

Q. SET No			MARKING SCHEME-2013-14 BUSINESS STUDIES DELHI-66/1/1 COMPTT EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1/1	66/1/2	66/1/3		
1	12	7	Q. Identify the basic characteristic of management involved in the statement- “The activities involved in managing an organization are common to all organizations, whether economic, social or political.’ Ans. Management is pervasive.	1 mark
2	11	8	Q. Why is business environment called dynamic? State. Ans. Business environment is called dynamic as it keeps on changing.	1 mark
3	10	9	Q. ‘Dreams can be turned into reality only when managers think in advance what to do and how to do it.’ Name the function of management indicated by the statement. Ans. Planning.	1 mark
4	9	10	Q. State the type of plan that does not allow any flexibility. Ans. Rule	1 mark
5	8	11	Q. Define ‘organising’ as a function of management. Ans. Organising is the process of defining and grouping the activities of the enterprise and establishing authority relationships among them. <p style="text-align: center;">OR</p> Organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of accomplishing objectives.	1 mark
6	7	12	Q. State the suitability of functional structure of organizing. Ans. Functional structure is suitable for medium sized firms having a single product or small number of related products	1 mark
7	6	1	Q. How is staffing a continuous process? State. Ans. Staffing is a continuous process because new jobs may be created and some of the existing employees may leave the organisation.	1 mark
8	5	2	Q. Why is it said that ‘Motivation is a complex process’? State. Ans. Motivation is called a complex process because <u>any type of motivation may not have a uniform effect on all the members.</u>	1 mark

			OR	
			Motivation is called a complex process because <u>individuals are heterogeneous</u> in their expectations, perceptions and reactions.	
9	4	3	Q. List any two non-financial incentives. Ans. Non- financial incentives are: (Any two) (a) Status (b) Positive organisational climate. (c) Career advancement opportunity. (d) Job enrichment. (e) Employee recognition (f) Job security. (g) Employee participation. (h) Employee empowerment.	$\frac{1}{2} \times 2$ = 1 mark
10	3	4	Q. Give the meaning of ‘Critical Point Control’. Ans. ‘Critical Point Control’ means focusing on key result areas which are critical to the success of an organisation.	1 mark
11	2	5	Q. How many members are required to constitute ‘District Consumer Dispute Redressal Forum’? Ans. To constitute District Consumer Dispute Redressal Forum one President and two other members, one of whom should be a woman are required.	1 mark
12	1	6	Q. Besides a ‘consumer’, name any two parties who can file a complaint before the appropriate consumer forum. Ans. Besides a ‘consumer’, a complaint may be filed before the appropriate consumer forum by (any two) : (i) Any registered consumers’ association; (ii) The Central Government or any State Government; (iii) One or more consumers, on behalf of numerous consumers having the same interest; and (iv) A legal heir or representative of a deceased consumer.	$\frac{1}{2} \times 2$ = 1 mark
13	18	16	Q. ABC Ltd. Is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions.	1 mark for stating the

			<p>All the workers are satisfied as the behavior of the management is very good.</p> <p>(a) State the principle of management described in the above para.</p> <p>(b) Identify any two values which the company wants to communicate to the society.</p> <p>Ans. The principle of Taylor described in the above para is <u>Cooperation, Not Individualism</u></p> <p>It states that there should be complete cooperation between the labour and the management. Competition should be replaced by cooperation.</p> <p>Values which the company wants to communicate to the society are:</p> <p>(a) Good behaviour in human interaction.</p> <p>(b) Concern for the environment.</p> <p>(or any other correct value)</p>	<p>principle</p> <p>+</p> <p>1 mark</p> <p>for each</p> <p>value</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2marks</p> <p>=</p> <p>1+2</p> <p>=</p> <p>3marks</p>
14	17	17	<p>Q. Voltech India Ltd. is manufacturing LED bulbs to save electricity and running under heavy losses.</p> <p>To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase to wages of the workers after achieving its mission. Within a short period the company started earning profits because both the management and the workers honoured their commitments.</p> <p>(a) State the principle of management described in the above para.</p> <p>(b) Identify any two values that the company wants to communicate to the society.</p> <p>Ans. (a) The principle of management described in the above para is Discipline.</p> <p>Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation.</p> <p>(b) <u>Values that the company wants to communicate to the society are:</u></p> <p>(i) Concern for the environment.</p> <p>(ii) Development of backward regions.</p> <p>(or any other correct value)</p>	<p>1 mark for</p> <p>stating the</p> <p>principle</p> <p>+</p> <p>1 mark</p> <p>for each</p> <p>value</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2marks</p> <p>=</p> <p>1+2</p> <p>=</p> <p>3marks</p>
15	16	18	<p>Q. Explain the factors that affect capital budgeting decision.</p>	<p>½ mark for</p> <p>the heading</p>

			<p>Ans. <u>Factors that affect capital budgeting decision are:</u></p> <p>(a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria</p>	<p>+ ½ mark for explanation = 1 x 3 = 3 marks</p>
16	15	13	<p>Q. State any three points of importance of financial planning.</p> <p>Ans. <u>Financial planning is important because</u> (any three):</p> <p>(i) It helps the company to prepare for the future. (ii) It helps in avoiding business shocks and surprises. (iii) It helps in co-ordinating various business functions. (iv) It helps in reducing waste, duplication of efforts, gaps in planning and confusion. (v) It links the present with the future. (vi) It provides a link between investment and financing decisions. (vii) Financial plan serves as a control technique. (viii) It serves as a guide in developing a sound capital structure so as to maximise returns to the shareholders.</p>	<p>1 x 3 = 3 marks</p>
17	14	14	<p>Q. Give the meaning of the following money market instruments :</p> <p>(i) Certificate of deposit; and (ii) Commercial bill</p> <p>Ans. (i) Certificate of deposit: It is a short term, unsecured, negotiable instrument issued by commercial banks or development financial institutions to individuals, corporations and companies. It is issued during periods of tight liquidity when the deposit growth of banks is slow but the demand for credit is high.</p> <p>(ii) Commercial bill It is a bill of exchange used to finance working capital requirements of business firms. It is short-term, negotiable and self-liquidating instrument.</p>	<p>1 ½ 1 ½ = 1 ½ + 1 ½ = 3 marks</p>
18	13	15	<p>Q. Identify and explain the marketing management philosophy which implies that products and services are bought not merely because of their quality or brand name, but because they satisfy a specific need of a customer.</p>	<p>1 mark for identification + 2 marks for</p>

			<p>Ans. Marketing concept.</p> <ul style="list-style-type: none"> • It assumes that in the long run, an organisation can achieve its objective of maximization of profit by identifying the needs of the present and prospective buyers and satisfying them in an effective way. • Customer satisfaction is the focus point of all decision making in the organisation. 	<p>explanation = 1+2 = 3marks</p>
19	-	20	<p>Q. “The skilful and personal application of existing knowledge to achieve desire results is called art’. In the light of this statement, describe whether management is an art or not.</p> <p>Ans. “The skilful and personal application of existing knowledge to achieve desire results is called art”. Management is an art because of the following reasons:</p> <ol style="list-style-type: none"> 1. <u>Existence of theoretical knowledge.</u> As in art, in management too, there is a lot of literature available in various areas of management which the manager has to specialise in. 2. <u>Personalised application.</u> Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner. 3. <u>Based on continuous practice.</u> Management satisfies this criteria as a manager gains experience through regular practice and becomes more effective. 4. <u>Creativity.</u> Like any other art, a manager after studying various situations, formulates his own theories for use in a given situation. This gives rise to different styles of management. 	<p>½ mark for the heading + ½ mark for the explanation = 1 x 4 = 4 marks</p>
20	-	-	<p>Q. Explain any four points of importance of business environment.</p> <p>Ans. <u>Understanding of business environment is important for managers to: (Any four):</u></p> <ol style="list-style-type: none"> (i) Identify opportunities and get the first mover advantage. (ii) Identify threats and early warning signals. (iii) Tap useful resources. (iv) Cope with rapid changes. (v) Assist in planning and policy formulation. (vi) Improve performance. <p>(If an examinee has not given the headings as above but has given the correct explanation, full credit</p>	<p>½ mark for the heading + ½ mark for the explanation = 1 x 4 = 4 marks</p>

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21	22	-	<p>Q. After the following logical steps in the process of planning, explain the steps required to complete the process:</p> <p>(a) Setting objectives; (b) Developing premises; and (c) Identifying alternative courses of action.</p> <p>Ans. Steps required to complete the process of planning are: (i) Evaluating alternative courses of action. (ii) Selecting an alternative. (iii) Preparation of derivative plans. (iv) Implementing the plan and follow up action.</p>	<p>½ mark for naming each step + ½ mark for its explanation = 1x4 = 4 marks</p>
22	21	19	<p>Q. Give the definition of ‘Consumer’ as per Consumer protection Act, 1986.</p> <p>Ans. Under the Consumer Protection Act, a consumer is defined as: (a) Any person who buys any goods for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who obtains goods for re-sale or any commercial purpose.</p> <p>(b) Any person who hires or avails of any service, for a consideration which has been paid or promised, or partly paid and partly promised, or under any system of deferred payment. It includes any beneficiary of services when such services are availed of with the approval of the person concerned, but does not include a person who avails of such services for any commercial purpose.</p>	<p>4marks</p>
23	-	-	<p>Q. State the merits of internal sources of recruitment.</p> <p>Ans. Merits of internal sources of recruitment: (a) <u>Motivates employees</u> as promotion at a higher level may lead to a chain of promotions at lower levels in the organisation. (b) <u>Simplifies the process of selection</u> as the candidates are already known to the organisation. (c) <u>No need for induction training</u> as the employees are already familiar with the organisation.</p>	<p>1 x 5 = 5marks</p>

			<p>(d) Helps in <u>adjustment of surplus staff</u> in those departments where there is shortage of staff.</p> <p>(e) <u>Economical source</u> of recruitment.</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>																			
24	-	-	<p>Q. Explain the relationship between planning and controlling.</p> <p>Ans. Relationship between planning and controlling:</p> <p>1. Controlling takes place on the basis of <u>standards developed by planning</u>;</p> <p>2. <u>Planning without controlling is meaningless</u> as controlling ensures that the events conform to the plans.</p> <p>3. <u>Planning prescribes</u> an appropriate course of action for achieving objectives whereas <u>controlling evaluates</u> whether decisions have been translated into desired actions.</p> <p>4. Planning and controlling both are <u>forward looking</u>.</p> <p>5. Planning and controlling are both <u>looking back</u>.</p> <p>(Note: If the answer covers the above points in any other form, full credit should be given)</p>	5 marks																		
25	-	-	<p>Q. Differentiate between ‘capital-market’ and ‘money-market’ on the following basis:</p> <p>(i) Participants; (ii) Instruments; (iii) Investment outlay; (iv) Duration and (v) Liquidity.</p> <p>Ans. Difference between Capital Market and Money Market:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Capital Market</th> <th>Money Market</th> </tr> </thead> <tbody> <tr> <td>1. Participants</td> <td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td> <td>The participants are RBI, financial institutions, banks, corporates,</td> </tr> <tr> <td>2. Instruments</td> <td>Instruments traded are shares, debentures and bonds.</td> <td>Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,</td> </tr> <tr> <td>3. Investment outlay</td> <td>Investment outlay is small.</td> <td>Investment outlay is large.</td> </tr> <tr> <td>4. Duration</td> <td>It deals in medium term and long term securities.</td> <td>It deals in short term securities</td> </tr> <tr> <td>5. Liquidity</td> <td>Capital market securities are comparatively less liquid.</td> <td>Money market securities are comparatively more liquid.</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	1. Participants	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	The participants are RBI, financial institutions, banks, corporates,	2. Instruments	Instruments traded are shares, debentures and bonds.	Instruments traded are treasury bill, commercial paper, certificates of deposit, call money and commercial bill,	3. Investment outlay	Investment outlay is small.	Investment outlay is large.	4. Duration	It deals in medium term and long term securities.	It deals in short term securities	5. Liquidity	Capital market securities are comparatively less liquid.	Money market securities are comparatively more liquid.	<p>1 x 5 = 5marks</p>
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26	-	-	<p>Q. State any five characteristics of a good brand name. Ans. Qualities of a good brand name: (any four) (a) It should be <u>short and easy to pronounce</u>, spell, recognize and remember. (b) It should <u>suggest the product benefits</u> and qualities (c) It should be <u>distinctive</u>. (d) It should be <u>adaptable</u> to packaging and labelling requirements. (e) It should be <u>versatile</u> to accommodate new products. (f) It should be <u>capable of being registered and protected</u> legally. (g) It should have <u>staying power</u>. (h) It <u>should not have different meanings in different languages</u> and cultures.</p>	<p>1 x 5 = 5marks</p>									
27	30	29	<p>Q. Explain the steps in the process of Organising Ans. Steps in the process of organising: (i) Identification and division of work. (ii) Departmentalisation. (iii) Assignment of duties to job positions. (iv) Establishing reporting relationships. (If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted) OR Q. Differentiate between Formal and Informal organization on the basis of the following: (i) Meaning; (ii) Origin; (iii) Authoring; (iv) Behaviour; (v) Flow of Communication; and (vi) Leadership</p> <p style="text-align: center;">DISTINCTION BETWEEN FORMAL AND INFORMAL ORGANISATION</p> <table border="1" data-bbox="487 1537 1211 1879"> <thead> <tr> <th data-bbox="487 1537 704 1629">Basis</th> <th data-bbox="704 1537 959 1629">FORMAL ORGANISATION</th> <th data-bbox="959 1537 1211 1629">INFORMAL ORGANISATION</th> </tr> </thead> <tbody> <tr> <td data-bbox="487 1629 704 1814">(i) Meaning</td> <td data-bbox="704 1629 959 1814">It refers to the well defined structure of authority and responsibility created by the management.</td> <td data-bbox="959 1629 1211 1814">It refers to the network of social relationships arising out of interaction among employees.</td> </tr> <tr> <td data-bbox="487 1814 704 1879">(ii) Origin</td> <td data-bbox="704 1814 959 1879">It is deliberately created through a</td> <td data-bbox="959 1814 1211 1879">It arises as a result of social interaction</td> </tr> </tbody> </table>	Basis	FORMAL ORGANISATION	INFORMAL ORGANISATION	(i) Meaning	It refers to the well defined structure of authority and responsibility created by the management.	It refers to the network of social relationships arising out of interaction among employees.	(ii) Origin	It is deliberately created through a	It arises as a result of social interaction	<p>$\frac{1}{2}$ mark for each heading + 1 mark for each explanation = $1 \frac{1}{2} \times 4$ = 6marks</p> <p>OR</p> <p>1 x 6 = 6marks</p>
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28	29	30	<p>Q. Describe psychological barriers to effective communication. Ans. Psychological barriers to effective communication: (i) Premature evaluation. (ii) Lack of attention. (iii) Loss by transmission and poor retention. (iv) Distrust.</p> <p style="text-align: center;">Or</p> <p>Q. Explain how directing helps in effective and efficient functioning of the organization. Ans. Directing helps in effective and efficient functioning of the organization by: (Any four) (i) Initiating action. (ii) Integrating employees' efforts. (iii) Guiding employees to realise their potential. (iv) Facilitating changes. (v) Bringing stability and balance in the organisation.</p>	<p>$\frac{1}{2}$ mark for naming each barrier + 1 mark for explanation $1\frac{1}{2} \times 4$ = 6marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for each heading + 1 mark for each explanation = $1\frac{1}{2} \times 4$ = 6 marks</p> <p style="text-align: center;">OR</p>															

29	28	27	<p>Q. Explain any four factors affecting the dividend decision of a company. Ans. Factors affecting dividend decision of a company are: (Any four) (i) Amount of earnings. (ii) Stability of earnings. (iii) Stability of dividends. (iv) Growth opportunities. (v) Cash Flow position. (vi) Shareholders preference. (vii) Taxation policy. (viii) Stock market reaction. (ix) Access to capital market. (x) Legal constraints. (xi) Contractual constraints. (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>Explain any four factors affecting fixed capital requirements of a company Ans. Factors affecting fixed capital requirements of a company: (Any four) 1. Nature of business. 2. Scale of operations. 3. Choice of technique. 4. Growth prospects. 5. Technology upgradation. 6. Diversification. 7. Financing alternatives. 8. Level of collaboration. (If an examinee has not given the headings but has given the correct reasons, full credit should be given)</p>	<p>$\frac{1}{2}$ mark for heading + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6 marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for heading + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6 marks</p>
30	27	28	<p>Q. Explain the four important elements of marketing mix. Ans. The four important elements of marketing mix are: (i) Product mix (ii) Price mix, (iii) Place mix, and (iv) Promotion mix. 1. Product Mix: Product mix relates to decisions regarding planning, developing and producing the right type of products and services for the consumers.</p>	<p>$1 \frac{1}{2} \times 4$ =6marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for each heading +</p>

		<p>It includes branding, labelling, trademark and packaging.</p> <p>2. Price Mix: Price Mix involves different Pricing Methods, Pricing strategies, Pricing Policies and Price Changes.</p> <p>3. Place Mix: <u>Place or Physical Distribution</u> mix includes activities that make firm's products available to the target customers. It consists of all the activities involved in transferring ownership and physical possession of the product to the consumers.</p> <p>4. Promotion Mix: Promotion mix consists of all the activities aimed at persuading customers to buy the product through advertising, personal selling, sales promotion and publicity.</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four factors determining the choice of an appropriate channel of distribution.</p> <p>Ans. <u>Factors that determine the choice of appropriate channel of distribution:</u></p> <p>(a) Product related factors. (b) Company characteristics. (c) Competitive factors. (d) Market factors. (e) Environmental factors.</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>1 mark for each explanation = 1 ½ x 4 = 6marks</p>
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16	15	13	<p>Q. State any three points of importance of financial planning.</p> <p>Ans. <u>Financial planning is important because (any three):</u></p> <p>(i) It helps the company to prepare for the future. (ii) It helps in avoiding business shocks and surprises. (iii) It helps in co-ordinating various business functions. (iv) It helps in reducing waste, duplication of efforts, gaps in planning and confusion. (v) It links the present with the future. (vi) It provides a link between investment and financing decisions. (vii) Financial plan serves as a control technique. (viii) It serves as a guide in developing a sound capital structure so as to maximise returns to the shareholders.</p>	<p>1 x 3 = 3 marks</p>
15	16	18	Q. Explain the factors that affect capital budgeting	½ mark for

			<p>decision. Ans. <u>Factors that affect capital budgeting decision are:</u> (a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria</p>	<p>the heading + ½ mark for explanation = 1 x 3 = 3 marks</p>
14	17	17	<p>Q. Voltech India Ltd. is manufacturing LED bulbs to save electricity and running under heavy losses. To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase to wages of the workers after achieving its mission. Within a short period the company started earning profits because both the management and the workers honoured their commitments. (a) State the principle of management described in the above para. (b) Identify any two values that the company wants to communicate to the society. Ans. (a) The principle of management described in the above para is Discipline. Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. (b) <u>Values that the company wants to communicate to the society are:</u> (i) Concern for the environment. (ii) Development of backward regions. (or any other correct value)</p>	<p>1 mark for stating the principle + 1 mark for each value = 1 x 2 = 2marks = 1+2 = 3marks</p>
13	18	16	<p>Q. ABC Ltd. Is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behavior of the management is very good. (a) State the principle of management described in the above para. (b) Identify any two values which the company wants to communicate to the society. Ans. The principle of Taylor described in the above para is <u>Cooperation, Not Individualism</u> It states that there should be complete cooperation</p>	<p>1 mark for stating the principle + 1 mark for each value = 1 x 2 = 2marks</p>

			<p>between the labour and the management. Competition should be replaced by cooperation.</p> <p>Values which the company wants to communicate to the society are: (a) Good behaviour in human interaction. (b) Concern for the environment. (or any other correct value)</p>	<p>= 1+2 = 3marks</p>
-	19	-	<p>Q.’ Science is a systematized body of knowledge that explains certain general truths or the operation of general laws.’ In the light of this statement, describe whether management is a science. Ans. Management is a science but not an exact science. The reasons are (Any three):</p> <p>1. <u>Systematised body of knowledge.</u> Like science, management is a systematic body of knowledge with its own theories and principles that have developed over a period of time. So, this feature of science is present in management.</p> <p>2. <u>Principles based on observation and experimentation</u> Like science, management principles are derived through observation and repeated experimentation. So, this feature of science is present in management. However since management deals with human beings the outcome of these experiments are not capable of being accurately predicted.</p> <p>3. <u>Universal validity.</u> Principles of management like principles of pure science provide managers with certain standardised techniques that can be used in different situations. Since they have to be modified according to a given situation, their application and use is not universal. So, this feature of science is not fully present in management. (The statement that Management is not an exact science may be given at the beginning or at the end of the question)</p>	<p>1 mark</p> <p>1 x 3 = 3 marks = 1+3 = 4 marks</p>
-	20	-	<p>Q. Explain any four characteristics of business environment. Ans. <u>Characteristics of business environment are: (any</u></p>	

			<p><u>four</u>)</p> <p>(i) Sum total of external forces (ii) Includes Specific and General forces (iii) Inter-related forces (iv) Dynamic (v) Uncertain (vi) Complex (vii) Relative</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>$\frac{1}{2}$ mark for naming + $\frac{1}{2}$ mark for explanation = 1 x 4 =4 Marks</p>
22	21	19	<p>Q. Give the definition of ‘Consumer’ as per Consumer protection Act, 1986.</p> <p>Ans. Under the Consumer Protection Act, a consumer is defined as:</p> <p>(a) Any person who buys any goods for a consideration, which has been paid or promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who obtains goods for re-sale or any commercial purpose.</p> <p>(b) Any person who hires or avails of any service, for a consideration which has been paid or promised, or partly paid and partly promised, or under any system of deferred payment. It includes any beneficiary of services when such services are availed of with the approval of the person concerned, but does not include a person who avails of such services for any commercial purpose.</p>	<p>4marks</p>
21	22	-	<p>Q. After the following logical steps in the process of planning, explain the steps required to complete the process:</p> <p>(a) Setting objectives; (b) Developing premises; and (c) Identifying alternative courses of action.</p> <p>Ans. Steps required to complete the process of planning are:</p> <p>(i) Evaluating alternative courses of action. (ii) Selecting an alternative. (iii) Preparation of derivative plans. (iv) Implementing the plan and follow up action.</p>	<p>$\frac{1}{2}$ mark for naming each step + $\frac{1}{2}$ mark for its explanation = 1x4 = 4 marks</p>

-	23	-	<p>Q. State the limitations of internal sources of recruitment.</p> <p>Ans: <u>Limitations of internal sources of recruitment:</u></p> <p>(i) Reduces scope for induction of fresh talent. (ii) Leads to lethargy among the employees due to assured promotions. (iii) Incomplete source as no enterprise can fill all its vacancies through this source. (iv) Hampers the spirit of competition among employees. (v) Frequent transfers affect productivity negatively</p>	<p>1 x 5 = 5 marks</p>
-	24	-	<p>Q. Explain the steps in the process of controlling.</p> <p>Ans. <u>Steps in the process of controlling:</u></p> <p>(i) Setting performance standards (ii) Measuring actual performance (iii) Comparing actual performance with standards (iv) Analysing deviations</p> <ul style="list-style-type: none"> • Critical Point Control • Management by Exception <p>(v) Taking corrective action (If an examinee has not given the headings as above but has given the correct explanations, full credit should be given)</p>	<p>½ mark for the heading + ½ mark for the explanation = 1 x 5 =5marks</p>
-	25	-	<p>Q. Explain the trading procedure on a stock exchange.</p> <p>Ans. <u>Trading procedure on a stock exchange involves the following steps:</u></p> <p>(i) Selection of a broker (ii) Opening demat account with Depository (iii) Placing the order (iv) Executing the order (v) Settlement</p>	<p>½ mark for the heading + ½ mark for the explanation = 1 x 5 =5marks</p>
-	26	-	<p>Q. State any five functions of labeling.</p> <p>Ans. <u>Functions of labelling are:</u></p> <p>(i) It describe the product and specify its contents (ii) It helps in identification of the product or brand (iii) It helps in grading of products into different categories. (iv) It helps in promotion of products by attracting attention (v) It provides information required by law.</p>	<p>1 x 5 = 5marks</p>
30	27	28	<p>Q. Explain the four important elements of marketing mix.</p>	<p>1 ½ x 4</p>

			<p>Ans. The four important elements of marketing mix are: (i) Product mix (ii) Price mix, (iii) Place mix, and (iv) Promotion mix.</p> <p>1. Product Mix: Product mix relates to decisions regarding planning, developing and producing the right type of products and services for the consumers. It includes branding, labelling, trademark and packaging.</p> <p>2. Price Mix: Price Mix involves different Pricing Methods, Pricing strategies, Pricing Policies and Price Changes.</p> <p>3. Place Mix: <u>Place or Physical Distribution</u> mix includes activities that make firm's products available to the target customers. It consists of all the activities involved in transferring ownership and physical possession of the product to the consumers.</p> <p>4. Promotion Mix: Promotion mix consists of all the activities aimed at persuading customers to buy the product through advertising, personal selling, sales promotion and publicity.</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four factors determining the choice of an appropriate channel of distribution.</p> <p>Ans. <u>Factors that determine the choice of appropriate channel of distribution:</u></p> <p>(a) Product related factors. (b) Company characteristics. (c) Competitive factors. (d) Market factors. (e) Environmental factors.</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>= 6marks</p> <p style="text-align: center;">OR</p> <p>½ mark for each heading + 1 mark for each explanation = 1 ½ x 4 = 6marks</p>
29	28	27	<p>Q. Explain any four factors affecting the dividend decision of a company.</p> <p>Ans. <u>Factors affecting dividend decision of a company are: (Any four)</u></p> <p>(i) Amount of earnings. (ii) Stability of earnings. (iii) Stability of dividends. (iv) Growth opportunities. (v) Cash Flow position. (vi) Shareholders preference.</p>	<p>½ mark for heading + 1 mark for explanation</p>

			<p>(vii) Taxation policy. (viii) Stock market reaction. (ix) Access to capital market. (x) Legal constraints. (xi) Contractual constraints. (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>Explain any four factors affecting fixed capital requirements of a company Ans. Factors affecting fixed capital requirements of a company: (Any four) 1. Nature of business. 2. Scale of operations. 3. Choice of technique. 4. Growth prospects. 5. Technology upgradation. 6. Diversification. 7. Financing alternatives. 8. Level of collaboration. (If an examinee has not given the headings but has given the correct reasons, full credit should be given)</p>	<p>1 ½ x 4 = 6 marks</p> <p style="text-align: center;">OR</p> <p>½ mark for heading + 1 mark for explanation 1 ½ x 4 = 6 marks</p>
28	29	30	<p>Q. Describe psychological barriers to effective communication. Ans. <u>Psychological barriers to effective communication:</u> (i) Premature evaluation. (ii) Lack of attention. (iii) Loss by transmission and poor retention. (iv) Distrust.</p> <p style="text-align: center;">Or</p> <p>Q. Explain how directing helps in effective and efficient functioning of the organization. Ans. <u>Directing helps in effective and efficient functioning of the organization by:</u> (Any four) (i) Initiating action. (ii) Integrating employees' efforts. (iii) Guiding employees to realise their potential. (iv) Facilitating changes. (v) Bringing stability and balance in the organisation.</p>	<p>½ mark for naming each barrier + 1 mark for explanation 1 ½ x 4 = 6marks</p> <p style="text-align: center;">OR</p> <p>½ mark for each heading + 1 mark for each explanation = 1 ½ x 4 = 6 marks</p>

27	30	29	<p>Q. Explain the steps in the process of Organising Ans. Steps in the process of organising: (i) Identification and division of work. (ii) Departmentalisation. (iii) Assignment of duties to job positions. (iv) Establishing reporting relationships. (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. Differentiate between Formal and Informal organization on the basis of the following: (i) Meaning; (ii) Origin; (iii) Authoring; (iv) Behaviour; (v) Flow of Communication; and (vi) Leadership</p> <p style="text-align: center;">DISTINCTION BETWEEN FORMAL AND INFORMAL ORGANISATION</p> <table border="1" data-bbox="480 953 1218 1875"> <thead> <tr> <th data-bbox="480 953 698 1045">Basis</th> <th data-bbox="698 953 954 1045">FORMAL ORGANISATION</th> <th data-bbox="954 953 1218 1045">INFORMAL ORGANISATION</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 1045 698 1230">(i) Meaning</td> <td data-bbox="698 1045 954 1230">It refers to the well defined structure of authority and responsibility created by the management.</td> <td data-bbox="954 1045 1218 1230">It refers to the network of social relationships arising out of interaction among employees.</td> </tr> <tr> <td data-bbox="480 1230 698 1381">(ii) Origin</td> <td data-bbox="698 1230 954 1381">It is deliberately created through a well defined policy of management.</td> <td data-bbox="954 1230 1218 1381">It arises as a result of social interaction among the employees.</td> </tr> <tr> <td data-bbox="480 1381 698 1474">(iii) Authority</td> <td data-bbox="698 1381 954 1474">Authority arises on the basis of position of management.</td> <td data-bbox="954 1381 1218 1474">Authority arises on the basis of personal qualities.</td> </tr> <tr> <td data-bbox="480 1474 698 1566">(iv) Behavior</td> <td data-bbox="698 1474 954 1566">Standards of behavior are laid down by rules.</td> <td data-bbox="954 1474 1218 1566">No set behavior pattern.</td> </tr> <tr> <td data-bbox="480 1566 698 1751">(v) Flow of communication</td> <td data-bbox="698 1566 954 1751">Communication takes place through the scalar chain.</td> <td data-bbox="954 1566 1218 1751">Communication does not take place through a planned route, it can take place in any direction.</td> </tr> <tr> <td data-bbox="480 1751 698 1875">(vi) Leadership</td> <td data-bbox="698 1751 954 1875">Managers are leaders.</td> <td data-bbox="954 1751 1218 1875">Leaders may or may not be managers. They are chosen by the group.</td> </tr> </tbody> </table>	Basis	FORMAL ORGANISATION	INFORMAL ORGANISATION	(i) Meaning	It refers to the well defined structure of authority and responsibility created by the management.	It refers to the network of social relationships arising out of interaction among employees.	(ii) Origin	It is deliberately created through a well defined policy of management.	It arises as a result of social interaction among the employees.	(iii) Authority	Authority arises on the basis of position of management.	Authority arises on the basis of personal qualities.	(iv) Behavior	Standards of behavior are laid down by rules.	No set behavior pattern.	(v) Flow of communication	Communication takes place through the scalar chain.	Communication does not take place through a planned route, it can take place in any direction.	(vi) Leadership	Managers are leaders.	Leaders may or may not be managers. They are chosen by the group.	<p>$\frac{1}{2}$ mark for each heading + 1 mark for each explanation = $1 \frac{1}{2} \times 4$ = 6marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">1 x 6 = 6marks</p>
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			MARKING SCHEME – 2013-14 BUSINESS STUDIES DELHI COMPTT– 66/1/3 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1/1	66/1/2	66/1/3		
7	6	1	<p>Q. How is staffing a continuous process? State. Ans. Staffing is a continuous process because new jobs may be created and some of the existing employees may leave the organisation.</p>	1 mark
8	5	2	<p>Q. Why is it said that ‘Motivation is a complex process’? State. Ans. Motivation is called a complex process because <u>any type of motivation may not have a uniform effect on all the members.</u></p> <p style="text-align: center;">OR</p> <p>Motivation is called a complex process because <u>individuals are heterogeneous</u> in their expectations, perceptions and reactions.</p>	1 mark
9	4	3	<p>Q. List any two non-financial incentives. Ans. Non- financial incentives are: (Any two) (a) Status (b) Positive organisational climate. (c) Career advancement opportunity. (d) Job enrichment. (e) Employee recognition (f) Job security. (g) Employee participation. (h) Employee empowerment.</p>	$\frac{1}{2} \times 2$ = 1 mark
10	3	4	<p>Q. Give the meaning of ‘Critical Point Control’. Ans. ‘Critical Point Control’ means focusing on key result areas which are critical to the success of an organisation.</p>	1 mark
11	2	5	<p>Q. How many members are required to constitute ‘District Consumer Dispute Redressal Forum’? Ans. To constitute District Consumer Dispute Redressal Forum one President and two other members, one of whom should be a woman are required.</p>	1 mark
12	1	6	<p>Q. Besides a ‘consumer’, name any two parties who can file a complaint before the appropriate consumer forum. Ans. Besides a ‘consumer’, a complaint may be filed before the appropriate consumer forum by (any two):</p>	$\frac{1}{2} \times 2$ =

			(i) Any registered consumers' association; (ii) The Central Government or any State Government; (iii) One or more consumers, on behalf of numerous consumers having the same interest; and (iv) A legal heir or representative of a deceased consumer.	1 mark
1	12	7	Q. Identify the basic characteristic of management involved in the statement- "The activities involved in managing an organization are common to all organizations, whether economic, social or political." Ans. Management is pervasive.	1 mark
2	11	8	Q. Why is business environment called dynamic? State. Ans. Business environment is called dynamic as it keeps on changing.	1 mark
3	10	9	Q. 'Dreams can be turned into reality only when managers think in advance what to do and how to do it.' Name the function of management indicated by the statement. Ans. Planning.	1 mark
4	9	10	Q. State the type of plan that does not allow any flexibility. Ans. Rule	1 mark
5	8	11	Q. Define 'organising' as a function of management. Ans. Organising is the process of defining and grouping the activities of the enterprise and establishing authority relationships among them. OR Organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of accomplishing objectives.	1 mark
6	7	12	Q. State the suitability of functional structure of organizing. Ans. Functional structure is suitable for medium sized firms having a single product or small number of related products	1 mark
16	15	13	Q. State any three points of importance of financial planning. Ans. Financial planning is important because:(any three): (i) It helps the company to prepare for the future. (ii) It helps in avoiding business shocks and surprises.	1 x 3 = 3 marks

			<p>(iii) It helps in co-ordinating various business functions.</p> <p>(iv) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.</p> <p>(v) It links the present with the future.</p> <p>(vi) It provides a link between investment and financing decisions.</p> <p>(vii) Financial plan serves as a control technique.</p> <p>(viii) It serves as a guide in developing a sound capital structure so as to maximise returns to the shareholders.</p>	
17	14	14	<p>Q. Give the meaning of the following money market instruments :</p> <p>(i) Certificate of deposit; and</p> <p>(ii) Commercial bill</p> <p>Ans. (i) Certificate of deposit: It is a short term, unsecured, negotiable instrument issued by commercial banks or development financial institutions to individuals, corporations and companies. It is issued during periods of tight liquidity when the deposit growth of banks is slow but the demand for credit is high.</p> <p>(ii) Commercial bill It is a bill of exchange used to finance working capital requirements of business firms. It is short-term, negotiable and self-liquidating instrument.</p>	<p>1 ½</p> <p>1 ½</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
18	13	15	<p>Q. Identify and explain the marketing management philosophy which implies that products and services are bought not merely because of their quality or brand name, but because they satisfy a specific need of a customer.</p> <p>Ans. <u>Marketing concept.</u></p> <ul style="list-style-type: none"> • It assumes that in the long run, an organisation can achieve its objective of maximization of profit by identifying the needs of the present and prospective buyers and satisfying them in an effective way. • Customer satisfaction is the focus point of all decision making in the organisation. 	<p>1 mark for identification</p> <p>+</p> <p>2 marks for explanation</p> <p>=</p> <p>1+2</p> <p>=</p> <p>3marks</p>
13	18	16	<p>Q. ABC Ltd. Is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers</p>	<p>1 mark for</p>

			<p>into confidence before taking important decisions. All the workers are satisfied as the behavior of the management is very good.</p> <p>(a) State the principle of management described in the above para.</p> <p>(b) Identify any two values which the company wants to communicate to the society.</p> <p>Ans. The principle of Taylor described in the above para is <u>Cooperation, Not Individualism</u></p> <p>It states that there should be complete cooperation between the labour and the management. Competition should be replaced by cooperation.</p> <p>Values which the company wants to communicate to the society are:</p> <p>(a) Good behaviour in human interaction.</p> <p>(b) Concern for the environment.</p> <p>(or any other correct value)</p>	<p>stating the principle + 1 mark for each value = 1 x 2 = 2marks = 1+2 = 3marks</p>
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15	16	18	<p>Q. Explain the factors that affect capital budgeting decision.</p>	<p>½ mark for the heading</p>

			<p>Ans. Factors that affect capital budgeting decision are:</p> <p>(a) Cash flows of the project (b) Rate of return of the project. (c) Investment criteria</p>	<p>+ ½ mark for explanation = 1 x 3 = 3 marks</p>
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19	-	20	<p>Q. “The skilful and personal application of existing knowledge to achieve desire results is called art’. In the light of this statement, describe whether management is an art or not.</p> <p>Ans. “The skilful and personal application of existing knowledge to achieve desire results is called art”. Management is an art because of the following reasons:</p> <p>1. <u>Existence of theoretical knowledge.</u> As in art, in management too, there is a lot of literature available in various areas of management which the manager has to specialise in.</p> <p>2. <u>Personalised application.</u> Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner.</p> <p>3. <u>Based on continuous practice.</u> Management satisfies this criteria as a manager gains experience through regular practice and becomes more effective.</p> <p>4. <u>Creativity.</u></p>	<p>½ mark for the heading + ½ mark for the explanation = 1 x 4 = 4 marks</p>

			Like any other art, a manager after studying various situations, formulates his own theories for use in a given situation. This gives rise to different styles of management.	
-	-	21	<p>Q. Explain any four points of impact of government policy changes on business and industry.</p> <p>Ans. <u>Impact of government policy changes on business and industry: (Any four)</u></p> <p>(i) Increasing competition (ii) More demanding customers (iii) Rapidly changing technological environment (iv) Necessity for change (v) Need for developing human resources. (vi) Market orientation (vii) Loss of budgetary support to the public sector. (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 + ½ mark for each explanation = 1 x 4 =4marks</p>
-	-	22	<p>Q. In addition to providing directions and reducing the risk of uncertainty, planning helps managers in many other ways.’ Explain any four such ways.</p> <p>Ans. <u>In addition to providing directions and reducing the risk of uncertainty, planning helps managers in many other ways.’</u> These are: (Any four)</p> <p>(i) Provides direction. (ii) Reduces risk of uncertainty. (iii) Reduces overlapping and wasteful activities. (iv) Promotes innovative ideas. (v) Facilitates decision making. (vi) Establishes standards for controlling. (If an examinee has not given the headings , no marks should be deducted)</p>	<p>½ mark for heading + ½ mark for explanation= 1x4= 4 marks</p>
-	-	23	<p>Q. State any three merits and two limitations of external sources of recruitment.</p> <p>Ans. <u>Merits of external sources of recruitment (Any three):</u></p> <p>(i) Attracts <u>qualified personnel</u> to apply for vacant jobs in the organisation. (ii) Gives a <u>wider choice</u> to the management while selecting people. (iii) Brings <u>fresh talent</u> in the organisation. (iv) Develops <u>competitive spirit</u> amongst existing staff.</p>	<p>1 x 3 = 3 marks</p>

			<p>Limitations of external sources of recruitment (Any two):</p> <p>(i) May lead to <u>dissatisfaction among the existing staff</u> as it reduces their chances of promotion.</p> <p>(ii) It is a <u>lengthy process</u> as the business has to notify vacancies and wait for applications to initiate the selection process.</p> <p>(iii) It is a <u>costly process</u> as a lot of money has to be spent on advertisement and processing of applications.</p>	<p>1 x 3 = 3 marks = 3+2 = 5 marks</p>
-	-	24	<p>Q. Explain any five points of importance of controlling.</p> <p>Ans. Importance of controlling (Any five):</p> <p>(i) Accomplishing organisational goals. (ii) Making efficient use of resources. (iii) Ensuring order and discipline. (iv) Improving employee motivation. (v) Judging accuracy of standards. (vi) Facilitating co-ordination in action.</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 = 1 x 5 = 5marks</p>
-	-	25	<p>Q. Explain any five functions of Stock Exchange.</p> <p>Ans. Functions of Stock Exchange: (Any five)</p> <p>(i) Provides liquidity and marketability to existing securities. (ii) Pricing of securities. (iii) Safety of transactions. (iv) Contributes to economic growth. (v) Spreads of equity cult. (vi) Provides scope for speculation.</p>	<p>½ mark for the heading + ½ mark for its explanation = 1 x 5= 5 marks</p>
-	-	26	<p>Q What is meant by ‘Packaging’? State any four functions of packaging.</p> <p>Ans. Packaging refers to the act of designing and producing the container or wrapper of a product.</p> <p>Functions of packaging: (Any four)</p> <p>(i) It helps in product identification. (ii) It helps in protection of the product from spoilage, breakage, leakage damage etc. (iii) It facilitates use of the product to the consumers through appropriate sizes and shapes. (iv) It helps in promotion of the product as a good package attracts the attention of the people at the time of purchase. (v) It helps in preventing adulteration as the product is properly packed.</p>	<p>1 mark for the meaning + 1 mark for each function = 1 x 4 =4 marks = 1 + 4 = 5marks</p>
29	28	27	<p>Q. Explain any four factors affecting the dividend</p>	

			<p>decision of a company. Ans. Factors affecting dividend decision of a company are: (Any four) (i) Amount of earnings. (ii) Stability of earnings. (iii) Stability of dividends. (iv) Growth opportunities. (v) Cash Flow position. (vi) Shareholders preference. (vii) Taxation policy. (viii) Stock market reaction. (ix) Access to capital market. (x) Legal constraints. (xi) Contractual constraints. (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>Explain any four factors affecting fixed capital requirements of a company Ans. Factors affecting fixed capital requirements of a company: (Any four) 1. Nature of business. 2. Scale of operations. 3. Choice of technique. 4. Growth prospects. 5. Technology upgradation. 6. Diversification. 7. Financing alternatives. 8. Level of collaboration. (If an examinee has not given the headings but has given the correct reasons, full credit should be given)</p>	<p>$\frac{1}{2}$ mark for heading + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6 marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for heading + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6 marks</p>
30	27	28	<p>Q. Explain the four important elements of marketing mix. Ans. The four important elements of marketing mix are: (i) Product mix (ii) Price mix, (iii) Place mix, and (iv) Promotion mix. 1. Product Mix: Product mix relates to decisions regarding planning, developing and producing the right type of products and services for the consumers. It includes branding, labelling, trademark and packaging. 2. Price Mix: Price Mix involves different Pricing Methods, Pricing</p>	<p>$1 \frac{1}{2} \times 4$ = 6marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for each heading + 1 mark for each explanation</p>

			<p>strategies, Pricing Policies and Price Changes.</p> <p>3. Place Mix: <u>Place or Physical Distribution</u> mix includes activities that make firm's products available to the target customers. It consists of all the activities involved in transferring ownership and physical possession of the product to the consumers.</p> <p>4. Promotion Mix: Promotion mix consists of all the activities aimed at persuading customers to buy the product through advertising, personal selling, sales promotion and publicity.</p> <p style="text-align: center;">OR</p> <p>Q. Explain any four factors determining the choice of an appropriate channel of distribution. Ans. <u>Factors that determine the choice of appropriate channel of distribution:</u> (a) Product related factors. (b) Company characteristics. (c) Competitive factors. (d) Market factors. (e) Environmental factors. (If an examinee has not given the headings as above but has given the correct explanation, no marks should be deducted)</p>	<p>= 1 ½ x 4 = 6marks</p>
27	30	29	<p>Q. Explain the steps in the process of Organising Ans. <u>Steps in the process of organising:</u> (i) Identification and division of work. (ii) Departmentalisation. (iii) Assignment of duties to job positions. (iv) Establishing reporting relationships. (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. Differentiate between Formal and Informal organization on the basis of the following: (i) Meaning; (ii) Origin; (iii) Authoring; (iv) Behaviour; (v) Flow of Communication; and (vi) Leadership</p> <p style="text-align: center;">DISTINCTION BETWEEN FORMAL AND INFORMAL ORGANISATION</p>	<p>½ mark for each heading + 1 mark for each explanation = 1 ½ x 4 = 6marks</p> <p style="text-align: center;">OR</p>

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28	29	30	<p>Q. Describe psychological barriers to effective communication. Ans. <u>Psychological barriers to effective communication:</u> (i) Premature evaluation. (ii) Lack of attention. (iii) Loss by transmission and poor retention. (iv) Distrust.</p> <p style="text-align: center;">Or</p> <p>Q. Explain how directing helps in effective and efficient functioning of the organization. Ans. <u>Directing helps in effective and efficient functioning of the organization by:</u> (Any four) (i) Initiating action. (ii) Integrating employees' efforts.</p>	<p>$\frac{1}{2}$ mark for naming each barrier + 1 mark for explanation $1 \frac{1}{2} \times 4$ = 6marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for each heading + 1 mark for</p>																					

			(iii) Guiding employees to realise their potential. (iv) Facilitating changes. (v) Bringing stability and balance in the organisation.	each explanation = 1 ½ x 4 = 6 marks OR
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