

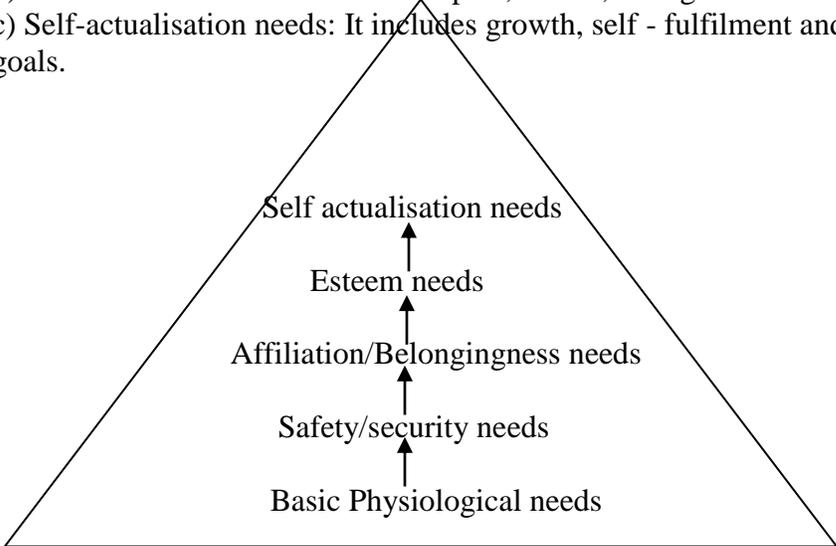
Marking Scheme

Set- II

1	<p>a) Investment decision: “Two years back the company.....food chains etc.</p> <p>b) Financing decision : “It had then floated.....desired capital.</p> <p>c) Dividend decision.” Over the years the sales and profits.....higher dividend. (any one with quoting the lines. ½ mark for identifying and ½ mark for quoting the lines)</p>	1
2	<p>a) Badly expressed message</p> <p>b) Faulty translations</p> <p>c) Technical jargons</p> <p>d) Symbols with different meaning</p> <p>(Any two ½ mark each)</p>	1
3	The decision to undertake computerisation of owned warehouses will increase the fixed capital requirements of its business both in present and future as after sometime the technology being used will become obsolete and need upgradation.	1
4	Evaluating alternative courses	1
5	Democratic style of leadership.	1
6	Social objective	1
7	<p>a) To prevent trading malpractice in the securities markets.</p> <p>b) To protect the rights and interest of investors and guide and educate them.</p> <p>c) To regulate and develop code of conduct and fair practices by intermediaries like brokers with a view to make them competitive and professional.</p> <p>d) To regulate stock exchanges and the securities market to promote their orderly functioning.</p> <p>(Any two points – 1/2 mark each)</p>	1
8	National commission	1
9.	<p>a) Advertising is the component of promotion mix being used by the company. ½ Lines: Giving the company power over prices.....brand loyalty ½</p> <p>b) It is a strategy used by the marketers to gain an edge over its competitors by creating a distinguished perception of the product in the minds of the potential</p>	3

	<p>buyers in terms of the utilities.</p> <p style="text-align: center;">1</p> <p>c) Branding is a function of marketing that facilitates product differentiation.</p> <p style="text-align: right;">1</p> <p>(1/2+1/2+1+1)</p>	
10.	<p>a) As a financial manager of the company I will opt for debt to raise the required amount of capital.</p> <p style="text-align: center;">1</p> <p>b) Floatation cost: Process of raising resources also involves some cost. Getting a loan from financial institution may not cost much .</p> <p style="text-align: right;">(1/2+1/2)</p> <p>Stock market condition: If the stock market are bullish , equity shares are more easily sold even at a higher price. During a bearish phase, a company may find raising of equity capital more difficult and it may opt for debt. (1/2+1/2)</p> <p>(1+1/2+1/2+1/2+1/2).</p>	3
11.	<p>a) Supervisor maintains day to day contact and maintains friendly relations with workers.</p> <p>b) Supervisors acts a link between workers and management. He conveys management ideas to the workers on one hand and workers problem to the management on the other.</p> <p>c) Supervisor plays a key role in maintaining group unity among workers placed under his control.</p> <p>(Three points – 1 mark each)</p>	3
12.	<p>a) No standardisation mark</p> <p>b) No cash memo – Is a proof for the purchase of goods</p> <p>c) Have to read the instructions properly before using the product.</p> <p>(1 mark each) (1+1+1)</p>	3
13.	<p>a) Motivation is an internal feeling.</p> <p style="text-align: right;">1/2</p> <p>b) Motivation produces goal directed behaviour</p> <p style="text-align: right;">1/2</p> <p>c) Motivation can be either positive or negative: Positive motivation provides positive rewards like increase in pay. Negative motivation uses negative means like punishment, stopping increments.</p> <p style="text-align: right;">1</p> <p>d) 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.</p> <p style="text-align: right;">1</p> <p>(1/2+1/2+1+1)</p>	3
14.	<p>a) It enables a firm to identify opportunities and getting the first mover advantage: Opportunities refer to the positive external trends or changes that will help a firm to improve its performance. Identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors.</p> <p>b) It help the firm to identify threats and early warning signals: Refers to the changes that will hinder a firm's performance. Environmental awareness helps to identify the threats.</p>	4

	<p>c) It helps in tapping useful resources: A business enterprise assembles various resources called inputs like finance, machines, raw materials etc. They decide to provide these resources with their own expectations to get something in return from the enterprise.</p> <p>d) It helps in coping up with rapid changes: In today's world changes take place at a fast pace. In order to cope up with these changes, managers must understand and examine the environment and develop suitable course of action.</p> <p>e) It helps in assisting in planning and policy formulation: Environment is a source of both opportunities and threats for a business enterprise its understanding and analysis can be the basis for deciding the future course of action or training guidelines for decision making.</p> <p>f) It helps in improving performance: The enterprise that continuously monitor their environment and adopt suitable business practices are the ones which not only improve their present performance but also continue to succeed in the market for a longer period.</p> <p>(1*4) (Any four points 1 mark each)</p>	
15.	<p>a) Long term interest of business: Satisfied customers not only lead to repeat sales but also provide good feedback to prospective customers and thus help in increasing the customer base of business.</p> <p>b) Business uses society's resources: Business organisations use resources which belong to the society. Thus they have a responsibility to supply such products and render such services which are in public interest and would not impair public confidence in them.</p> <p>c) Social responsibility: A business has social responsibility towards different interest groups. Business organisations make money by selling goods and providing services to consumers. Thus consumers form an important group among the many stakeholders of business.</p> <p>d) Moral justification: A business must avoid unscrupulous, exploitative and unfair trade practices like defective and unsafe products, adulteration, false and misleading advertising, hoarding, black marketing.</p> <p>e) Government Intervention: A business engaging any form of exploitative trade practices would invite government intervention or action.</p> <p>(Any four points with explanation -1 mark each)</p>	4
16.	<p>a) Product identification: b) Product protection c) Facilitating use of the product d) Product promotion (explanation required – 1 mark each) (1+1+1+1)</p>	4
17.	<p>a) Mobilisation of savings and channeling them into the most productive uses: A financial market facilitates the transfer of savings from savers to investors. It gives savers the choice of different investments and thus helps to channelize surplus funds into the most productive use.</p>	4

	<p>b) Facilitating price discovery: The interaction between them helps to establish a price for the financial asset which is being traded in that particular market.</p> <p>c) Providing liquidity to financial assets: Financial market facilitate easy purchase and sale of financial assets. In doing so they provide liquidity to financial assets so that they can be easily converted into cash whenever required.</p> <p>d) Reducing the cost of transactions: Financial markets provide valuable information about securities being traded in the market. It helps to save time, effort and money that both buyers and sellers of a financial asset would have to otherwise spend to try and find each other.</p> <p>(1 mark each) (4 points)</p>	
18.	<p>a) Affiliation /Belongingness needs: Includes affection, sense of belongingness and acceptance and friendship. 1</p> <p>b) Esteem needs: It includes self-respect, status , recognition and attention. 1</p> <p>c) Self-actualisation needs: It includes growth, self - fulfilment and achievement of goals. 1</p> <div style="text-align: center;">  </div> <p>(1+1+1+1) (1/2marks for needs and ½ marks for explanation) 1</p>	4
19.	<p>a) Planning is the function of management which is being discussed in the above lines. 1</p> <p>Planning is deciding in advance what to do, how to do, when to do and who has to do it. 1</p> <p>b) Rigidity 1</p> <p>Planning may not work in dynamic environment. 1</p>	4
20.	<p>a) Stability of dividends: The increase in dividends is generally made when there is confidence that their earning potential has gone up and not just the earnings of the current year. In other words dividend per share is not altered if the change in earnings is small or seen to be temporary in nature.</p> <p>b) Growth opportunities: Companies having good growth opportunities retain more money out of their earnings so as to finance their required investment.</p>	5

	<p>c) Taxation policy: If tax on dividend is higher it is better to pay less by way of dividends.</p> <p>d) Stock market reaction: Investors in general view an increase in dividend as a good news and stock prices react positively to it. Similarly a decrease in dividend may have a negative impact on the share prices in the stock market.</p> <p>e) Access to capital market: Large and reputed companies generally have easy access to capital market and therefore may depend less on retained earnings to finance their growth. (1 mark for each point) (1x5)</p>		
21.	<p>a) Critical point Control 1/2</p> <p>b) Management by exception 1/2</p> <p>a) <u>Critical Point Control:</u></p> <p>It is neither economical nor easy to keep a check in each and every activity in an organisation. 1/2</p> <p>Control should focus on key result areas which are critical to the success of an organisations. 1/2</p> <p>These Key result areas are set as the critical points 1/2</p> <p>If anything goes wrong at the critical points the entire organisation suffers. 1/2</p> <p>b) <u>Management by exception:</u></p> <p>It is also called control by exception 1/2</p> <p>It is an important principle of management control based on the belief that an attempt to control everything results in controlling nothing. 3/4</p> <p>Thus only significant deviations which go beyond the permissible limit should be brought to the notice of the management. 3/4 (1/2+1/2+1/2+1/2+1/2+1/2+1/2+3/4+3/4)</p>	5	
22.	<p>a) Co-ordination 1</p> <p>b) Integrates group efforts</p> <p>Unity of action</p> <p>Continuous process</p> <p>Pervasive function</p> <p>Responsibility of all managers</p> <p>It is a deliberate function</p> <p>(Any four points and should be explained – 1 mark each)</p> <p>Integrates group efforts: Coordination gives a common focus to group effort to ensure that performance is as it was planned and scheduled,</p>	5	

	<p>Unity of action: Acts as a binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.</p> <p>Continuous process: Begins at the planning stage and continues till controlling,</p> <p>Pervasive function: is required at all levels of management due to the interdependent nature of activities of various departments.</p> <p>Responsibility of managers: Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out.</p> <p>It is a deliberate function: A manger has to coordinate the efforts of different people in a conscious and deliberate manner.</p> <p>(Any four points and should be explained – 1 mark each) (1+1*4) (1+4)</p>	
23.	<p>a) Divisional Structure will enable Kumar Industries to cope with the emerging complexity. 1</p> <p>Reasons:</p> <p>a) New divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.1 or Divisional heads are accountable for profits, as revenues and costs related to different divisions scan be easily identified and assigned to them. 1 (any one)</p> <p>Four limitations:</p> <p>a) It is costly and leads to duplication of activities across different products. 1</p> <p>b) Each divisional head focuses on his own division rather than on the organisational interest. 1</p> <p>c) Conflict may arise among different divisions with reference to allocation of funds and further a particular division may seek to maximise its profits at the cost of other divisions. 1</p> <p>d) It provides the managers the authority to supervise all activities related to a particular division. 1</p> <p>e) (1+1+1+1+1+1) 1</p>	6
24.	a) Class room lectures:	6

The lecture or conference approach is well adapted to conveying specific information rules, procedures or methods.
The use of audio visuals or demonstrations can often make a formal classroom presentation more interesting while increasing retention and offering a vehicle for clarifying more difficult points. 1

b)Apprenticeship Programmes

a) Class room lectures:

The lecture or conference approach is well adapted to conveying specific information rules, procedures or methods.
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1

b)Apprenticeship Programmes:

Put the trainee under the guidance of a master worker.

People seeker to enter skilled jobs like plumber and electricians undergo apprenticeship training.

These apprentices are trainees who spend a prescribed amount of time working with an experienced guide or trainer.

A uniform time period is offered to trainees in which both fast and slow learner are placed together.

1

c)Job rotation:

Shifting the trainee from one department to another or from one job to another.

This enables the trainee to gain a broader understanding of all part of the business and how the organisation as a whole functions.

This allows trainees to interact with other employees facilitating future cooperation among departments.

When employees are trained by this method the organisation finds it easier at the time of promotion, replacements or transfers

1

d)Vestibule Training:

Employees learn their jobs on the equipment they will be using but the training is conducted away from the actual work floor.

Actual work environments are created in a class room and employees use the same materials, files and equipment.

This is usually done when employees are required to handle sophisticated machinery and equipment.

1

f) Programmed Instruction:

This method incorporates a prearranged and proposed acquisition of some specific skills or general knowledge.

	<p>Information is broken into meaningful units and these units are arranged in a proper way to form a logical and sequential learning package. The trainee goes through these units by answering questions or filling in the blanks.</p> <p>1</p> <p>g) Internship Training: It is a joint programme of training in which educational institutions and business firms cooperate. Selected candidates carry out regular studies for the prescribed period. They also work in some factory or office to acquire practical knowledge and skills,.</p> <p>1</p>	
25.	<p><u>Order:</u></p> <p>People and materials must be in suitable places at appropriate time for maximum efficiency.</p> <p>If there is a fixed place for everything and it is present there then there will be no hindrances in the activities of business. 11/2</p> <p><u>Espirit De Corps</u> Management should promote a team spirit of unity and harmony among employees.</p> <p>Management should promote team work especially in large organisations because otherwise objectives would be difficult to realise.</p> <p>It will also result in a loss of coordination.</p> <p>A manager should replace 'I' with 'We' in all his conversations with workers to foster team spirit. 21/2</p> <p><u>Equity</u></p> <p>Employees should be treated as fairly as possible.</p> <p>There should be no discrimination against anyone on account of sex, religion, language , caste and nationality. 1</p> <p>b) values:</p> <p>i) Humanity ii) Concern for poor 1</p>	6

	(1/2 mark for identifying) 1 1/2 for identifying	
	(1/2 mark for each lines explanation)	
	(values 1/2 each) (1/2+1/2=1)	