

-Strictly Confidential: (For Internal and Restricted Use Only)
Senior School Certificate Examination
March -----2016-17

Marking Scheme---Business Studies (Delhi) 66/1/1, 66/1/2, 66/1/3.

General Instructions:

1. The marking scheme carries only suggested value points for the answer. These are only guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, marks be awarded accordingly.
2. Evaluation is to be done as per instructions provided in the marking scheme.
3. 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.
4. If a question does not have parts, marks be awarded in the left hand margin.
5. If a candidate has attempted a question twice, marks should be given in the question attempted first and the question attempted later should be ignored with the comment 'Extra Attempt'.
6. 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.
7. The examiners should acquaint themselves with the instructions given in the Guidelines for Spot Evaluation before starting the actual evaluation.
8. Every examiner should stay upto sufficiently reasonable time normally 5-6 hours everyday and evaluate 20-25 answer books and should devote minimum 15-20 minutes to evaluate each answer book.
9. Every examiner should acquaint himself/ herself with the marking schemes of all the sets.
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. 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.
12. 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.
13. 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.
14. 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.

			MARKING SCHEME – 2016-17 BUSINESS STUDIES DELHI – 66/1/1 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1/1	66/1/2	66/1/3		
1	6	3	<p>Q. Give the meaning of ‘motivation’ as an element of directing.</p> <p>Ans. Motivation means stimulating people to act in a desired manner to achieve certain organisational goals.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organisation on the basis of ‘origin.’</p> <p>Ans. Formal organisation originates as a result of company’s rules and policies while an informal organisation originates as a result of social interaction.</p>	1 mark
3	2	1	<p>Q. Why is ‘employment interview’ conducted in the process of selection?</p> <p>Ans. Employment Interview is conducted to evaluate the applicant’s suitability for the job.</p>	1 mark
4	7	8	<p>Q. Alpha Enterprises is a company manufacturing water geysers. The company has a functional structure with four main functions- Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more employees. Identify the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.</p> <p>Ans. Workload Analysis.</p>	1 mark
5	8	2	<p>Q. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he enquired from the Sales Manager, the Sales Manager</p>	

			<p>reported that there were some complaints about the quality of sweets. Therefore Harsh ordered for sample checking of sweets. Identify the step taken by Harsh that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark
6	1	4	<p>Q. What is meant by 'financial management'?</p> <p>Ans. Financial Management refers to management of flow of funds and involves decisions relating to procurement of funds, investment of funds and distribution of earnings to the owners.</p> <p style="text-align: center;">or</p> <p>Financial Management means planning, organising, directing and controlling the financial activities of an organisation.</p>	1 mark
7	4	6	<p>Q. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sahdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors.</p> <p>Name the method through which the company decided to raise additional capital.</p> <p>Ans. Private Placement.</p>	1 mark
8	3	5	<p>Q. Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹500 or above at a famous eating joint.</p> <p>Identify the technique of sales promotion used by the company in the above situation.</p> <p>Ans. Usable benefit.</p>	1 mark
9	-		<p>Q. Explain 'unity of command' and 'equity' as</p>	

			<p>principles of general management.</p> <p>Ans. <u>Unity of command</u></p> <ul style="list-style-type: none"> ▪ The principle of unity of command states that each employee in an organisation should receive orders from one superior only and he should be responsible to only one superior. ▪ It prevents confusion regarding tasks to be done <p><u>Equity</u></p> <ul style="list-style-type: none"> ▪ Equity states that there should be no discrimination against anyone on account of sex, religion, language, caste, belief, nationality etc. ▪ It emphasises kindness and justice in the behaviour of managers towards the workers to ensure loyalty and devotion. 	<p>1½ marks</p> <p>+</p> <p>1½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
10	-	-	<p>Q. State any three points of importance of planning function of management.</p> <p>Ans. <u>Importance of planning (any three):</u></p> <p>(i) <u>Provides directions</u> Planning provides directions by deciding in advance what action should be taken.</p> <p>(ii) <u>Reduces the risks of uncertainty</u> Planning reduces the risks of uncertainty by anticipating changes and developing managerial responses to them.</p> <p>(iii) <u>Reduces overlapping and wasteful activities</u> Planning reduces overlapping and wasteful activities by coordinating the activities of different divisions.</p> <p>(iv) <u>Promotes innovative ideas</u> Planning promotes innovative ideas requiring application of mind and foresight.</p> <p>(v) <u>Facilitates decision making</u> Planning facilitates decision making by making a choice from among the alternative courses of action.</p> <p>(vi) <u>Establishes standards for controlling</u> Planning establishes standards against which actual performance is measured.</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>

			<p>(If an examinee has not written the headings, no mark should be deducted.)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded.)</p>	
11	-	-	<p>Q. Explain briefly any three functions performed by a supervisor.</p> <p>Ans. <u>The functions performed by the supervisor:</u> (Any three)</p> <p>(i) Maintains day-to-day contact with the workers. (ii) Links the workers and the management. (iii) Helps in maintaining group unity. (iv) Ensures performance of work. (v) Provides on the job training. (vi) Builds high morale amongst the workers. (vii) Gives feedback.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for the heading + ½ mark for the explanation</p> <p>= 1 x 3 = 3 marks</p>
12	13	9	<p>Q. Somnath Ltd.is engaged in the business of export of garments. In the past, the performance of the company had been upto the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this, the Finance Manager, Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Dalmia therefore, began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds he is trying to find out alternative sources from outside.</p> <p>Identify the financial concept discussed in the above para. Also state the objectives to be achieved by the use of financial concept, so identified.</p>	<p>1 mark for</p>

			<p>Ans. Concept- <u>Financial Planning</u></p> <p><u>Objectives of financial planning:</u></p> <p>(i) <u>To ensure availability of funds whenever required</u> It involves estimation of the funds required, the time at which these funds are to be made available and the sources of these funds.</p> <p>(ii) <u>To see that the firm does not raise resources unnecessarily</u> It ensures that firm does not raise resources unnecessarily as it will increase the costs and the resources will remain idle.</p>	<p>identification + (1 mark for each</p> <p>objective = 1 x 2 = 2 marks) = 1 + 2 = 3 marks</p>
13	12	10	<p>Q. Ginika, Tanish and Rohit were friends from college days and now they are doing different kinds of business. They regularly meet and discuss their business ideas and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc. In one of such meetings, Ginika drew the attention of Tanish and Rohit towards the exploitation of consumers. She told that most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas she was not doing so. Tanish told that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same. Rohit stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the customers.</p> <p>Identify the various types of thinking that guided Ginika, Tanish and Rohit in the marketing efforts of their business. Also, state one more feature of the various types of thinking identified that is not</p>	

		<p>given in the above para.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p><u>Ginika</u></p> <p>Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p> <p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p> <p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to earn <u>profits through customer satisfaction and social welfare.</u></p> <p>(iv) The marketing efforts start from the <u>identification of needs of the target market and the society.</u></p> <p><u>Tanish</u></p> <p>Selling concept</p> <p><u>Feature of Selling concept: (Any one)</u></p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like advertising, personal selling and sales promotion to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products.</u></p> <p>(iii) Its objective is to earn <u>profits through increased volume of sales.</u></p> <p>(iv) The marketing efforts <u>start</u> after the product is produced in the <u>factory.</u></p> <p><u>Rohit</u></p> <p>Marketing concept</p> <p><u>Feature of Marketing concept: (Any one)</u></p>	<p>½ mark for identifying each type of thinking</p> <p>=</p> <p>½ x 3</p> <p>=</p> <p>1 ½ marks</p> <p>+</p> <p>½ mark for each feature</p> <p>=</p> <p>½ x 3</p> <p>=</p> <p>1 ½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
--	--	--	---

			<p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts start from the identification of needs of the target <u>market</u>.</p>	
14	15	15	<p>Q. Ashutosh Goenka was working in ‘Axe Ltd’, a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.</p> <p>(a) Identify the level of management at which Ashutosh Goenka was working.</p> <p>(b) State three other functions being performed by Ashutosh Goenka.</p> <p>Ans. <u>Top Level.</u></p> <p>Functions of the top level of management: (<u>Any three</u>)</p> <ol style="list-style-type: none"> To co-ordinate the activities of different departments. To be responsible for welfare and survival of the organisation. To formulate overall organisational goals and strategies for their achievement. To be responsible for all the activities of the business and for its impact on the society. 	<p>1 mark for identification</p> <p>+</p> <p>(1 mark for each function</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks)</p> <p>=</p> <p>1+3</p> <p>=</p> <p>4 marks</p>
15	14	16	<p>Q. Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop ‘AromaCoffeeCan’ in a famous mall in New Delhi. The speciality of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanchit was keen to find out the reason. He appointed Sandhya, an MBA from a reputed college, as a</p>	

		<p>manager to find out the causes for the same. Sandhya took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the order.</p> <p>She also realised that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result with in a short period Sandhya was able to attract the customers.</p> <p>Identify and explain any two techniques of scientific management used by Sandhya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Sandhya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: 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>(ii) <u>Simplification of Work</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to eliminate <u>superfluous</u> varieties, sizes and dimensions of products. ▪ It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. <p>(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification</p>	<p>½ mark for identification</p> <p>+</p> <p>1½ marks for the explanation</p> <p>=</p> <p>½ + 1 ½</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2 + 2</p> <p>=</p> <p>4 marks</p>
--	--	---	---

			of Work’, full credit be given)	
16	-	-	<p>Q. Give the meaning of ‘objectives’ and ‘budget’ as types of plans.</p> <p>Ans. Objectives Objectives are the end points which are numerically expressed, that the management seeks to achieve within a given time period. These are set by the top management and focus on broad general issues. They serve as a guide for overall business planning.</p> <p>Budget A budget is a statement of expected results for a given future period expressed in numerical terms from where deviations can be taken care of. It is a fundamental planning instrument as making a budget involves forecasting.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
17	18	19	<p>Q. Explain briefly ‘transfers’ and ‘promotions’ as internal sources of recruitment.</p> <p>Ans. Transfers</p> <ul style="list-style-type: none"> ▪ Transfers involve shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee. ▪ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. <p>Promotions</p> <ul style="list-style-type: none"> ▪ Promotions involve shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. ▪ This practice helps to improve the motivation and increases loyalty and satisfaction level of employees. 	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>4 marks</p>
18	19	17	Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector	

			<p>where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p> <p>(a) Name the function being performed by the market in the above case.</p> <p>(b) Also, explain briefly three other functions performed by this market.</p> <p>Ans. Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p> <p><u>Other functions performed by Financial market are:</u></p> <p>(i) Facilitating price determination/ discovery. (ii) Providing liquidity to financial assets. (iii) Reducing the cost of transactions.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>1 mark for identification + (½ mark for the heading + ½ mark for the explanation = 1 x 3 = 3 marks) = 1 + 3 = 4 marks</p>
19	17	18	<p>Q. Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadliness may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as team because the behaviour of Umang Gupta was</p>	

		<p>positive towards the employees of the organisation. Hence everyone put in extra time and efforts and the targets were met on time. Not only this, Umang visited Ms.Kanta and advised her to take sufficient rest.</p> <p>(a) Identify the leadership style of Umang Gupta and draw a diagram depicting the style .</p> <p>(b) State any two values highlighted by the behaviour of Umang Gupta.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p> <div data-bbox="646 709 1049 1041" data-label="Diagram"> <pre> graph TD A((A)) <--> C((C)) A((A)) <--> E((E)) A((A)) <--> B((B)) A((A)) <--> D((D)) </pre> </div> <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Umang Gupta are:</p> <p>(i) Teamwork/ Team spirit</p> <p>(ii) Good behaviour in human interaction</p> <p>(or any other correct value)</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the diagram</p> <p>+</p> <p>1 mark for each value</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>(1+1+2)</p> <p>=</p> <p>4 marks</p>
20	21	20	<p>Q. Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take</p>

			<p>advantage of simplified export procedure and removal of quantitative as well as tariff restrictions in India.</p> <p>It set up its office in Jamnagar with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, there-by benefiting the customers.</p> <p>(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain these concepts.</p> <p>(b) Also, explain briefly any three impacts of these concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) <u>Impact of these concepts on Indian business and industry: (Any three)</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.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+ (½ mark for the heading + ½ mark for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>
21	-	-	<p>Q. State the steps in the process of controlling.</p> <p>Ans. Steps in the controlling process are:</p>	

			<p>(i) <u>Setting performance standards</u> The standards of performance are set which serve as the criteria against which actual performance will be measured.</p> <p>(ii) <u>Measurement of actual performance</u> Actual performance is measured in an objective and reliable manner in the same units in which standards are set.</p> <p>(iii) <u>Comparing actual performance with the standards</u> Actual performance is compared with the standards to find out the deviation.</p> <p>(iv) <u>Analysing deviations</u> Deviations are analysed for their causes through Critical Point Control and Management by Exception.</p> <p>(v) <u>Taking corrective action</u> Corrective action is taken if deviations go beyond the acceptable limits.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p> <p>(If the examinee has not written the steps in the correct sequence, ½ mark may be deducted)</p>	<p>1 mark for each correct step</p> <p>=</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>
22	20	21	<p>Q. Indian Youth Organisation (IYO) organised a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realised that the old age home also required pest control. But some of the inmates of old age home were reluctant for it because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odourless pest control. They showed to inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control</p>	

		<p>was carried out. It worked for a fortnight but to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court.</p> <p>The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p> <p>(a) State any six directions that might have been issued by the court.</p> <p>(b) Also identify any two values that are being communicated by IYO to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six)</p> <p>(i) To <u>remove the</u> deficiency in service.</p> <p>(ii) To <u>refund the price</u> paid for the service provided.</p> <p>(iii) To <u>pay a reasonable amount of compensation</u> for any loss suffered by the inmates of old age home.</p> <p>(iv) To <u>pay punitive damages</u>.</p> <p>(v) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future.</p> <p>(vi) To <u>pay any amount</u> (not less than 5% of the value of the service provided) to be credited to the <u>Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(vii) To <u>issue corrective advertisement</u> to neutralize the effect of misleading pamphlet.</p> <p>(xii) To <u>pay adequate costs</u> to IYO.</p> <p>(b) <u>Values that are being communicated by IYO to the society</u> are: (Any two)</p> <p>(i) Sensitivity towards the environment.</p> <p>(ii) Respect for the elderly.</p> <p>(iii) Cleanliness and hygiene.</p> <p>(iv) Concern for health of people.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>(½ mark for each correct direction = ½ x 6 = 3 marks)</p> <p>+</p> <p>(1 mark for each value = 1 x 2 = 2 marks)</p> <p>= 3+2 = 5 marks</p>
23	24	25	<p>Q. Aman Chadha started ‘Bulls Eye’ a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by</p>

		<p>leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand Ishan and Vrinda also got opportunities to develop and exercise initiative.</p> <p>(i) Identify and briefly explain the concept used by Aman Chadha in the above case which helped him in focusing on objectives.</p> <p>(ii) Also, state any four points of importance of the concept identified in (i) above.</p> <p>Ans. (i) <u>Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p>(or any other relevant explanation)</p> <p><u>(ii) Importance of delegation of authority: (Any four)</u></p> <p>(i) <u>Effective management</u> It helps in effective management as the managers get more time to concentrate on important matters.</p> <p>(ii) <u>Employee development</u></p>	<p>(1 mark for identification)</p> <p>+</p> <p>1 mark for the explanation)</p> <p>+</p> <p>(1 mark for each statement)</p>
--	--	--	---

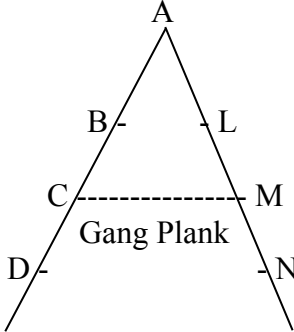
			<p>It helps in development of employees as the employees get more opportunities to utilize their talent.</p> <p>(iii) <u>Motivation of employees</u> It helps to motivate employees as the employees feel encouraged and try to improve their performance further.</p> <p>(iv) <u>Facilitation of growth</u> It facilitates growth by providing a ready workforce to take up leading positions in new ventures.</p> <p>(v) <u>Basis of management hierarchy</u> It establishes a management hierarchy through clear superior subordinate relationships.</p> <p>(vi) <u>Better co-ordination</u> It helps in better co-ordination by avoiding overlapping of duties.</p> <p>(If an examinee has not written the headings, no mark should be deducted.)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded.)</p>	<p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks)</p> <p>=</p> <p>1+1+4</p> <p>=</p> <p>6 marks</p>
24	-	-	<p>Q. Explain briefly any four factors which affect the choice of capital structure of a company.</p> <p>Ans. <u>Following are the factors affecting the choice of capital structure of a company: (any four)</u></p> <p>(i) Cash flow position (ii) Interest coverage ratio (iii) Debt service coverage Ratio (iv) Return on Investment (v) Cost of debt (vi) Tax rate (vii) Cost of equity (viii) Floatation costs (ix) Fixed operating costs (x) Risk consideration (xi) Flexibility (xii) Control (xiii) Regulatory framework</p>	<p>½ mark for the heading</p> <p>+</p> <p>1 mark for the explanation</p> <p>=</p> <p>1 ½ x 4</p> <p>=</p> <p>6 marks</p>

			<p>(xiv) Stock market conditions (xv) Capital structure of other companies</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	
25	23	23	<p>Q. Mediquip Ltd. is a company dealing in distribution of medical equipments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.</p> <p>In the meeting, Sandeep, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally, to explain its working to the hospital staff who would be using the machines. He also suggested that additional trained people may be recruited for the same.</p> <p>Himanshu, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay to the additional staff as suggested by Sandeep.</p> <p>Rahul, a newly appointed Zonal Head of South Zone suggested that since the size of the order is not large, a detailed study of the factors determining the choice of channels of distribution is required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other consideration to be taken care of in each factor identified in part (a).</p> <p>Ans. (a) <u>Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors (ii) Company characteristics (iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p>	<p>1 mark for each correct identification</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3marks</p>

		<p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p style="text-align: center;">+</p> <p style="text-align: center;">½ mark for naming other consideration</p> <p style="text-align: center;">+</p> <p style="text-align: center;">½ mark for its explanation</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1+1+1</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 +3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">6 marks</p>
--	--	--	---

			MARKING SCHEME – 2016-17 BUSINESS STUDIES DELHI – 66/1/2 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1/1	66/1/2	66/1/3		
6	1	4	<p>Q. What is meant by 'financial management'?</p> <p>Ans. Financial Management refers to management of flow of funds and involves decisions relating to procurement of funds, investment of funds and distribution of earnings to the owners.</p> <p style="text-align: center;">or</p> <p>Financial Management means planning, organising, directing and controlling the financial activities of an organisation.</p>	1 mark
3	2	1	<p>Q. Why is 'employment interview' conducted in the process of selection?</p> <p>Ans. Employment Interview is conducted to evaluate the applicant's suitability for the job.</p>	1 mark
8	3	5	<p>Q. Sunita took her niece, Aishwarya for shopping to 'Benetton' to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹500 or above at a famous eating joint. Identify the technique of sales promotion used by the company in the above situation.</p> <p>Ans. Usable benefit.</p>	1 mark
7	4	6	<p>Q. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sahdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors. Name the method through which the company decided to raise additional capital.</p> <p>Ans. Private Placement.</p>	1 mark

2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organisation on the basis of ‘origin.’</p> <p>Ans. Formal organisation originates as a result of company’s rules and policies while an informal organisation originates as a result of social interaction.</p>	1 mark
1	6	3	<p>Q. Give the meaning of ‘motivation’ as an element of directing.</p> <p>Ans. Motivation means stimulating people to act in a desired manner to achieve certain organisational goals.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
4	7	8	<p>Q. Alpha Enterprises is a company manufacturing water geysers. The company has a functional structure with four main functions- Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more employees. Identify the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.</p> <p>Ans. Workload Analysis.</p>	1 mark
5	8	2	<p>Q. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore Harsh ordered for sample checking of sweets. Identify the step taken by Harsh that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark
-	9	-	<p>Q. Explain briefly ‘Discipline’ and ‘Scalar Chain’ as principles of general management</p>	

		<p>Ans. Discipline</p> <ul style="list-style-type: none"> ▪ Meaning: It is the obedience to organizational rules and employment agreement necessary for the working of the organization by both workers and management. ▪ It requires good superiors at all levels, clear and fair agreements and judicious application of penalties. <p><u>Scalar chain:</u></p> <ul style="list-style-type: none"> ▪ Meaning: It refers to chain of authority and communication that runs from top to bottom and should be followed by the managers and the subordinates. ▪ For example- There is one head A who has two lines of authority under him, B-C-D and L-M-N. If C has to communicate with M who is at the same level of authority, then he has to transverse the route D-C-B-A-L-M-N due to the principle of scalar chain. However, if there is an emergency, then C can directly contact M through gang plank. <div style="text-align: center;">  <p>SCALAR CHAIN</p> </div>	<p>1½ marks</p> <p style="text-align: center;">+</p> <p>1½ marks</p> <p style="text-align: center;">=</p> <p>1 ½ + 1 ½</p> <p style="text-align: center;">=</p> <p>3 marks</p>
-	10	<p>Q. State any three limitations of planning.</p> <p>Ans. Limitations of planning: (Any three)</p> <p>(i) <u>Leads to rigidity</u> Planning leads to rigidity because once a well defined plan is drawn, the managers may not be in a</p>	

		<p>position to change it with the changed circumstances.</p> <p>(ii) <u>May not work in a dynamic environment</u> Planning may not work in a dynamic environment as the environment in which a business operates keeps on changing and planning may not foresee everything.</p> <p>(iii) <u>Reduces creativity</u> Planning reduces creativity as middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own.</p> <p>(iv) <u>Involves huge costs</u> Huge costs are involved in formulating the plans and sometimes costs incurred may not justify the benefit derived from the plan.</p> <p>(v) <u>Time consuming process</u> Planning is time consuming as checking accuracy of facts may involve lot of time and sometimes not much time is left for its implementation.</p> <p>(vi) <u>Does not guarantee success</u> Planning does not guarantee success as managers have a tendency to rely on previously tried and tested successful plans which may create a false sense of security and lead to failure.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>	
-	11	-	<p>Q. Explain any three points that highlight the importance of directing function of management.</p> <p>Ans. Importance of directing:</p> <p>(a) Initiates action. (b) Integrates employees' efforts. (c) Guides employees to realize their potential. (d) Facilitates changes. (e) Brings stability and balance in the organisation.</p>	<p>½ mark for the heading</p> <p>+</p> <p>½ mark for the explanation</p>

			(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)	= 1 x 3 = 3 marks
13	12	10	<p>Q. Ginika, Tanish and Rohit were friends from college days and now they are doing different kinds of business. They regularly meet and discuss their business ideas and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc.</p> <p>In one of such meetings, Ginika drew the attention of Tanish and Rohit towards the exploitation of consumers. She told that most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas she was not doing so. Tanish told that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.</p> <p>Rohit stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the customers.</p> <p>Identify the various types of thinking that guided Ginika, Tanish and Rohit in the marketing efforts of their business. Also, state one more feature of the various types of thinking identified that is not given in the above para.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p><u>Ginika</u></p> <p>Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p>	<p>½ mark for identifying each type of thinking</p> <p>=</p> <p>½ x 3</p> <p>=</p> <p>1 ½ marks</p> <p>+</p> <p>½ mark</p>

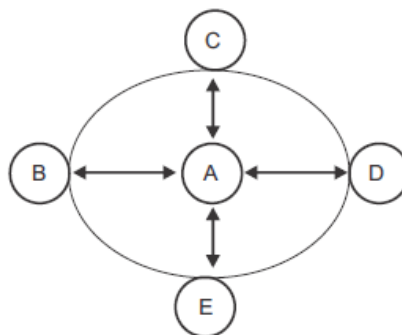
		<p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p> <p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to earn <u>profits through customer satisfaction and social welfare.</u></p> <p>(iv) The marketing efforts start from the identification of needs of the target <u>market and the society.</u></p> <p><u>Tanish</u></p> <p>Selling concept</p> <p>Feature of Selling concept: (Any one)</p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like <u>advertising, personal selling and sales promotion</u> to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products.</u></p> <p>(iii) Its objective is to earn <u>profits through increased volume of sales.</u></p> <p>(iv) The marketing efforts <u>start</u> after the product is produced in the <u>factory.</u></p> <p><u>Rohit</u></p> <p>Marketing concept</p> <p>Feature of Marketing concept: (Any one)</p> <p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts <u>start from the</u> identification of needs of the target market.</p>	<p>for each feature</p> <p>=</p> <p>$\frac{1}{2} \times 3$</p> <p>=</p> <p>1 ½ marks</p> <p>=</p> <p>$1 \frac{1}{2} + 1 \frac{1}{2}$</p> <p>=</p> <p>3 marks</p>
--	--	---	---

12	13	9	<p>Q. Somnath Ltd. is engaged in the business of export of garments. In the past, the performance of the company had been upto the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this, the Finance Manager, Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Dalmia therefore, began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds he is trying to find out alternative sources from outside.</p> <p>Identify the financial concept discussed in the above para. Also state the objectives to be achieved by the use of financial concept, so identified.</p> <p>Ans. Concept- <u>Financial Planning</u></p> <p><u>Objectives of financial planning:</u></p> <p>(i) <u>To ensure availability of funds whenever required</u> It involves estimation of the funds required, the time at which these funds are to be made available and the sources of these funds.</p> <p>(ii) <u>To see that the firm does not raise resources unnecessarily</u> It ensures that firm does not raise resources unnecessarily as it will increase the costs and the resources will remain idle.</p>	<p>1 mark for identification + (1 mark for each objective = 1 x 2 = 2 marks) = 1 + 2 = 3 marks</p>
15	14	16	<p>Q. Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop ‘AromaCoffeeCan’ in a famous mall in New Delhi. The speciality of the</p>	

		<p>coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanchit was keen to find out the reason. He appointed Sandhya, an MBA from a reputed college, as a manager to find out the causes for the same.</p> <p>Sandhya took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the order.</p> <p>She also realised that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result with in a short period Sandhya was able to attract the customers.</p> <p>Identify and explain any two techniques of scientific management used by Sandhya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Sandhya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: 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>(ii) <u>Simplification of Work</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to eliminate 	<p>½ mark for identification</p> <p>+</p> <p>1½ marks for the explanation</p> <p>=</p> <p>½ + 1 ½</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2 + 2</p> <p>=</p> <p>4 marks</p>
--	--	--	---

			<p>superfluous varieties, sizes and dimensions of products.</p> <ul style="list-style-type: none"> It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. <p>(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification of Work’, full credit be given)</p>	
14	15	15	<p>Q. Ashutosh Goenka was working in ‘Axe Ltd’, a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.</p> <p>(a) Identify the level of management at which Ashutosh Goenka was working.</p> <p>(b) State three other functions being performed by Ashutosh Goenka.</p> <p>Ans. <u>Top Level.</u></p> <p><u>Functions of the top level of management: (Any three)</u></p> <ol style="list-style-type: none"> To co-ordinate the activities of different departments. To be responsible for welfare and survival of the organisation. To formulate overall organisational goals and strategies for their achievement. To be responsible for all the activities of the business and for its impact on the society. 	<p>1 mark for identification</p> <p>+</p> <p>(1 mark for each function</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks)</p> <p>=</p> <p>1+3</p> <p>=</p> <p>4 marks</p>
-	16	-	<p>Q. Give the meaning of ‘procedure’ and ‘rule’ as types of plans.</p> <p>Ans. <u>Procedure</u></p> <p>It consists of sequence of routine steps performed in a chronological order to carry out activities within a broad policy framework. It details the exact manner in which any work is to be performed.</p> <p><u>Rule</u></p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p>

			<p>A rule is a statement that specifies what is to be done or not to be done. It is a guide to behaviour. A rule does not allow for any flexibility or discretion and prescribes a penalty for violation.</p>	<p>2+2 = 4 marks</p>
19	17	18	<p>Q. Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadliness may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and efforts and the targets were met on time.</p> <p>Not only this, Umang visited Ms.Kanta and advised her to take sufficient rest.</p> <p>(a) Identify the leadership style of Umang Gupta and draw a diagram depicting the style .</p> <p>(b) State any two values highlighted by the behaviour of Umang Gupta.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the diagram</p> <p>+</p> <p>1 mark for each value</p>



			<p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Umang Gupta are:</p> <p>(i) Teamwork/ Team spirit (ii) Good behaviour in human interaction</p> <p style="text-align: center;">(or any other correct value)</p>	<p>= 1 x 2 = 2 marks = (1+1+2) = 4 marks</p>
17	18	19	<p>Q. Explain briefly ‘transfers’ and ‘promotions’ as internal sources of recruitment.</p> <p><u>Ans. Transfers</u></p> <ul style="list-style-type: none"> ▪ Transfers involve shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee. ▪ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. <p><u>Promotions</u></p> <ul style="list-style-type: none"> ▪ Promotions involve shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. ▪ This practice helps to improve the motivation and increases loyalty and satisfaction level of employees. 	<p style="text-align: center;">2 marks</p> <p style="text-align: center;">+</p> <p style="text-align: center;">2 marks</p> <p style="text-align: center;">= 4 marks</p>
18	19	17	<p>Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p>	

			<p>(a) Name the function being performed by the market in the above case. (b) Also, explain briefly three other functions performed by this market.</p> <p>Ans. Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p> <p><u>Other functions performed by Financial market are:</u></p> <p>(i) Facilitating price determination/ discovery. (ii) Providing liquidity to financial assets. (iii) Reducing the cost of transactions.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>1 mark for identification + (½ mark for the heading + ½ mark for the explanation = 1 x 3 = 3 marks) = 1 + 3 = 4 marks</p>
22	20	21	<p>Q. Indian Youth Organisation (IYO) organised a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realised that the old age home also required pest control. But some of the inmates of old age home were reluctant for it because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odourless pest control. They showed to inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control was carried out. It worked for a fortnight but to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p>	

			<p>(a) State any six directions that might have been issued by the court. (b) Also identify any two values that are being communicated by IYO to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six) (i) To <u>remove the deficiency</u> in service. (ii) To <u>refund the price</u> paid for the service provided. (iii) To <u>pay a reasonable amount of compensation</u> for any loss suffered by the inmates of old age home. (iv) To <u>pay punitive damages</u>. (v) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future. (vi) To <u>pay any amount</u> (not less than 5% of the value of the service provided) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner. (vii) <u>To issue corrective advertisement</u> to neutralize the effect of misleading pamphlet. (xii) To <u>pay adequate costs</u> to IYO.</p> <p>(b) <u>Values that are being communicated by IYO to the society</u> are: (Any two) (i) Sensitivity towards the environment. (ii) Respect for the elderly. (iii) Cleanliness and hygiene. (iv) Concern for health of people.</p> <p style="text-align: center;">(or any other correct value)</p>	<p>(½ mark for each correct direction = $\frac{1}{2} \times 6$ = 3 marks)</p> <p style="text-align: center;">+</p> <p>(1 mark for each value = 1×2 = 2 marks) = $3+2$ = 5 marks)</p>
20	21	20	<p>Q. Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of simplified export procedure and removal of quantitative as well as tariff</p>	

		<p>restrictions in India. It set up its office in Jamnagar with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, there-by benefiting the customers.</p> <p>(a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain these concepts.</p> <p>(b) Also, explain briefly any three impacts of these concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) <u>Impact of these concepts on Indian business and industry: (Any three)</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.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+</p> <p>(½ mark for the heading + ½ mark for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>
-	22	-	<p>Q. Describe briefly the relationship between controlling and planning.</p> <p>Ans. <u>Relationship between planning and controlling: (With explanation)</u></p> <p>(i) Controlling takes place on the basis of standards</p>

			<p>developed by <u>planning</u> because if the standards are not set in advance, managers have nothing to control.</p> <p>(ii) <u>Planning without controlling is meaningless</u> because once a plan becomes operational, controlling ensures that events conform to the plans.</p> <p>(iii) <u>Planning is prescriptive whereas controlling is evaluative</u> because planning prescribes an appropriate course of action while controlling evaluates whether decisions have been translated into desired actions.</p> <p>(iv) <u>Planning and controlling both are forward looking</u> because while plans are prepared for the future, <u>controlling seeks to improve the future</u> on the basis of the past experience.</p> <p>(v) <u>Planning and controlling are both looking back</u> because, while planning is guided by past experiences, <u>controlling compares the actual performance with the standards.</u></p> <p>(In case the candidate has not given the relationship in the form of points but has explained all the points in his answer, full credit be given)</p>	<p>1 mark for each correct point</p> <p>=</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>
25	23	24	<p>Q. Mediquip Ltd. is a company dealing in distribution of medical equipments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones.</p> <p>In the meeting, Sandeep, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally, to explain its working to the hospital staff who would be using the machines. He also suggested that additional trained people may be recruited for the same.</p> <p>Himanshu, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay to the additional staff as suggested by Sandeep.</p> <p>Rahul, a newly appointed Zonal Head of South Zone suggested that since the size of the order is</p>	

			<p>not large, a detailed study of the factors determining the choice of channels of distribution is required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other consideration to be taken care of in each factor identified in part (a).</p> <p>Ans. (a) <u>Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors (ii) Company characteristics (iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p>1 mark for each correct identification</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3marks</p> <p>+</p> <p>½ mark for naming other consideration</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1+1+1</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>3 +3</p> <p>=</p> <p>6 marks</p>
23	24	25	<p>Q. Aman Chadha started ‘Bulls Eye’ a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big project by the Ministry of Defence. While</p>	

		<p>working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand Ishan and Vrinda also got opportunities to develop and exercise initiative.</p> <p>(i) Identify and briefly explain the concept used by Aman Chadha in the above case which helped him in focusing on objectives.</p> <p>(ii) Also, state any four points of importance of the concept identified in (i) above.</p> <p>Ans. (i) <u>Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p>(or any other relevant explanation)</p> <p><u>(ii) Importance of delegation of authority: (Any four)</u></p> <p>(i) <u>Effective management</u> It helps in effective management as the managers get more time to concentrate on important matters.</p> <p>(ii) <u>Employee development</u> It helps in development of employees as the employees get more opportunities to utilize their talent.</p> <p>(iii) <u>Motivation of employees</u> It helps to motivate employees as the employees feel</p>	<p>(1 mark for identification)</p> <p>+</p> <p>1 mark for the explanation)</p> <p>+</p> <p>(1 mark for each statement</p> <p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks)</p> <p>=</p>
--	--	--	--

			<p>encouraged and try to improve their performance further.</p> <p>(iv) <u>Facilitation of growth</u> It facilitates growth by providing a ready workforce to take up leading positions in new ventures.</p> <p>(v) <u>Basis of management hierarchy</u> It establishes a management hierarchy through clear superior subordinate relationships.</p> <p>(vi) <u>Better co-ordination</u> It helps in better co-ordination by avoiding overlapping of duties.</p> <p>(If an examinee has not written the headings, no mark should be deducted.)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded.)</p>	<p>1+1+4</p> <p>=</p> <p>6 marks</p>
-	25	-	<p>Q. Explain briefly any four factors that affect the working capital requirement of a company.</p> <p>Ans. <u>Factors affecting requirements of working capital (any four):</u></p> <ol style="list-style-type: none"> 1. Nature of Business 2. Scale of Operations 3. Business Cycle 4. Seasonal Factors 5. Production Cycle 6. Credit Allowed 7. Credit Availd 8. Operating Efficiency 9. Availability of Raw Material 10. Growth Prospects 11. Level of Competition 12. Inflation <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for heading</p> <p>+</p> <p>1 mark for explanation</p> <p>1 ½ x4</p> <p>=</p> <p>6marks</p>

			MARKING SCHEME – 2016-17 BUSINESS STUDIES DELHI – 66/1/3 EXPECTED ANSWERS / VALUE POINTS	DISTRIBUTION OF MARKS
66/1/ 1	66/1/ 2	66/1/3		
3	2	1	<p>Q. Why is ‘employment interview’ conducted in the process of selection?</p> <p>Ans. Employment Interview is conducted to evaluate the applicant’s suitability for the job.</p>	1 mark
5	8	2	<p>Q. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore Harsh ordered for sample checking of sweets. Identify the step taken by Harsh that is related to one of the functions of management.</p> <p>Ans. Measurement of actual performance.</p>	1 mark
1	6	3	<p>Q. Give the meaning of ‘motivation’ as an element of directing.</p> <p>Ans. Motivation means stimulating people to act in a desired manner to achieve certain organisational goals.</p> <p style="text-align: center;">(or any other correct meaning)</p>	1 mark
6	1	4	<p>Q. What is meant by ‘financial management’?</p> <p>Ans. Financial Management refers to management of flow of funds and involves decisions relating to procurement of funds, investment of funds and distribution of earnings to the owners.</p> <p style="text-align: center;">or</p> <p>Financial Management means planning, organising, directing and controlling the financial activities of an organisation.</p>	1 mark

8	3	5	<p>Q. Sunita took her niece, Aishwarya for shopping to ‘Benetton’ to buy her a dress on the occasion of her birthday. She was delighted when on payment for the dress she got a discount voucher to get 20% off for a meal of ₹500 or above at a famous eating joint. Identify the technique of sales promotion used by the company in the above situation.</p> <p>Ans. Usable benefit.</p>	1 mark
7	4	6	<p>Q. Meca Ltd. a reputed automobile manufacturer needs Rupees ten crores as additional capital to expand its business. Atul Jalan, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sahdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors. Name the method through which the company decided to raise additional capital.</p> <p>Ans. Private Placement.</p>	1 mark
2	5	7	<p>Q. Differentiate between ‘formal’ and ‘informal’ organisation on the basis of ‘origin.’</p> <p>Ans. Formal organisation originates as a result of company’s rules and policies while an informal organisation originates as a result of social interaction.</p>	1 mark
4	7	8	<p>Q. Alpha Enterprises is a company manufacturing water geysers. The company has a functional structure with four main functions-Production, Marketing, Finance and Human Resource. As the demand for the product grew, the company decided to hire more employees. Identify the concept which will help the Human Resource Manager in deciding the actual number of persons required in each department.</p>	

			Ans. Workload Analysis.	1 mark
12	13	9	<p>Q. Somnath Ltd. is engaged in the business of export of garments. In the past, the performance of the company had been upto the expectations. In line with the latest technology, the company decided to upgrade its machinery. For this, the Finance Manager, Dalmia estimated the amount of funds required and the timings. This will help the company in linking the investment and the financing decisions on a continuous basis. Dalmia therefore, began with the preparation of a sales forecast for the next four years. He also collected the relevant data about the profit estimates in the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds he is trying to find out alternative sources from outside. Identify the financial concept discussed in the above para. Also state the objectives to be achieved by the use of financial concept, so identified.</p> <p>Ans. Concept- <u>Financial Planning</u></p> <p><u>Objectives of financial planning:</u></p> <p>(i) <u>To ensure availability of funds whenever required</u> It involves estimation of the funds required, the time at which these funds are to be made available and the sources of these funds.</p> <p>(ii) <u>To see that the firm does not raise resources unnecessarily</u> It ensures that firm does not raise resources unnecessarily as it will increase the costs and the resources will remain idle.</p>	<p>1 mark for identification + (1 mark for each objective = 1 x 2 = 2 marks) = 1 + 2 = 3 marks</p>

13	12	10	<p>Q. Ginika, Tanish and Rohit were friends from college days and now they are doing different kinds of business. They regularly meet and discuss their business ideas and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns etc.</p> <p>In one of such meetings, Ginika drew the attention of Tanish and Rohit towards the exploitation of consumers. She told that most of the sellers were exploiting the consumers in various ways and were not paying attention towards the social, ethical and ecological aspects of marketing, whereas she was not doing so.</p> <p>Tanish told that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same.</p> <p>Rohit stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessmen to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the customers. Identify the various types of thinking that guided Ginika, Tanish and Rohit in the marketing efforts of their business. Also, state one more feature of the various types of thinking identified that is not given in the above para.</p> <p>Ans. Various types of thinking that guided the marketing efforts were:</p> <p><u>Ginika</u></p> <p>Societal Marketing concept</p> <p><u>Feature of Societal marketing concept: (Any one)</u></p> <p>(i) It takes care of <u>long term well being of the consumers as well as the society.</u></p>	<p>½ mark for identifying each type of thinking</p> <p>=</p> <p>½ x 3</p> <p>=</p> <p>1 ½ marks</p>
----	----	----	---	--

		<p>(ii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iii) Its objective is to earn <u>profits through customer satisfaction and social welfare</u>.</p> <p>(iv) The marketing efforts <u>start from the identification of needs of the target market and the society</u>.</p> <p><u>Tanish</u></p> <p>Selling concept</p> <p><u>Feature of Selling concept: (Any one)</u></p> <p>(i) It uses <u>aggressive selling and promotional techniques</u> like advertising, personal selling and sales promotion to achieve the objective.</p> <p>(ii) It involves pushing the sale of <u>existing products</u>.</p> <p>(iii) Its objective is to earn <u>profits through increased volume of sales</u>.</p> <p>(iv) The marketing efforts <u>start after the product is produced in the factory</u>.</p> <p><u>Rohit</u></p> <p>Marketing concept</p> <p><u>Feature of Marketing concept: (Any one)</u></p> <p>(i) It involves development of products for <u>satisfying needs</u> of the target market better than the competitors.</p> <p>(ii) Its focus is on satisfaction of customers needs.</p> <p>(iii) It uses <u>integrated marketing</u> as a means to achieve the objective.</p> <p>(iv) The marketing efforts <u>start from the identification of needs of the target market</u>.</p>	<p style="text-align: center;">+</p> <p style="text-align: center;">½ mark</p> <p style="text-align: center;">for each</p> <p style="text-align: center;">feature</p> <p style="text-align: center;">=</p> <p style="text-align: center;">½ x 3</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">=</p> <p style="text-align: center;">1 ½ + 1 ½</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
--	--	--	--

-	-	11	<p>Q. Explain 'order' and 'initiative' as principles of general management.</p> <p><u>Ans. Order</u></p> <ul style="list-style-type: none"> ▪ It states that there should be a place for everything and everyone in an organization and that thing or person should be found in its allotted place. ▪ People and materials must be in suitable places at appropriate time for maximum efficiency. <p><u>Initiative</u></p> <ul style="list-style-type: none"> ▪ It states that the workers should be encouraged to develop and carry out their plans for improvement in the organisation. ▪ It does not mean going against the established practices of the company for the sake of being different. 	<p>1½ marks</p> <p>+</p> <p>1½ marks</p> <p>=</p> <p>1 ½ + 1 ½</p> <p>=</p> <p>3 marks</p>
-	-	12	<p>Q. State any three features of 'Planning'.</p> <p><u>Ans. Features of planning: (Any three)</u></p> <p>(i) <u>Focuses on achieving objectives</u> It focuses on achieving organisational objectives as specific goals are set out in the plans along with the activities to be undertaken to achieve the goals.</p> <p>(ii) <u>Primary function of management</u> It is the primary function of management as it lays down the basis for all other functions of management.</p> <p>(iii) <u>Pervasive</u> It is pervasive as it is required in all organisations, at all levels and in all departments.</p> <p>(iv) <u>Continuous</u> It is continuous because a plan is framed and implemented for a specific periods of time and is followed by another plan and so on.</p> <p>(v) <u>Futuristic</u></p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>

			<p>It is futuristic as it involves looking ahead and preparing for the future based on forecasting which involves anticipating future events and drawing plans accordingly.</p> <p>(vi) <u>Involves decision making</u> Planning involves decision making as a manager has to make a choice from among the various alternative courses of action.</p> <p>(vii) <u>Mental exercise</u> It is a mental exercise as it is intellectual activity of thinking rather than doing requiring application of mind involving foresight, intelligent imagination and sound judgement.</p> <p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	
-	-	13	<p>Explain briefly any three measures to overcome the communication barriers.</p> <p>Ans. <u>Measures to overcome communication barriers: (Any three)</u></p> <p>(i) Clarify the ideas before communicating. (ii) Communicate according to the needs of the receiver. (iii) Consult others before communicating. (iv) Be aware of the language, tone and content of the message. (v) Convey things of help and value to listeners. (vi) Ensure proper feedback. (vii) Communicate for present as well as future. (viii) Follow up communications. (ix) Be a good listener.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p>	<p>½ mark for heading</p> <p>+</p> <p>1 mark for explanation</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks</p>
-	-	14	<p>Q. Give the meaning of ‘policy’ and ‘strategy’ as types of plans.</p> <p>Ans. Policy</p>	

			<p>Policy is a general guideline that guides thinking or channelises energies towards a particular direction. It defines the broad parameters within which a manager may function. It brings uniformity in decision making and action for interpretation of strategy.</p> <p>Strategy</p> <p>A strategy is a comprehensive plan for accomplishing an organisation's objectives taking business environment into consideration. It provides broad contours of an organisation's business and refers to future decisions defining the organisation's direction and scope in the long run.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
14	15	15	<p>Q. Ashutosh Goenka was working in 'Axe Ltd', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.</p> <p>(a) Identify the level of management at which Ashutosh Goenka was working.</p> <p>(b) State three other functions being performed by Ashutosh Goenka.</p> <p>Ans. <u>Top Level.</u></p> <p><u>Functions of the top level of management: (Any three)</u></p> <ol style="list-style-type: none"> To co-ordinate the activities of different departments. To be responsible for welfare and survival of the organisation. To formulate overall organisational goals and strategies for their achievement. To be responsible for all the activities of the business and for its impact on the society. 	<p>1 mark for identification</p> <p>+</p> <p>(1 mark for each function</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3 marks)</p> <p>=</p> <p>1+3</p> <p>=</p> <p>4 marks</p>
15	14	16	<p>Q. Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop</p>	

		<p>‘AromaCoffeeCan’ in a famous mall in New Delhi. The speciality of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanchit was keen to find out the reason. He appointed Sandhya, an MBA from a reputed college, as a manager to find out the causes for the same. Sandhya took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the order. She also realised that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result with in a short period Sandhya was able to attract the customers. Identify and explain any two techniques of scientific management used by Sandhya to solve the problem.</p> <p>Ans. Techniques of Scientific management used by Sandhya to solve the problem were: (Any two)</p> <p>(i) <u>Motion Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: It is a technique to study the movements that are necessary for doing a well defined job. ▪ It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(i) <u>Time Study</u></p> <ul style="list-style-type: none"> ▪ Meaning: 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>(ii) <u>Simplification of Work</u></p>	<p>½ mark for identification</p> <p>+</p> <p>1½ marks for the explanation</p> <p>=</p> <p>$\frac{1}{2} + 1\frac{1}{2}$</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>2 + 2</p> <p>=</p>
--	--	---	--

			<ul style="list-style-type: none"> ▪ Meaning: It is a technique to eliminate <u>superfluous</u> varieties, sizes and dimensions of products. ▪ It leads to reduced inventories, fuller utilization of equipment and increased turnover to reduce costs. <p>(If an examinee has written ‘Standardisation and Simplification of Work’ instead of ‘Simplification of Work’, full credit be given)</p>	4 marks
18	19	17	<p>Q. These days, the development of a country is also judged by its system of transferring finance from the sector where it is in surplus to the sector where it is needed most. To give strength to the economy, SEBI is undertaking measures to develop the capital market. In addition to this there is another market in which unsecured and short-term debt instruments are actively traded everyday. These markets together help the savers and investors in directing the available funds into their most productive investment opportunity.</p> <p>(a) Name the function being performed by the market in the above case.</p> <p>(b) Also, explain briefly three other functions performed by this market.</p> <p>Ans. Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p> <p><u>Other functions performed by Financial market are:</u></p> <p>(i) Facilitating price determination/ discovery. (ii) Providing liquidity to financial assets. (iii) Reducing the cost of transactions.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>1 mark for identification + (½ mark for the heading + ½ mark for the explanation =</p> <p>1 x 3 =</p> <p>3 marks) =</p> <p>1 + 3 =</p> <p>4 marks</p>
19	17	18	<p>Q. Umang Gupta is the Managing Director of Denver Ltd. The company had established a</p>	

		<p>good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of orders and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadliness may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and efforts and the targets were met on time.</p> <p>Not only this, Umang visited Ms.Kanta and advised her to take sufficient rest.</p> <p>(a) Identify the leadership style of Umang Gupta and draw a diagram depicting the style .</p> <p>(b) State any two values highlighted by the behaviour of Umang Gupta.</p> <p>Ans. (a) Leadership Style- Democratic/ Participative/ group centered.</p> <div data-bbox="646 1371 1047 1696" data-label="Diagram"> </div> <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Umang</p>	<p>1 mark for identification</p> <p>+</p> <p>1 mark for the diagram</p> <p>+</p> <p>1 mark for each value</p> <p>=</p> <p>1 x 2</p> <p>=</p> <p>2 marks</p> <p>=</p> <p>(1+1+2)</p> <p>=</p>
--	--	---	--

			<p>Gupta are:</p> <p>(i) Teamwork/ Team spirit</p> <p>(ii) Good behaviour in human interaction</p> <p style="text-align: center;">(or any other correct value)</p>	4 marks
17	18	19	<p>Q. Explain briefly ‘transfers’ and ‘promotions’ as internal sources of recruitment.</p> <p>Ans. <u>Transfers</u></p> <ul style="list-style-type: none"> ▪ Transfers involve shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee. ▪ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. <p><u>Promotions</u></p> <ul style="list-style-type: none"> ▪ Promotions involve shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. ▪ This practice helps to improve the motivation and increases loyalty and satisfaction level of employees. 	<p>2 marks</p> <p style="text-align: center;">+</p> <p>2 marks</p> <p style="text-align: center;">=</p> <p>4 marks</p>
20	21	20	<p>Q. Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of simplified export procedure and removal of quantitative as well as tariff restrictions in</p>	

			<p>India. It set up its office in Jamnagar with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, there-by benefiting the customers. (a) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain these concepts. (b) Also, explain briefly any three impacts of these concepts on Indian business and industry.</p> <p>Ans. (a) Two major concepts related to government policy are:</p> <p>(i) <u>Liberalisation</u> Liberalisation means removal of unnecessary controls and restrictions on business.</p> <p>(ii) <u>Globalisation</u> Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) <u>Impact of these concepts on Indian business and industry: (Any three)</u> (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.</p> <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>(½ mark for identifying each concept + ½ mark for each explanation = 1 x 2 = 2 marks)</p> <p>+ (½ mark for the heading + ½ mark for the explanation) = 1 x 3 = 3 marks = 2+3 = 5 marks</p>
22	20	21	<p>Q. Indian Youth Organisation (IYO) organised a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not</p>	

		<p>hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realised that the old age home also required pest control. But some of the inmates of old age home were reluctant for it because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odourless pest control. They showed to inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control was carried out. It worked for a fortnight but to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court. The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.</p> <p>(a) State any six directions that might have been issued by the court. (b) Also identify any two values that are being communicated by IYO to the society.</p> <p>Ans. (a) Directions that might have been issued by the court: (Any six) (i) To <u>remove the deficiency in service</u>. (ii) To <u>refund the price paid for the service</u> provided. (iii) To <u>pay a reasonable amount of compensation</u> for any loss suffered by the inmates of old age home. (iv) To <u>pay punitive damages</u>. (v) To <u>discontinue the unfair/ restrictive trade practice</u> and not to repeat the same in future. (vi) To <u>pay any amount</u> (not less than 5% of the value of the service provided) to be credited <u>to the Consumer Welfare Fund</u> or any other organisation/person, to be utilised in the prescribed manner. (vii) <u>To issue corrective advertisement</u> to neutralize the effect of misleading pamphlet. (xii) To <u>pay adequate costs</u> to IYO.</p>	<p>(½ mark for each correct direction = ½ x 6 = 3 marks)</p> <p>+ (1 mark for each value = 1 x 2 = 2 marks) = 3+2 = 5 marks</p>
--	--	--	---

			<p>(b) <u>Values that are being communicated by IYO to the society are: (Any two)</u></p> <p>(i) Sensitivity towards the environment. (ii) Respect for the elderly. (iii) Cleanliness and hygiene. (iv) Concern for health of people.</p> <p style="text-align: center;">(or any other correct value)</p>	
-	-	22	<p>Q. State any five points that highlight the importance of ‘controlling’ function of management.</p> <p>Ans. Importance of controlling (any five):</p> <p>(a) <u>Accomplishing organisational goals</u> It helps in accomplishing organisational goals by bringing to light, deviations if any and indicating corrective action.</p> <p>(b) <u>Making efficient use of resources</u> It helps in making efficient use of resources by ensuring that each activity is performed in accordance with pre-determined standards.</p> <p>(c) <u>Ensuring order and discipline</u> It ensures order and discipline among employees by keeping a close check on their activities.</p> <p>(d) <u>Improving employee motivation</u> It improves employee motivation as the employees’ know well in advance the standards of performance on the basis of which they will be appraised.</p> <p>(e) <u>Judging accuracy of standards</u> It helps in judging accuracy of standards in the light of changes taking place in the organisation and in the environment.</p> <p>(f) <u>Facilitating coordination in action</u> It facilitates coordination in action as each employee and department is governed by pre-determined standards which are well coordinated with one another.</p>	<p>1 mark for each statement</p> <p>=</p> <p>1 x 5</p> <p>=</p> <p>5 marks</p>

			<p>(If an examinee has not given the heading, no marks are to be deducted)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded)</p>	
-	-	23	<p>Q. Explain briefly any four factors that affect the fixed capital requirements of a company.</p> <p>Ans. <u>Factors affecting fixed capital requirements of a company: (Any four)</u></p> <ol style="list-style-type: none"> 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. <p>(If an examinee has not given the headings as above but has explained correctly, no marks may be deducted)</p>	<p>½ mark for heading + 1 mark for explanation 1 ½ x 4 = 6 marks</p>
25	23	24	<p>Q. Mediquip Ltd. is a company dealing in distribution of medical equipments. The company recently imported 15000 units of sugar testing machines to test the sugar levels without taking blood samples. For deciding the marketing strategy, the Chief Executive Officer of the company called a meeting of the marketing heads of different zones. In the meeting, Sandeep, the North Zone Marketing Head, suggested that since the machines were sophisticated they need to visit hospitals personally, to explain its working to the hospital staff who would be using the machines. He also suggested that additional trained people may be recruited for the same. Himanshu, another Zonal Head, added that since lot of money had been spent on the import of the machines, the company was short of funds to pay to the additional staff as suggested by Sandeep. Rahul, a newly appointed Zonal Head of South</p>	

			<p>Zone suggested that since the size of the order is not large, a detailed study of the factors determining the choice of channels of distribution is required before making the right choice.</p> <p>(a) Identify the factors influencing the choice of channels of distribution which were discussed in the meeting.</p> <p>(b) Also, explain briefly the other consideration to be taken care of in each factor identified in part (a).</p> <p>Ans. (a) <u>Factors affecting choice of channels of distribution which were discussed in the meeting:</u></p> <p>(i) Product related factors (ii) Company characteristics (iii) Market related factors</p> <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <p>(i) <u>Product related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Nature of the product. ▪ Perishability of Product. ▪ Unit value of Product. <p>(ii) <u>Company characteristics:</u></p> <ul style="list-style-type: none"> ▪ Degree of control over channel members <p>(iii) <u>Market related factors: (Any one)</u></p> <ul style="list-style-type: none"> ▪ Geographical concentration of potential buyers. ▪ Size of the market. 	<p>1 mark for each correct identification</p> <p>=</p> <p>1 x 3</p> <p>=</p> <p>3marks</p> <p>+</p> <p>½ mark for naming other consideration</p> <p>+</p> <p>½ mark for its explanation</p> <p>=</p> <p>1+1+1</p> <p>=</p> <p>3 marks</p> <p>=</p> <p>3 +3</p> <p>=</p> <p>6 marks</p>
23	24	25	<p>Q. Aman Chadha started ‘Bulls Eye’ a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.</p> <p>He was delighted when he was offered a big</p>	

		<p>project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project.</p> <p>He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand Ishan and Vrinda also got opportunities to develop and exercise initiative.</p> <p>(i) Identify and briefly explain the concept used by Aman Chadha in the above case which helped him in focusing on objectives.</p> <p>(ii) Also, state any four points of importance of the concept identified in (i) above.</p> <p>Ans. (i) <u>Delegation.</u></p> <p>Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations.</p> <p>(or any other relevant explanation)</p> <p><u>(ii) Importance of delegation of authority: (Any four)</u></p> <p>(i) <u>Effective management</u> It helps in effective management as the managers get more time to concentrate on important matters.</p> <p>(ii) <u>Employee development</u> It helps in development of employees as the employees get more opportunities to utilize their talent.</p>	<p>(1 mark for identification)</p> <p>+</p> <p>1 mark for the explanation)</p> <p>+</p> <p>(1 mark for each statement</p> <p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks)</p>
--	--	--	---

			<p>(iii) <u>Motivation of employees</u> It helps to motivate employees as the employees feel encouraged and try to improve their performance further.</p> <p>(iv) <u>Facilitation of growth</u> It facilitates growth by providing a ready workforce to take up leading positions in new ventures.</p> <p>(v) <u>Basis of management hierarchy</u> It establishes a management hierarchy through clear superior subordinate relationships.</p> <p>(vi) <u>Better co-ordination</u> It helps in better co-ordination by avoiding overlapping of duties.</p> <p>(If an examinee has not written the headings, no mark should be deducted.)</p> <p>(If an examinee has given only the headings, ½ mark for each heading should be awarded.)</p>	<p>=</p> <p>1+1+4</p> <p>=</p> <p>6 marks</p>
--	--	--	--	---