><u>Recruitment</u> is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.</p> <p><u>Selection</u> is the process of identifying and choosing the best person(s) out of a number of prospective candidates for the</p>	<p>$\frac{1}{2}$ mark + $\frac{1}{2}$ mark</p> <p>= 1 mark OR</p> <p>$\frac{1}{2}$ mark + $\frac{1}{2}$ mark</p> <p>= 1 mark</p>

			job. (or any other correct difference)	
-	8	-	<p>Q. How does Interest Coverage Ratio affect the capital structure of an enterprise?</p> <p>Ans. <u>High Interest Coverage ratio</u> affects the capital structure of an enterprise as it lowers the risk of company failing to meet its interest payment obligations</p> <p style="text-align: center;">OR</p> <p>Q. How does Debt Service Coverage Ratio affect the capital structure of an enterprise?</p> <p>Ans. <u>High debt service coverage ratio</u> affects the capital structure of an enterprise as it indicates better ability to meet the debt service obligations.</p>	<p style="text-align: center;">1 mark</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 mark</p>
			SECTION B	
13	9	11	<p>Q. Gopal, Mohan and Shyam are three friends having their separate small manufacturing units in an industrial estate. They are hard-working and honest and undertake their respective production activities following the good practices of business. They use good quality raw materials and adopt standardised process. They fix the prices of their products with a reasonable profit margin. But all of them are worried about the malpractices like manufacturing sub-standard, duplicate and defective goods by the fellow manufacturers. Therefore, they decided to form an organisation with a constitution of its own which is free from government interference. This organisation would encourage consumers to strongly protest and take action against unscrupulous, exploitative and unfair trade practices of sellers. State three other functions which may be performed by this organisation in addition to those mentioned above.</p> <p>Ans. Three other functions which may be performed by this organisation in addition to those mentioned above are: (Any three)</p> <p>(i) <u>Educating the general public</u> about consumer rights by organising training programmes, seminars and workshops.</p>	

		<p>(ii) <u>Publishing periodicals</u> and other publications to impart knowledge about consumer problems.</p> <p>(iii) <u>Carrying out comparative testing</u> of consumer products in accredited laboratories.</p> <p>(iv) <u>Providing legal assistance</u> to consumers.</p> <p>(v) <u>Filing complaints</u> in appropriate consumer courts on behalf of the consumers.</p> <p>(vi) <u>Taking an initiative in filing cases</u> in the interest of general public.</p>	<p>1 x 3 = 3 marks</p>
11	10	<p>10 Q. Shiv has recently joined an industrial unit manufacturing low cost LED bulbs. He has five workers working under him. He gives them instructions to ensure optimum utilization of resources and achievement of work targets. He provides good on-the-job training to the workers to build an efficient team. He also analyses the work performed by them and gives feedback. The work performed by Shiv may be described as an important element of directing. Name the element and state two other functions which may be performed by Shiv in addition to those highlighted above.</p> <p>Ans. Supervision</p> <p><u>Other supervisory functions which may be performed by Shiv in addition to those highlighted above are: (Any two)</u></p> <p>(i) Maintains day-to-day contact and friendly relations with the workers.</p> <p>(ii) Links the workers and the management by conveying management ideas to the workers and workers problems to the management.</p> <p>(iii) Helps in maintaining group unity by sorting out their internal differences.</p> <p>(iv) To oversee the efforts of the workforce.</p> <p>(v) To ensure that the quality of output is maintained and wastage of material is minimized.</p>	<p>1 mark</p> <p>+</p> <p>1 x 2 = 2 marks = 1+2 = 3 marks</p>

			(vi) To ensure safety standards are maintained.	
12	11	9	<p>Q. ‘Financial markets are classified on the basis of the maturity of financial instruments traded in them.’ Name the market in which the instruments with more than one year maturity are traded. Also state any two features of this market.</p> <p>Ans. Capital Market</p> <p><u>Any two</u> of the following features of Capital Market:</p> <p>(a) It facilitates arrangement of long term and medium term funds</p> <p>(b) In this market, funds are raised through both - debt and equity i.e. equity shares, preference shares, bonds, debentures etc.</p> <p>(c) It includes Primary and Secondary market.</p> <p>(d) The participants in this market are financial institutions, banks, corporate entities, foreign investors and ordinary retail investors.</p> <p>(e) Investment in this market does not necessarily require a huge financial outlay.</p> <p>(f) The securities traded in this market are considered liquid as they are marketable on the stock exchange.</p> <p>(g) The instruments traded in this market are risky because of higher duration of investing.</p> <p>(h) The returns in this market are generally higher as the investment can earn capital gains, dividend as well as bonus issues.</p>	<p>1 mark</p> <p>+</p> <p>1 x 2 = 2 marks =</p> <p>1+2 = 3 marks</p>
-	12	-	<p>Q. Explain the first three steps in the process of ‘organising’.</p> <p>Ans. <u>First three steps in the process of organising</u> are:</p> <p>(i) Identification and division of work</p>	<p>½ mark for each heading +</p>

		<p>(ii) Departmentalisation</p> <p>(iii) Assignment of duties</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p> <p style="text-align: center;">OR</p> <p>Q. Explain any three points of importance of ‘organising’ function of management.</p> <p>Ans. <u>Importance of organising:</u> (Any three)</p> <p>(a) Benefits of specialisation</p> <p>(b) Clarity in working relationships.</p> <p>(c) Optimum utilisation of resources.</p> <p>(d) Adaptation to change.</p> <p>(e) Effective administration.</p> <p>(f) Development of personnel.</p> <p>(g) Expansion and growth.</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p>	<p>½ mark for each explanation = 1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for each heading + ½ mark for each explanation = 1 x 3 = 3 marks</p>
-	13	-	<p>Q. Explain the following points of importance of ‘controlling’:</p> <p>(i) Accomplishing organisational goals;</p> <p>(ii) Judging accuracy of standards; and</p> <p>(iii) Making efficient use of resources.</p> <p>Ans. (i) Accomplishing organisational goals;</p> <p>- Controlling function measures the progress towards the <u>organisational goals</u> by bringing to light, deviations if any and indicating corrective action.</p> <p>- It thus guides the organisation and keeps it on the right track so that organisational goals can be achieved.</p>

		<p>(ii) Judging accuracy of standards</p> <ul style="list-style-type: none"> - A good control system enables management to verify whether the standards set are accurate and objective. - It keeps a careful check on the changes taking place in the organisation and the environment and helps to review and revise the standards in the light of such changes. <p>(iii) Making efficient use of resources</p> <ul style="list-style-type: none"> - Controlling seeks to reduce wastage and spoilage of resources as each activity is performed in accordance with predetermined standards and norms. - It thus, ensuring that resources are used in the most effective and efficient manner. <p style="text-align: center;">OR</p> <p>Q. Explain the steps in the controlling process after ‘measurement of actual performance’.</p> <p><u>Ans. Steps in the controlling process after measurement of actual performance are:</u></p> <ul style="list-style-type: none"> (a) Comparison of actual performance with the standards (b) Analysing deviations (c) Taking corrective action. 	<p style="text-align: center;">1 x 3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">½ mark for each heading + ½ mark for each explanation = 1 x 3 3 marks</p>
		SECTION C	
17	14	15	<p>Q. Ganesh was concerned about the sedentary lifestyle people are leading nowadays. Their dependency on outside food is also increasing because corporate work culture demands working till late night at offices. So, he decided to start a restaurant, ‘Healthy Eating Point’ to provide healthy food options to customers. After completing planning and organising functions, he identified the various job positions that are required to be filled i.e. a General Manager, an Accountant, two</p>

	<p>Chefs, two boys for serving the food in the restaurant and three boys for home delivery of food. He decided that his father, Karan, would be the General Manager of the restaurant. He would be paid ₹50,000 per month for his services. His father requested him to appoint his friend's son, Prem as an accountant who is well qualified for this post. Ganesh agreed to this proposal. Earlier, Prem had a business of providing unskilled workers to different organisations from remote areas of the country. Prem took permission from Ganesh to continue with the old business. Ganesh happily agreed and asked him to provide five boys for serving and delivering the food. For the appointment of the two Chefs, Ganesh approached a renowned Hotel Management Institute and was satisfied with the Chefs provided by the institute.</p> <p>(a) Quoting the lines from the above paragraph, explain the two sources of recruitment being used by Ganesh for filling up the various job positions.</p> <p>(b) Also, give the meaning of the function of management discussed in the above case.</p> <p>Ans. (a) Sources of recruitment being used by Ganesh for filling up the various job positions are: (Any two)</p> <p>(i) Recommendation of employees</p> <p><i>'His father requested him to appoint his friend's son, Prem as an accountant who is well qualified for this post'</i></p> <p>In this source of recruitment, applicants are introduced by present employees or their friends and relatives. Such employees are likely to be good employees as their background is sufficiently known.</p> <p>(ii) Labour Contractors</p> <p><i>'Earlier, Prem had a business of providing unskilled workers to different organisations from remote areas of the country'</i></p> <p>It is a source of recruitment in which the labour contractor maintains a close contact with the labourers and can provide the required number of unskilled workers at short notice.</p> <p>(iii) Campus Recruitment</p>	<p>½ mark for identifying the source</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 2</p> <p>=</p> <p>3 marks</p>
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		<p><i>‘For the appointment of the two Chefs, Ganesh approached a renowned Hotel Management Institute and was satisfied with the Chefs provided by the institute’</i></p> <p>It is a source of recruitment in which organisations maintain a close liaison with educational institutions like universities, vocational schools and management institutes to recruit qualified personnel for technical, professional and managerial jobs.</p> <p>(b) The function of management discussed above is <u>Staffing</u> which means <u>filling and keeping filled the positions in the organisation structure.</u></p> <p style="text-align: center;">(or any other correct meaning)</p>	<p style="text-align: center;">+</p> <p style="text-align: center;">1 mark = 3+1 = 4 marks</p>	
19	15	18	<p>Q. Jay is working as the Chief Executive Officer of a soft drinks company. The company is doing its business in collaboration with a soft drinks company of France. Jay’s friend, Swami a teacher of Business Studies in a reputed college was discussing the ‘Marketing’ chapter with his students. He wanted clarity from Jay about the factors which affect the marketing decisions. Jay explained that there were a large number of factors affecting marketing decisions which may be divided into two categories: (i) controllable factors, and (ii) non-controllable factors. Jay further explained that controllable factors became marketing tools that can be constantly shaped and reshaped by marketing managers, to achieve marketing success. Identify and explain the set of marketing tools that can be constantly shaped and reshaped by marketing managers.</p> <p>Ans. Set of marketing tools that can be constantly shaped and reshaped by marketing managers are:</p> <p>(i) <u>Product</u></p> <p>Product is a mixture of tangible and intangible attributes which are capable of being exchange for a value with ability to satisfy customer needs.</p>	<p style="text-align: center;">½ mark for naming</p>

		<p>(ii) <u>Price</u></p> <p>Price may be defined as the amount of money paid by the buyer (or received by the seller) in consideration for the purchase of a product or a service.</p> <p>(iii) <u>Place or Physical Distribution</u></p> <p>Place or Physical Distribution is concerned with making the goods and services available at the right place, in right quantity and at the right time so that the consumers can purchase the same.</p> <p>(iv) <u>Promotion</u></p> <p>Promotion refers to the use of communication with the objective of informing potential customers about the product and persuading them to buy the same.</p>	<p>each tool + ½ mark for each explanation = 1x 4 = 4 marks</p>
18	16	14	<p>Q. Nayar is working as P.G.T. Commerce in a CBSE affiliated school of Kerala. One day he was teaching about capital market in the class. He informed the class that during 1980's the capital market in India witnessed a tremendous growth because of increasing participation of the public. This ever increasing investors' population and market capitalisation led to a variety of malpractices on the part of the companies, brokers, merchant bankers, investment consultants and others involved in the securities market. These malpractices and unfair trading practices eroded investor confidence and multiplied investors' grievances. The Government of India and the stock exchanges were helpless in redressing the investors' problems because of lack of proper penalty provisions in the existing legislation. In view of this the Government of India decided to set up a regulatory body.</p> <p>(a) Name the regulatory body which the Government of India decided to set up.</p> <p>(b) Also state any three objectives of the regulatory body identified in part (a) above.</p>

		<p>(i) It gives <u>relief to the top management</u> as, when the subordinates are given the freedom to act, the top management gets more time to devote on important policy decisions rather than handling operational decisions.</p> <p>(ii) It develops <u>initiative amongst subordinates</u> by promoting self reliance and confidence among them. This is because when lower managerial levels are given freedom to take their own decisions they learn to depend on their own judgement.</p> <p>(iii) It develops <u>managerial talent for the future</u> by giving the subordinates a chance to prove themselves, thus, creating reservoir of qualified manpower to fill up challenging positions in future.</p> <p>(iv) It <u>facilitates growth</u> by fostering competition amongst the departments leading to increase in productivity, thereby generating to higher profits which can be used for growth and expansion.</p> <p>(v) It helps in <u>quick decision making</u> as there is no requirement for approval from many levels. There are also less chances of information getting distorted as it doesn't have to go through many levels.</p> <p>(vi) It leads to <u>better control</u> by evaluating performance at each level of management. The departments can be held accountable for their results.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>1 x 3 = 3 marks = 1+3 = 4 marks</p>	
14	18	17	<p>Q. Define 'Management'. Explain how management is a multidimensional activity.</p> <p>Ans. <u>Management</u> is the process of getting things done with the aim of achieving goals effectively and efficiently.</p> <p>(or any other correct definition)</p> <p><u>Management is a multidimensional activity as it has three main dimensions:</u></p>	<p>1 mark + ½ mark for heading +</p>

		<p>(a) Management of work</p> <p>(b) Management of people</p> <p>(c) Management of operations</p> <p style="text-align: center;">OR</p> <p>Q. Give the meaning of ‘Business Environment’. Explain any three features of Business Environment.</p> <p>Ans. Business environment refers to sum total of all individuals, institutions and other forces that are outside the control of a business enterprise but that may affect its performance.</p> <p style="text-align: center;">(or any other correct meaning)</p> <p><u>Characteristics of Business Environment: (Any three)</u></p> <p>(a) Totality of all external forces affecting a business.</p> <p>(b) Includes both general and specific forces</p> <p>(c) Inter-relatedness</p> <p>(d) Dynamic nature</p> <p>(e) Uncertainty</p> <p>(f) Complexity</p> <p>(g) Relativity</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	<p>½ mark for its explanation</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>(1+3)</p> <p>=</p> <p>4 marks</p> <p style="text-align: center;">OR</p> <p>1 mark</p> <p>+</p> <p>½ mark for heading</p> <p>+</p> <p>½ mark for its explanation</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>(1+3)</p> <p>=</p> <p>4 marks</p>	
-	19	-	<p>Q. State any four benefits of training to the organisation.</p> <p>Ans. <u>Benefits of training to the organisation:</u></p> <p>(i) It <u>avoids wastage of efforts and money</u> as training is systematic learning, better than hit and trial methods.</p> <p>(ii) It <u>enhances employee productivity</u> both in terms of quantity and quality leading to higher profits.</p> <p>(iii) It <u>equips the future manager</u> to take over in an</p>	<p>1 x 4</p> <p>=</p>

		<p>emergency.</p> <p>(iv) It <u>reduces employees' turnover</u> as it increases employee morale and reduces absenteeism.</p> <p>(v) It helps in <u>obtaining effective response in a fast changing environment</u></p> <p style="text-align: center;">OR</p> <p>Q. State any eight specialised activities and duties performed by Human Resource Manager</p> <p>Ans. <u>Specialized activities and duties performed by Human resource manager are: (Any eight)</u></p> <p>(i) Recruitment i.e. search for qualified people (ii) Analysing jobs, collecting information about jobs to prepare job descriptions (iii) Selection i.e. choosing the best candidate out of the number of prospective job candidates (iv) Developing compensation and incentive plans (v) Training and development of employees for efficient performance and career growth (vi) Maintaining labour relations and union management relations. (vii) Handling grievances and complaints. (viii) Providing for social security and welfare of employees. (ix) Defending the company in law suits and avoiding legal complications.</p>	<p>4 marks</p> <p style="text-align: center;">OR</p> <p>1 x 4</p> <p style="text-align: center;">=</p> <p>4 marks</p>
		SECTION D	
21	20	21	<p>Q. Matta Auto Ltd. is manufacturing different types of commercial vehicles. Their sales were rupees two hundred crores in the previous year. The company decided to increase sales by 20% during the current year. It conducted internal as well as external audits for the same. Through internal audit, they analysed the strengths and weaknesses of the business across all departments. External audit focused on the opportunities and the threats in the constantly changing business environment. Thus, a comprehensive plan was prepared taking into consideration the business environment and the necessary resources were allocated to achieve the target. The company directed its offices throughout the country to follow the plan. The company's commitment</p>

		<p>to develop effective plans to achieve a consistent increase in sales has ensured its continual growth over the past one decade. Identify and explain the two types of plans discussed above.</p> <p>Ans. The two types of plans discussed above are: (a) Objectives (b) Strategy</p> <p>Objectives</p> <ul style="list-style-type: none"> ▪ Objectives are the <u>ends</u>, which the management seeks to achieve. ▪ Objectives needs to be <u>expressed in specific terms</u> that is quantified and is to be achieved within a given time period. ▪ They are usually <u>set by top management</u> of the organisation and focus on <u>broad, general issues</u>. <p>Strategy</p> <ul style="list-style-type: none"> ▪ A strategy is a <u>comprehensive plan</u> for accomplishing an organisation's objectives taking business environment into consideration. ▪ It provides the broad contours of an organisations business and defines the <u>organisation's direction and scope in the long run</u>. ▪ It includes determining long term objectives, adopting a particular course of action, and allocating resources necessary to achieve the objectives. 	<p>1 mark for identifying each type of plan (1 x 2) = 2 marks</p> <p>+</p> <p>1 ½ marks</p> <p>1 ½ marks</p> <p>= 1 ½ + 1 ½ = 3 marks = 2+3 = 5 marks</p>
20	21	20	<p>Q. 'Scientific Management means knowing exactly what you want men to do and seeing that they do it in the best and the cheapest way.' Taylor developed various techniques for application of Scientific Management principles and was able to achieve a three-fold increase in productivity in Bethlehem Steel Company, where he</p>

	<p>worked. One of the techniques helps to determine the number of workers to be employed; frame suitable incentive schemes and labour costs. Another technique recognises those workers who are able to accomplish/exceed the fair day's work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers.</p> <p>Quoting the lines from the above paragraph, identify and explain the two techniques of Scientific Management.</p> <p>Ans. <u>Time Study</u></p> <p><i>‘One of the techniques helps to determine labour costs’</i></p> <ul style="list-style-type: none"> ▪ 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><u>Differential Piece Wage System</u></p> <p><i>‘Another technique recognises those workers who are able to accomplish/exceed the fair day's work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers’</i></p> <ul style="list-style-type: none"> ▪ Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency. ▪ In this plan, there are two piece rates – a higher piece rate for those workers who produce the standard output or more, and a lower one for those who produce less than the standard output. 	<p>(½ mark + ½ mark + 1 ½ marks = 2 ½ marks) + (½ mark + ½ mark + 1 ½ marks = 2 ½ marks) = 2 ½ + 2 ½</p>
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				=
				5 marks
-	22	-	<p>Q. Explain the steps in the selection process after ‘Employment Interview’.</p> <p><u>Ans. Steps in the Selection process after Employment Interview are:</u></p> <p>(a) Reference and background checks (b) Selection decision (c) Medical Examination (d) Job offer (e) Contract of Employment</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p> <p>(In case the examinee has not written the steps in the right sequence, ½ mark may be deducted)</p> <p style="text-align: center;">OR</p> <p>Q. Explain the steps in the staffing process after ‘Selection’.</p> <p><u>Ans. Steps in the staffing process after Selection are:</u></p> <p>(a) Placement and Orientation (b) Training and Development (c) Performance Appraisal (d) Promotion and Career planning (e) Compensation</p> <p>(If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p> <p>(In case the examinee has not written the steps in the right sequence, ½ mark may be deducted)</p>	<p>½ mark for each heading + ½ mark for each explanation = 1 x 5 = 5 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for each heading + ½ mark for each explanation = 1 x 5 = 5 marks</p>
			SECTION E	

25	23	24	<p>Q. ‘Monisha Consumer Goods’ is a leading consumer goods chain with a network of 46 stores primarily across Mumbai, Delhi and Pune. It was started by Monisha Gupta in 1987. It has a large market share in Mumbai, Delhi and Pune. Looking for an opportunity to expand, it has decided to open a new branch in Kerala. It has to decide on what new resources it will invest in so that it is able to earn the highest possible return for its investors. Once the company believes that it will be able to generate higher revenues and profits, it also has to decide on how this project will get funded. The finance manager, Atul was told to have an optimal capital structure by striking a balance between various sources of getting the project funded so as to increase shareholders’ wealth. Atul, after assessing the cash flow position of the company, evaluated the cost of different sources of finance and compared the risk associated with each source as well as the cost of raising funds.</p> <p>(a) State the two financial decisions discussed in the above situation.</p> <p>(b) Explain any two factors affecting each of the decisions that still have to be considered by the finance manager.</p> <p>Ans. (a)</p> <p>(i) <u>Investment decision/ Capital budgeting decision/ Long term Investment decision</u></p> <p>It involves deciding about how the funds are invested in different assets so that they are able to earn the highest possible return for the investors.</p> <p>(ii) <u>Financing decision</u></p> <p>It refers to the decision about the quantum of finance to be raised from various long term sources.</p> <p><u>Factors affecting Investment decision: (any two)</u></p> <p>(i) Cash flows of the project</p> <p>(ii) The rate of return of the project</p>	<p>(½ mark for identifying the decision + ½ mark for stating = 1 x 2 = 2 marks)</p> <p>+ (½ mark for each heading + ½ mark for explanation = 1 x 2</p>
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		<p>(iii) The investment criteria involved</p> <p>(iv) Financing alternatives</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>Factors determining financing decision: (any two)</p> <p>(i) Interest coverage ratio (ii) Debt service coverage Ratio (iii) Return on Investment (iv) Tax rate (v) Fixed operating costs (vi) Flexibility (vii) Control (viii) Regulatory framework (ix) Stock market conditions/ State of capital markets (x) Capital structure of other companies</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>=</p> <p>2 marks)</p> <p>+</p> <p>(½ mark for each heading</p> <p>+</p> <p>½ mark for explanation</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks)</p> <p>=</p> <p>2+2+2</p> <p>=</p> <p>6 marks</p>
24	24	23	<p>Q. Chintamani is the Production Manager of ‘Global India Ltd.’ manufacturing and exporting steel. During the year 2017-18, the company could not meet its production targets. The Chief Executive Officer of the company constituted a committee of experts to find out the reasons and give its recommendation so that the production target could be met in the future. The company analysed the production related records and found out that there were problems due to communication. ‘Global India Ltd.’ had rigid rules and would insist on communication through prescribed channels, which led to delays, the company also had a number of managerial levels causing further delay and distorted communication.</p> <p>Moreover, the Production Manager, Chintamani, was using a tone that quite often offended the sentiments of the workers. Also, Chintamani and the workers did not believe in each other and so could not understand each other’s messages in the original sense.</p> <p>(a) Identify and give the meaning of the types of communication barriers discussed above.</p> <p>(b) Quoting lines from the above, state two</p>

	<p>communication barriers under each of the types identified in part (a) because of which ‘Global India Ltd.’ could not meet its production targets.</p> <p>(c) State any two recommendations that might have been given by the committee to improve communication effectiveness.</p> <p>Ans. (a) <u>Types of communication barriers discussed above are:</u></p> <p>(i) Organisational barrier</p> <p>(ii) Psychological barrier</p> <p><u>Organisational barriers</u> are barriers related to organisational structure, authority relationships, rules and regulations.</p> <p><u>Psychological barriers</u> are concerned with the state of mind of both the sender and the receiver</p> <p>(b) <u>Organisational barriers:</u></p> <p>(i) Rigid <u>Rules and regulations</u> may delay communication.</p> <p><i>‘Global India Ltd.’ had rigid rules and would insist on communication through prescribed channels, which led to delays’</i></p> <p>(ii) <u>Complexity in organization structure</u> leads to delayed and distorted communication.</p> <p><i>‘The company also had a number of managerial levels causing further delay and distorted communication’</i></p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p><u>Psychological barriers:</u></p>	<p>(½ mark for identifying each barrier ½ x 2 = 1 mark)</p> <p>+</p> <p>(½ mark for explaining each barrier = ½ x 2 = 1 mark)</p> <p>+</p> <p>(½ x 2 = 1 mark)</p> <p>+</p>
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		<p>(i) <u>Loss by transmission and poor retention</u> may act as a barrier to communication.</p> <p><i>'The company also had a number of managerial levels causing further delay and distorted communication'</i></p> <p>(ii) <u>Distrust</u> between the sender and the receiver acts as a barrier.</p> <p><i>'Chintamani and the workers did not believe in each other and so could not understand each other's messages in the original sense'</i></p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p><u>Recommendations that might have been given by the committee to improve communication effectiveness:</u></p> <p>(i) <u>Be aware of the language, tone and content of the message</u> so that it does not offend the sentiments of listeners.</p> <p>(ii) <u>Be a good listener</u> so as to understand each others message in its original sense.</p> <p>(iii) <u>Ensure proper feedback</u> to make communication more responsive.</p> <p>(iv) <u>Follow up communications</u> to remove hurdles in implementing the instructions.</p> <p>(v) <u>Consult others before communicating</u> as participation of subordinates may help to gain ready acceptance and willing cooperation.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>(½ x 2 =1 mark)</p> <p>+</p> <p>1 x 2 = 2 marks</p> <p>= 6 marks</p>
-	25	-	<p>Q. Explain any four points that highlight the significance of principles of management.</p> <p>Ans. <u>Significance of principles of management (Any four)</u></p> <p>(a) Provide the managers with useful insights into reality.</p>

		<p>(b) Help in optimum utilisation of resources and effective administration.</p> <p>(c) Help in taking scientific decisions.</p> <p>(d) Help in meeting changing environment requirements.</p> <p>(e) Help in fulfilling social responsibility.</p> <p>(f) Used as a basis for management training, education and research.</p> <p>(if an examinee has not given the headings as above but has given the correct explanation, full credit be given)</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four points that highlight the significance of management.</p> <p>Ans. <u>Significance of management</u>: (Any four)</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 explanation, full credit should be given)</p>	<p>½ mark for the heading + 1 mark for its explanation = 1½ x 4 = 6 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for the heading + 1 mark for its explanation = 1 ½ x 4 = 6 marks</p>
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