



BK BIRLA CENTRE FOR EDUCATION
SARALA BIRLA GROUP OF SCHOOLS
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL



MID TERM EXAMINATION 2024-25

BUSINESS STUDIES (054)

MARKING SCHEME

Class : **XII Commerce**

Date : **21/09/2024**

Duration: **3hrs.**

Max. Marks: **80**

1.	(d) Top level management	(1)
2.	(b) An effective manager	(1)
3.	(d) Assertion is false but Reason is true	(1)
4.	(c) Subordinating personal interest to general interest	(1)
5.	(a) Department of Planning and Production	(1)
6.	(c) Gang Boss	(1)
7.	(b) It enables the firm to identify opportunities and getting the first mover advantage.	(1)
8.	(c) Uncertainty	(1)
9.	(c) Planning	(1)
10.	(b) Planning is continuous	(1)
11.	(a) Programme	(1)
12.	(c) Both the Statements are true.	(1)
13.	(b) Identification and division of work, Departmentalisation, Assignment of duties, Establishing reporting relationships	(1)
14.	(a) Divisional structure	(1)
15.	(b) Promotion	(1)
16.	(d) Vestibule training	(1)
17.	(c) 1-(ii), 2-(iv), 3-(i), 4-(iii)	(1)
18.	(c) Leadership	(1)
19.	(a) Perquisites	(1)
20.	(d) All of the above	(1)

21.	<p>Formal organisation refers to the organisation structure which is designed by the management to accomplish a particular task. [1+2]</p> <p>Advantages: Any Two</p> <p>(a) It is easier to fix responsibility since mutual relationships are clearly defined. (b) There is no ambiguity in the role that each member has to play as duties are specified. This also helps in avoiding duplication of effort. (c) Unity of command is maintained through an established chain of command. (d) It leads to effective accomplishment of goals by providing a framework for the operations to be performed and ensuring that each employee knows the role he has to play. (e) It provides stability to the organisation. This is because behaviour of employees can be fairly predicted since there are specific rules to guide them.</p> <p style="text-align: center;">OR</p> <p>Interaction among people at work gives rise to a 'network of social relationships among employees' called the informal organisation.</p> <p>Advantages: Any Two</p> <p>(a) An informal organisation originates from within the formal organisation as a result of personal interaction among employees. (b) The standards of behaviour evolve from group norms rather than officially laid down rules and regulations. (c) Independent channels of communication without specified direction of flow of information are developed by group members. (d) It emerges spontaneously and is not deliberately created by the management. (e) It has no definite structure or form because it is a complex network of social relationships among members.</p>	(3)
22.	<p>a) Forward looking function [1.5+1.5]</p> <p>Planning essentially involves looking ahead and preparing for the future. It implies peeping into the future, analysing it and predicting it. Planning is, therefore, regarded as a forward looking function based on forecasting. Through forecasting, future events and conditions are anticipated and plans are drawn accordingly.</p> <p>b) Mental exercise</p> <p>Planning requires application of the mind involving foresight, intelligent imagination and sound judgement. It is basically an intellectual activity of thinking rather than doing, because planning determines the action to be taken. However, planning requires logical and systematic thinking rather than guess work or wishful thinking.</p>	(3)
23.	<p>Relationship between planning and controlling (Any three) [1+1+1]</p> <p>(i) Controlling takes place on the basis of standards developed by planning. (ii) Planning without controlling is meaningless as controlling ensures that the events conform to plans. (iii) Planning prescribes an appropriate course of action for achieving objectives whereas controlling evaluates whether decisions have been translated into desired actions. (iv) Planning and controlling are both forward looking as well as looking back.</p> <p style="text-align: center;">OR</p> <p>Importance of Controlling (Any three)</p> <p>(i) Accomplishing organisational goals (ii) Judging accuracy of standards (iii) Making efficient use of resources (iv) Improving employee motivation (v) Ensuring order and discipline</p>	(3)

	(vi) Facilitating coordination in action	
24.	<p>Merits of external sources: (Any three) [1+1+1]</p> <p>1. Qualified personnel: By using external sources of recruitment, the management can attract qualified and trained people to apply for vacant jobs in the organization.</p> <p>2. Wider choice: When vacancies are advertised wisely, a large number of applicants from outside the organization can apply. The management has a wider choice while selecting the people for employment.</p> <p>3. Fresh Talent: The present employees may be insufficient or they may not fulfil the specifications of the jobs to be filled. External recruitment provides wider choice and brings new blood in the organization.</p> <p>4. Competitive spirit: If a company taps external sources, the existing sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.</p>	(3)
25.	<p>I. Anjali Sharma is working at the <u>top level of management</u> in the private sector bank.</p> <p>II. The <u>three other functions</u> that she has to perform at this level are outlined below:</p> <p>1. She is responsible for the success and failure of the organization.</p> <p>2. She is responsible for all the business activities and its impact on society.</p> <p>3. She has to coordinate the activities of different departments in pursuit of common goal.</p> <p>[1+3]</p>	(4)

<p>26.</p>	<p>1. Hema has divided the work in smaller units and each employee is well trained to perform his/ her task efficiently. Which principle of management is being followed here?</p> <p>(a) Centralisation and Decentralisation. (b) Division of work. (c) Discipline. (d) Order.</p> <p>2. “The sales persons are allowed to close a deal with a buyer by giving a maximum of 5% discount, whereas the decision to give any further discount rests with Hema as the final authority”. Identify the principle of management being followed here.</p> <p>(a) Centralisation and Decentralisation. (b) Authority and Responsibility. (c) Unity of Command. (d) Unity of Direction.</p> <p>3. “Therefore, when the business was doing well, she honours her commitment by giving bonus to her employees”. Which principle of management is being highlighted here?</p> <p>(a) Discipline. (b) Remuneration to Employee. (c) Order. (d) Unity of Direction.</p> <p>4. “Hema tends to be more biased towards her female employees, when it comes to solve the conflicts among employees.” Which principle is being violated here?</p> <p>(a) Discipline (b) Order (c) Equity (d)None of these.</p> <p style="text-align: right;">[1+1+1+1]</p>	<p>(4)</p>
<p>27.</p>	<p>Following dimensions of business environment are discussed in the given Para:</p> <p>1. Social Environment. [2+2] Social Environment consists of attitudes, beliefs, desires, customs and traditions, level of education, composition of working population, culture, religion, values, etc. Values refer to concepts which are held by the society in high esteem and traditions include social practices that have been followed by the society for a long period of time.</p> <p>2. Technological Environment. Scientific improvement and innovations are included in the technological dimension of business environment. It provides new ways and methods of producing goods and services. For example, technological developments in the field of computers and information technology have changed the ways in which companies promote their goods and services.</p>	<p>(4)</p>

28.

Comparative view: Functional and Divisional Structure

(4)

Basis	Functional Structure	Divisional Structure
Formation	Formation is based on functions	Formation is based on product lines and is supported by functions.
Specialisation	Functional specialisation.	Product specialisation.
Responsibility	Difficult to fix on a department.	Easy to fix responsibility for performance.
Managerial Development	Difficult, as each functional manager has to report to the top management.	Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.
Cost	Functions are not duplicated hence economical	Duplication of resources in various departments, hence costly.
Coordination	Difficult for a multi-product company.	Easy, because all functions related to a particular product are integrated in one department.

[1+1+1+1]

OR

Delegation refers to the downward transfer of authority from a superior to a subordinate.

Elements of Delegation

- (i) **Authority:** Authority refers to the right of an individual to command his subordinates and to take action within the scope of his position
- (ii) **Responsibility:** Responsibility is the obligation of a subordinate to properly perform the assigned duty.
- (iii) **Accountability:** Accountability implies being answerable for the final outcome.

29.	<p>Leadership styles [2+2]</p> <p>a) Autocratic or Authoritarian leadership style- An autocratic leader gives orders and expects his subordinates to obey those orders. This leadership style is effective in getting productivity in many situations like in a factory where the supervisor is responsible for production on time and has to ensure labour productivity. Quick decision making is also facilitated.</p> <p>b) Laissez fair or Free-rein leader- Such a leader does not believe in the use of power unless it is absolutely essential. The followers are given high degree of independence to formulate their own objectives or ways to achieve them. The manager is only there to support them and supply them the required information to complete the task assigned.</p> <p style="text-align: center;">OR</p> <p>Barriers to Communication</p> <p>(a)Semantics is the branch of linguistics dealing with the meaning of words and sentences. It includes</p> <ul style="list-style-type: none"> (i) Badly expressed message (ii) Symbols with different meanings (iii) Faulty translations (iv) Unclarified assumptions (v) Technical jargon (vi) Body language and gesture decoding <p>(b)Psychological barriers:</p> <ul style="list-style-type: none"> (i) Premature evaluation (ii) Lack of attention (iii) Loss by transmission and poor retention (iv) Distrust 	(4)
30.	<p>1. Critical Point Control: It is neither economical nor easy to keep a check on each and every activity in an organisation. Control should, therefore, focus on key result areas (KRAs) which are critical to the success of an organisation. These KRAs are set as the critical points. If anything goes wrong at the critical points, the entire organisation suffers. For instance, in a manufacturing organisation, an increase of 5 per cent in the labour cost may be more troublesome than a 15 per cent increase in postal charges.</p> <p>2. Management by Exception: Management by exception, which is often referred to as control by exception, is an important principle of management control based on the belief that an attempt to control everything results in controlling nothing. Thus, only significant deviations which go beyond the permissible limit should be brought to the notice of management. Thus, if the plans lay down 2 per cent increase in labour cost as an acceptable range of deviation in a manufacturing organisation, only increase in labour cost beyond 2 per cent should be brought to the notice of the management. However, in case of major deviation from the standard (say, 5 per cent), the matter has to receive immediate action of management on a priority basis. [2+2]</p>	(4)

31.	<p>1. Coordination [1+5]</p> <p>2. Features of coordination:</p> <ol style="list-style-type: none"> 1. It integrates group efforts into purposeful work activity. 2. It ensures unity of action as it acts as a binding force between and among Departments. 3. It is a continuous on-going process as it is required till an organization exists. 4. It is all pervasive as it is required at all levels of management. 5. It is the responsibility of all managers however the scope of their operations varies. 6. It is a deliberate function. 	(6)
32.	<p>(a) Planning [1+5]</p> <p>(b) <u>Next five steps of the process of planning :</u></p> <p>(i) Developing planning premises is the next step in the process of planning. Planning premises are the assumptions that serve as the base material upon which plans are to be drawn.</p> <p>(ii) Identifying alternative courses of action which may be used to achieve the set objectives.</p> <p>(iii) Evaluating alternative course of action involves evaluating the positive and negative aspects of each proposal in the light of the objective to be achieved.</p> <p>(iv) Selecting the best alternative is the real point of decision making and involves selecting the best possible course of action.</p> <p>(v) Implementing the plan is the step where other managerial functions also come into the picture.</p>	(6)
33.	<p>Following are the steps involved in the selection process: - [1+1+1+1+1+1]</p> <p>(i) Preliminary Screening: Preliminary screening helps the manager eliminate unqualified or unfit job seekers based on the information supplied in the application forms. Preliminary interviews help reject misfits for reasons, which did not appear in the application forms.</p> <p>(ii) Selection Tests: An employment test is a mechanism (either a paper and pencil test or an exercise) that attempts to measure certain characteristics of individuals. These characteristics range from aptitudes, such as manual dexterity, to intelligence to personality</p> <p>(iii) Employment Interview: Interview is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job. The role of the interviewer is to seek information and that of the interviewee is to provide the same. Though, in present times, the interviewee also seeks information from interviewer.</p> <p>(iv) Reference and Background Checks: Many employers request names, addresses, and telephone numbers of references for the purpose of verifying information and, gaining additional information on an applicant. Previous employers, known persons, teachers and university professors can act as references.</p> <p>(v) Selection Decision: The final decision has to be made from among the candidates who pass the tests, interviews and reference checks. The views of the concerned manager will be generally considered in the final selection because it is he/she who is responsible for the performance of the new employee.</p> <p>(vi) Medical Examination: After the selection decision and before the job offer is made, the candidate is required to undergo a medical fitness test. The job offer is given to the candidate being declared fit after the medical examination</p>	(6)

OR

External Sources of Recruitment: [1.5+1.5+1.5+1.5]

(i) **Direct Recruitment:** Under the direct recruitment, a notice is placed on the notice-board the enterprise specifying the details of the jobs available. Job seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot. The practice of direct recruitment is followed usually for casual vacancies of unskilled or semi-skilled jobs. Such workers are known as casual or '*badli*' workers and they are paid remuneration on daily wage basis.

(ii) **Casual Callers:** Many reputed business organisations keep a database of unsolicited applicants in their offices. Such job-seekers can be a valuable source of manpower. A list of such job-seekers can be prepared and can be screened to fill the vacancies as they arise. The major merit of this source of recruitment is that it reduces the cost of recruiting workforce in comparison to other sources.

(iii) **Campus Recruitment:** Colleges and institutes of management and technology have become a popular source of recruitment for technical, professional and managerial jobs. Many big organisations maintain a close liaison with the universities, vocational schools and management institutes to recruit qualified personnel for various jobs. Recruitment from educational institutions is a well-established practice of businesses. This is referred to as campus recruitment.

(iv) **Labour Contractors:** Labour contractors maintain close contacts with labourers and they can provide the required number of unskilled workers at short notice. Workers are recruited through labour contractors who are themselves employees of the organisation. The disadvantages of this system are that if the contractor himself decides to leave the organisation, all the workers employed through him will follow suit.

34.

a) **Directing**

[1+1+4]

(6)

b) **Motivation**c) **Features of motivation:**

i) **Motivation is an internal feeling:** The urge, desires, aspirations or needs of people, which are internal, influence human behaviour.

ii) **Motivation produces goal-directed behaviour:** For example, if the employee is interested in promotion, it helps to produce behaviour to improve performance.

iii) **Motivation can be either positive or negative:** Positive motivation provides positive rewards like increase in pay, promotion, recognition, etc. negative motivation uses negative means like punishment, stopping increments, threatening, etc.

iv) **Motivation is a complex process:** as the individuals are heterogeneous in their expectations, perceptions and reactions. Any type of motivation may not have uniform effect on all the members

OR

Motivation is the process of stimulating people to action to accomplish desired goals. Motivation depends upon satisfying needs of people. [1+5]

Maslow's Need Hierarchy Theory :

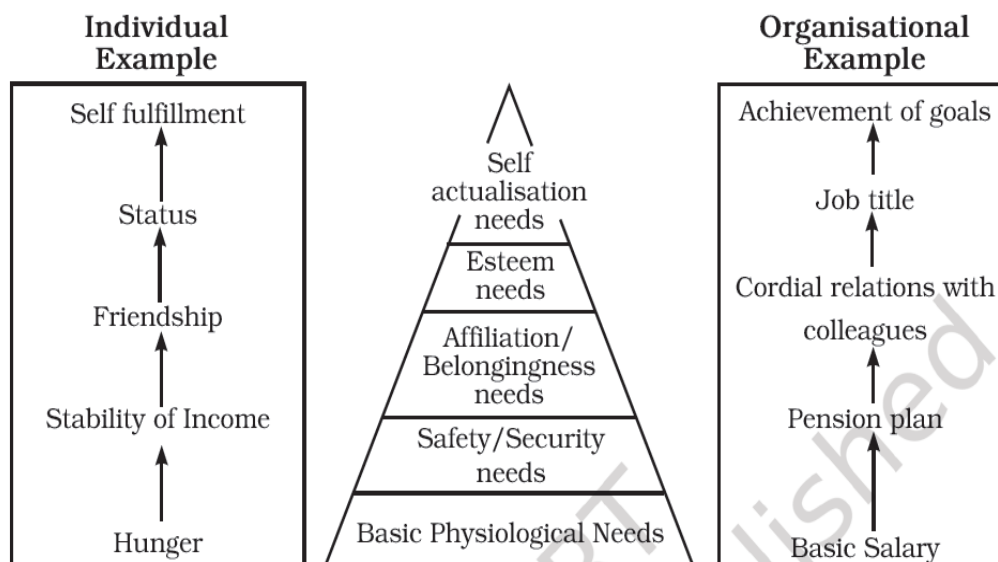
(i) **Basic Physiological Needs:** These needs are most basic in the hierarchy and correspond to primary needs. Hunger, thirst, shelter, sleep and sex are some examples of these needs. In the organisational context, basic salary helps to satisfy these needs.

(ii) **Safety/Security Needs:** These needs provide security and protection from physical and emotional harm. Examples: job security, stability of income, Pension plans etc.,

(iii) **Affiliation/Belonging Needs:** These needs refer to affection, sense of belongingness, acceptance and friendship.

(iv) **Esteem Needs:** These include factors such as self-respect, autonomy status, recognition and attention.

(v) **Self Actualisation Needs:** It is the highest level of need in the hierarchy. It refers to the drive to become what one is capable of becoming. These needs include growth, self fulfilment and achievement of goals.



Maslow's Need Hierarchy Theory

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