



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



PRE BOARD- II (2024-25)

BUSINESS STUDIES (054)

MARKING SCHEME

Class : **XII Commerce**
Date : **16/12/2024**

Duration: **3hrs.**
Max. Marks: **80**

1.	c) Directing	(1)
2.	c) Complex	(1)
3.	c) Dividend decision	(1)
4.	b) EBIT / Total Investment	(1)
5.	a) Management by Exception	(1)
6.	c) Group activity	(1)
7.	a) Primary	(1)
8.	a) Functional structure	(1)
9.	c) It refers to short - term incentives designed to encourage the buyers to make immediate purchase of a product or service.	(1)
10.	a) Both A and R are true and R is the correct explanation of A.	(1)
11.	c) Decentralization	(1)
12.	d) 1998	(1)
13.	b) Statement II is correct and Statement I is not correct.	(1)
14.	d) (i) - (c), (ii) - (a), (iii) - (b), (iv) - (d)	(1)
15.	c) One level channel	(1)
16.	a) Prohibition of fraudulent and unfair trade practices.	(1)
17.	b) Legal environment	(1)
18.	b) Advertising	(1)
19.	a) Branding	(1)
20.	a) Initialising action by people in the organisation	(1)
21.	(a) Coordination [1+1+1] (b) The following points highlight the importance of Management: [any two]- 1. Growth in size: - Growth and expansion is the need of hour, with increase in size of organization number of employees also rises. Employees come from different background having difference in interest, habits of work and goals. Generally, organization goals don't match with individual goals. Coordination harmonizes the individual goals and organization goals. 2. Functional differentiation: - An organization is divided into various department, division or sections. All these division may have their own objective or style of working in isolation from the other. The interdependence of activities needs coordination. 3. Specialization: -	(3)

	Complexity of modern technology requires service of experts. Specialist usually thinks that the others are not competent to evaluate, judge and decide according to their profession criteria's. They don't take advice or suggestions from other. It leads to conflict in the organization. Coordination helps to reconcile the difference in approach or opinions of the specialists.	
22.	<p>External sources of recruitment are better than internal sources: [1+1+1] (Any three): (i) Fresh talent The entry of fresh talent into the organization is encouraged. New employees bring new ideas to the organization. (ii) Wider choice Through external recruitment, the organization gets wider choice. (iii) Qualified personnel By using external recruitment, the management can get qualified and trained persons. (iv) Latest technical knowledge Through campus placement, the organization get employees with latest technical knowledge. (v) Competitive spirit When outsiders join the organization, this develops a competitive spirit in existing employees of the organization.</p> <p style="text-align: center;">OR</p> <p>Vestibule Training- Under this method with a view to imparting training to new employees, a separate training Centre is set up. An experienced and trained trainer is appointed as an in charge of this centre. Machines, tools and other equipment are so arranged in this centre as to present a look of a workshop. Apprenticeship Training - It refers to that training method where the trainee is put under the guidance of an expert to acquire higher level of skill. Generally, electricians, plumbers and iron workers are required to undergo this training.</p> <p style="text-align: right;">[1.5+1.5]</p>	(3)
23.	<p>Relationship between Planning and Controlling: Planning and controlling are inseparable twins of management. Planning initiates the process of management and controlling completes the process. Plans are the basis of control and without control the best laid plans may go astray. Planning is clearly a prerequisite for controlling. It is utterly foolish to think that controlling could be accomplished without planning.</p>	(3)
24.	<p>Trading procedure in the stock exchange:- [1+1+1] (1) Selection of broker and signing of broker: - Client agreement, submitting other details including PAN (mandatory). (2) Opening demat account or 'beneficial owner' (BO) account with depository participant(DP) (3) Placing the order with broker and confirmation slip issued to investor by broker.</p> <p style="text-align: center;">OR</p> <p>Functions of stock exchange [any three discuss] [1+1+1] (a) Providing Liquidity and Marketability to Existing Securities (b) Pricing of Securities (c) Safety of Transactions (d) Contributes to Economic Growth (e) Spreading of Equity Cult (f) Providing Scope for Speculation.</p>	(3)

25.	<p>Casual Callers: Many reputed business organisations keep a database of unsolicited applicants in their offices. A list of such job-seekers can be prepared and can be screened to fill the vacancies as they arise.</p> <p>Labour Contractors: Labour contractors maintain close contacts with labourers and they can provide the required number of unskilled workers at short notice.</p> <p>[2+2]</p> <p style="text-align: center;">OR</p> <p>1. Performance Appraisal: Performance appraisal means evaluating an employee's current and/or past performance as against certain predetermined standards.</p> <p>2. Promotion: Business enterprises generally follow the practice of filling higher jobs by promoting employees from lower jobs. Promotion leads to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. Promotion is a vertical shifting of employees.</p> <p>[2+2]</p>	(4)
26.	<p>(a) Democratic or Participative leader: [2+2] A democratic leader will develop action plans and makes decisions in consultation with his subordinates. He will encourage them to participate in decision-making. Recognise that people perform best if they have set their own objectives. They exercise more control by using forces within the group.</p> <p>(b) [i] Autocratic or Authoritarian leadership style- [Any one] 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>[ii] 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>MASLOW'S NEED HIERARCHY THEORY OF MOTIVATION</p> <ol style="list-style-type: none"> 1. Basic Physiological Needs: These are the most basic needs such as food, shelter, sleep etc. In the organisational context, basic salary helps to satisfy these needs. 2. Safety/ Security Need: Provide security from physical and emotional harm E.g. Job security, stability of income etc. 3. Affiliation/Belonging Need: These needs refer to affection, sense of belongingness, acceptance and friendship for mental satisfaction. 4. Esteem Needs: These include factors such as self-respect, prestige, autonomy status, recognition and attention. 5. Self-Actualization Needs: It is the highest level of need in the hierarchy. It refers to the drive to become what one is capable of becoming. 	(4)

27.	<p>i. No, [1+1+1+1]</p> <p>Financial incentives are not the only way to motivate employees. Employees can also motivate with the help of non-monetary incentives.</p> <p>Non-Financial Incentives – All human needs cannot be satisfied by money alone. There are certain needs which are psychological, social or emotional in nature. To satisfy them some other motivation methods are required. Incentives which cannot be measured in terms of money are called non-monetary incentives. Some of them are given below: [any two]</p> <p>Status –Status means ranking of positions. The authority, recognition, pay and perquisites, rewards etc. indicate the status of a person in the organization. Status fulfils psychological, social and esteem needs of an individual.</p> <p>Career advancement opportunity–Appropriate skill development programs and sound promotion policy encourage employees to improve their performance.</p> <p>Employee recognition programmes –Acknowledgement and appreciation of good performance is called recognition. It inspires to improve their performance. E.g. congratulating an employee for his good work, Wall of fame, Cash awards, Mementos or certificates etc.</p> <p>Employees Participation – Employees participation in management refers to involving employees in the process of decision making is means of motivation.</p>	(4)
28.	<p>Factors Affecting Fixed Capital: – [any four] [1+1+1+1]</p> <p>1) Nature of business: - A manufacturing company needs more fixed capital as compared to a trading company.</p> <p>2) Scale of operations: - A large scale company require more fixed capital as they need more machineries and other assets.</p> <p>3) Choice of technique:-Companies using capital-intensive technique require more fixed capital whereas companies using labour intensive technique require les capital.</p> <p>4) Technology upgradation:-Industries in which technology upgradation is fast need more amount of fixed capital as when new technology is invented old machines become obsolete.</p> <p>5) Growth prospects: - Companies which are expanding and have higher growth plan require more fixed capital as to expand their production capacity.</p> <p>6) Diversification: - Companies which have plan to diversify their activities by including more range of products require more fixed capital as to produce more products.</p> <p>7) Financing Alternatives: A developed financial market may provide leasing facilities as an alternative to outright purchase.</p>	(4)
29.	<p>Financial planning is essentially the preparation of a financial blueprint of an organisation’s future operations.</p> <p>Financial planning strives to achieve the following two objectives.</p> <p>(a) <i>To ensure availability of funds whenever required:</i> This include a proper estimation of the funds required for different purposes such as for the purchase of long term assets or to meet day-today expenses of business etc. A part from this, there is a need to estimate the time at which these funds are to be made available. Financial planning also tries to specify possible sources of these funds.</p> <p>(b) <i>To see that the firm does not raise resources unnecessarily:</i> Excess funding is</p>	(4)

	almost as bad as inadequate funding. Even if there is some surplus money, good financial planning would put it to the best possible use so that the financial resources are not left idle and don't unnecessarily add to the cost. [1+1.5+1.5]	
30.	<p>Consumer Rights as per Consumer Protection Act 2019: [2+2]</p> <p>1. Right to Seek Redressal: This means the right to seek redressal against any unfair trade practices or by the unscrupulous exploitation of the consumers. This Right also includes the right to fairly settle for the genuine grievances which are submitted by the consumers.</p> <p>2. Right to be Informed: The right to be informed means the consumers must be made aware of the quality, quantity, potency, purity, standard, and price of the goods. The consumers must avail their right of knowing all the details of the product and thus insist on getting all the information about the product or service before making a choice or a decision of their own.</p>	(4)
31.	<p>i. Equity [2+2+2]</p> <ul style="list-style-type: none"> • If management is partial or biased in dealing with employees, the employees will get dissatisfied and will not contribute to their maximum potential. • This principle emphasises kindness and justice in the behaviour of managers towards employees. <p>It ensures loyalty, devotion and cordial relations between superiors and subordinates.</p> <p>According to this principle, there should not be any discrimination among the employees on the basis of religion, language, caste, sex, belief or nationality.</p> <p>ii. Authority and Responsibility</p> <ul style="list-style-type: none"> • Authority is the right to give orders to subordinates and responsibility is the duty. • Authority and Responsibility go hand in hand. • Parity between Authority and Responsibility helps in meeting responsibilities on time and prevents misuse of authority. <p>According to this principle, there should be proper balance between Authority and Responsibility.</p> <p>iii. Stability of Personnel</p> <ul style="list-style-type: none"> • It is always in the interest of the enterprise that its trusted, experienced and trained employees do not leave the organisation. • Continuous changes will create instability and insecurity among employees and they would tend to leave the organisation. • It will also raise the cost of recruitment, selection and training. • Employees should be selected and appointed after due and rigorous procedure and they should be given reasonable time to show results. <p>According to this principle, there should be proper efforts to achieve stability and continuity of tenure of personnel.</p> <p style="text-align: center;">OR</p> <p>i. Universal Applicability</p> <ul style="list-style-type: none"> • Can be applied to all kinds of organisations irrespective of size & nature. • Extent of application varies depending on nature & size of organisation. • E.g. Principle of 'Discipline' can be applied to all kinds of organisations for 	(6)

	<p>smooth functioning of management.</p> <p>ii. Formed by Practice and Experimentation</p> <ul style="list-style-type: none"> • Are evolutionary in nature i.e. developed through observations, experimentation and experience of the management thinkers. • E.g. Principle of 'Scalar Chain' has been developed after observing positive results of the hierarchy. <p>iii. Flexible</p> <ul style="list-style-type: none"> • Are not rigid as in case of pure science principles. • Can be modified as per changes in the business environment. • Even in identical situations, same principles cannot be applied blindly. • Manager has to decide which principle to use under each situation. • E.g. Principle of 'Unity of Direction' is applied as per the requirement. 	
32.	<p>Organisations are not always able to accomplish all their objectives due to the following limitations of planning: <u>[2+2+2]</u></p> <p>1. Planning May Not Work in a Dynamic Environment: The business environment is dynamic, nothing is constant. The business environment is a totality of external forces, where in some changes or the other keep on taking place. Plans decide in advance what has to be done in future. Planning cannot foresee everything and thus there may be obstacles to effective planning.</p> <p>2. Planning Leads to Rigidity in an organization: A well-defined plan is drawn up with specific goals to be achieved, with in a specific time frame. These plans then decide how the work will progress in the future and managers may not be in a position to change it. This creates a problem as flexibility is very important. Always adhering to the plan may not give us the desired results always.</p> <p>3. Planning Reduces Creativity: Planning is generally done by the top management. Usually the rest of the members just implement these plans. As a consequence, middle management and other decisions makers are neither allowed to deviate from plans nor are they permitted to act on their own, thus planning in a way reduces creativity since people tend to think along the same lines as others, there is nothing new or innovative.</p> <p style="text-align: center;">OR</p> <p><u>IMPORTANCE OF PLANNING : [any four] [1.5+1.5+1.5+1.5]</u></p> <p>1. PLANNING PROVIDES DIRECTION: It states in advance how work is to be done. It provides direction for action. It clearly state the objectives. This ensures effective implementation of plans to achieve the goal.</p> <p>2. Planning reduces the risks of uncertainty:</p> <ul style="list-style-type: none"> ▪Action are decided in advance. ▪Planning helps the organisation to face unexpected events. ▪With the help of planning an enterprise can predict future events and make due provision for them. <p>3.REDUCE OVERLAPPING AND WASTEFUL ACTIVITIES:</p> <ul style="list-style-type: none"> • It ensures clarity in thoughts and actions. • Planning coordinates the activities of different department. • Thus there will be order which avoids wasteful activities. <p>4. PLANNING PROMOTES INNOVATIVE IDEAS:</p> <ul style="list-style-type: none"> • New methods, ideas and procedures are taken up in plan to find better 	(6)

	<p>methods for productivity.</p> <ul style="list-style-type: none"> • This makes the managers innovative and creative. <p>5 PLANNING FACILITATES DECISION MAKING:</p> <ul style="list-style-type: none"> • It helps to predict future. • It helps to select best alternatives. Therefore helps to make decisions <p>6.PLANNING ESTABLISHES STANDARD FOR CONTROLLING:</p> <ul style="list-style-type: none"> • It provides standard to measure actual performance. • It helps to correct the mistakes. • Plans serve as standards for evaluation of performance. 	
33.	<p>Delegation It means the granting of authority to subordinates to operate within the prescribed limits. The manager who delegates authority holds his subordinates responsible for proper performance of the assigned tasks. To make sure that his subordinates perform all the work effectively and efficiently in an expected manner the manager creates accountability.</p> <p>Importance of Delegation [any three]</p> <p>1. Effective Management: It reduces the work load of officers. They can thus utilise their time in more important and creative work instead of routine.</p> <p>2. Employee Development: Employees get more opportunities to utilise their talent which allows them to develop those skills which will enable them to perform complex tasks.</p> <p>3. Motivation of employees: The subordinates are granted sufficient authority so they develop feeling of self-esteem and become more willing to work hard and achieve the target</p> <p>4. Facilitation of growth: Delegation improves the quality of managerial talent. So it provides a ready workforce to take up leading positions in new ventures</p> <p>5. Basis of Management Hierarchy: delegation establishes superior-subordinate relationships which are the basis of hierarchy of management.</p>	(6)
34.	<p>1. Labelling and Packaging are the two important decisions related to a product.</p> <p>2. Branding is considered to be a very important decision by the marketers because it facilitates product differentiation. Through branding the prospective buyers are able to bring about a distinction between a company product and its substitutes available in the market. This helps the company to obtain a desirable market share.</p> <p>3. <u>The four features of a good brand name are stated below:</u></p> <ol style="list-style-type: none"> 1. The brand name should be short, easy to pronounce, spell, recognize and remember e.g., Ponds. 2. A brand should suggest the product's benefits and qualities e.g. Sunsilk. 3. A brand name should be distinctive e.g., Lotus. 4. It should be capable of being registered and protected legally. 	(6)
