



COMMON PRE-BOARD EXAMINATION 2022-23



Subject: BUSINESS-STUDIES (054)

MARKING-SCHEME

Date:

General Instructions:

- 1 This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

QN	PARTICULARS	MARKS
1	D	1
2	C-SOCIAL	1
3	C	1
4	D	1
5	B	1
6	A	1
7	A	1
8	A	1
9	B	1
10	A	1
11	B	1
12	B	1
13	C	1
14	D	1
15	C	1
16	B	1
17	A	1
18	D	1
19	D	1
20	A	1
21	i. The name of the incentive offered is Job security. Employees want their job to be secure. They want certain stability about future income and work so that they do not feel worried on these aspect and work with greater zeal. ii. Employee participation: It means involving employees in decision making if the issues related to them. In many companies, these programmes are in practice in the form of joint management committees, work committees, canteen committees etc.	3

22	<p>Sridhar's father is working as a section in-charge in a government office. He is working at the lower level of management.</p> <p>He has to perform the following functions at this level of management:</p> <ol style="list-style-type: none"> 1. He has to directly oversee the efforts of the workforce. 2. He has to serve as a link between the workers and middle level managers. 3. He has to ensure sufficient availability of resources and good quality of output. 4. He has to provide guidance and training to workers. <p>He has to ensure that good working conditions are provided to the workers</p>	3
23	<ol style="list-style-type: none"> 1. Strategy: A strategy is a comprehensive plan prepared for winning over the given challenge or problem. It is based on the objectives of the organisation. It may be determined by top level or middle level management. 2. Rule: Rules are specific statements that tell people what should or should not be done. Violation of Rules may lead to imposition of penalties. Rules help to maintain discipline. Rules are both specific and rigid. For example, No smoking, No Parking. It is a type of standing plan. <p style="text-align: center;">OR</p> <p>The three features of planning are described below:</p> <ol style="list-style-type: none"> 1. Planning is pervasive: Planning is not an special function, is equally essential at all levels of management. But the scope of planning varies at different levels and among different departments. 2. Planning involves decision-making: Planning essentially involves*-application of rational thinking to choose the best alternative among the various available alternatives in order to achieve the desired goals efficiently and effectively. 3. Planning is a primary function: Planning precedes all the functions of management i.e. organizing, staffing, directing and controlling. This refers to primacy of planning. Planning provides basis of all other functions. 	3
24	<ol style="list-style-type: none"> 1. Unity of command: According to Fayol, there should be one and only one boss for every individual employee. Dual subordination should be avoided. Fayol felt that if this principle is violated "authority is undermined, discipline is in jeopardy, order disturbed and stability threatened". 2. Equity: According to Fayol, "Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible." This principle emphasizes on kindness and justice in the behaviour of managers towards workers. The managers should not discriminate against anyone on account of gender, religion, language, caste, belief or nationality etc. <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> 1. Motion study: Motion study refers to the study of movements of limbs of a worker while doing a particular task. It seek to divide all such movements into three categories namely; <ul style="list-style-type: none"> ○ Motions which are required ○ Motions which are unnecessary 	3

	<ul style="list-style-type: none">○ Motions which are incidental. Thus, motion study helps to eliminate unnecessary movements of a work and enables him to complete the given task efficiently. <p>2. Fatigue study: It seeks to determine the amount and frequency of rest intervals that should be provided to the workers for completing a task. This technique helps in increasing productivity as the rest intervals will help a person to regain stamina and work again with the same capacity.</p>																												
25	The four directions that might have been issued by the court are as follows: Reliefs available to a consumer a. To remove the deficiency in service. b. To refund the charges paid for the service. c. To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party. d. To discontinue the unfair/restrictive trade practice and not to repeat it in the future. e. To pay any amount (not less than 5% of the value of the effective goods or deficient services provided), to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner.	4																											
26	<p>The two different types of capital market being referred to are- (i) Primary market: - “Armaan urged Ajay..... Companies.” (ii) Secondary market: -“ Ajay was inclined..... portfolio.”</p> <p>(c) Differences between primary market and secondary market:</p> <table><tr><td>S. No.</td><td>Basis</td><td>Primary market</td><td>Secondary market</td></tr><tr><td>1</td><td>Meaning</td><td>It is the new issue market.</td><td>It is the market for old securities.</td></tr><tr><td>2</td><td>Aspects</td><td colspan="2">Only buying of securities takes place. Both buying and selling of securities takes place.</td></tr></table> <p style="text-align: center;">OR</p> <table><tr><td>Basis</td><td>Capital Market</td><td>Money Market</td></tr><tr><td>Liquidity</td><td>Less</td><td>More</td></tr><tr><td>Duration</td><td>Medium and Long Term</td><td>Short Term</td></tr><tr><td>Expected-Return</td><td>High</td><td>Moderate or Less as compared to CM</td></tr><tr><td>Safety</td><td>Riskier</td><td>Less Riskier</td></tr></table>	S. No.	Basis	Primary market	Secondary market	1	Meaning	It is the new issue market.	It is the market for old securities.	2	Aspects	Only buying of securities takes place. Both buying and selling of securities takes place.		Basis	Capital Market	Money Market	Liquidity	Less	More	Duration	Medium and Long Term	Short Term	Expected-Return	High	Moderate or Less as compared to CM	Safety	Riskier	Less Riskier	4
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27	<p>1. The function of management which has been referred to in the above case is controlling.</p> <p>2. The benefits of controlling highlighted in the above case are: Controlling helps in efficient utilisation of resources. He has set standards for performance of different types of activities and is doing his level best to perform according to these set standards to minimise wastage of resources. Controlling helps in improving employee motivation. He has set up a good monitoring system which helps him know how employees are performing according to set standards as when the employees meet these standards, they will be given incentives.</p> <p style="text-align: center;">OR</p> <p>Critical point control: All the deviations may not be significant. Moreover, it may not be either economical nor easy to monitor each and every activity in the organisation. Therefore, every organisation identifies and states its specific key result areas (KRAs) or critical points which require tight control are likely to have a significant effect on the working of the business. Any deviations on these points are attended to urgently by the management. Like if the expenditure on refreshment of workers goes up by 10% it can be ignored but if the production cost goes up by 5% it may call for managerial action.</p>	4																											

	Management by exception: Management by exception is the principle of management control which is based on the belief that if you try to control everything, you may end up controlling nothing. Therefore, only significant deviations which go beyond the permissible limits should be brought to the notice of the management. Like the output defects upto 2% may be considered acceptable but if goes up by 5% it may call for managerial action.	
28	<ol style="list-style-type: none"> 1. Technological Environment is the component of business environment highlighted in the above Para. Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business. 2. The three features of business environment as discussed by Professor Mehta with Naman and Govind are as follows: <ul style="list-style-type: none"> ○ Dynamic nature: It is dynamic in nature and keeps on changing due to technological upgradations, shifts in consumer preferences or increase in competition in the market. ○ Inter-relatedness: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well. 	4
29	<p>The steps involved in the process of organizing are as follows:</p> <ul style="list-style-type: none"> ○ Identification and Division of Work: The first step in the process of organising relates to identification and division of the work that has to be performed in accordance with predetermined plans. This helps to avoid duplication of activities and makes the work manageable. It also ensures that the burden of work is being shared among the employees. ○ Departmentalisation: The next step in the process involves grouping of similar activities into departments, units, sections etc. using several criteria as a basis. This facilitates specialization. ○ Assignment of Duties: Once departments have been created each of them is placed under the charge of an individual and then jobs are allocated to the members as per their job positions. ○ Establishing Reporting Relationship: While assigning jobs each member is told that from whom he /she has to take orders and to whom he/she will be accountable. The establishment of such clear reporting relationships help to create a well defined hierarchical structure. It also facilitates coordination amongst various departments. 	4
30	<ol style="list-style-type: none"> 1. The concept which separate ownership and control is called as demutualization. 2. The regulatory body set up by government of India is “SEBI” securities exchange board of India. 3. The objectives of SEBI are: The overall objectives of SEBI are to protect the interest of investors and to promote the development of stock exchange and to regulate the activities of stock market. 	4
31	(i) Preliminary Screening (ii) Selection Tests (iii) Employment Interview : (iv) Reference and Background Checks (v) Selection Decision : Vi Medical examination	6
32	<ol style="list-style-type: none"> (a) Directing-correct explanation (b) Motivation- correct explanation (c) Features of Motivation- any three features with explanation 	6

33	<p>1. The two conditions necessary for taking advantage of trading on equity are : The rate of return on investment should be more than the rate of interest. The amount of interest paid should be tax deductible.</p> <table border="1"> <thead> <tr> <th>SOURCES</th><th>SITUATION-I</th><th>SITUATION-II</th></tr> </thead> <tbody> <tr> <td>EQUITY SHARES OF RS. 10 EACH</td><td>90,00,000</td><td>90,00,000</td></tr> <tr> <td>10% DEBENTURES</td><td>NIL</td><td>40,00,000</td></tr> <tr> <td>TOTAL CAPITAL</td><td>90,00,000</td><td>1,30,00,000</td></tr> <tr> <td>EBIT</td><td>13,50,000</td><td>19,50,000</td></tr> <tr> <td>LESS INTEREST</td><td>NIL</td><td>(4,00,000)</td></tr> <tr> <td>EBT</td><td>13,50,000</td><td>15,50,000</td></tr> <tr> <td>LESS TAX</td><td>(4,05,000)</td><td>(4,65,000)</td></tr> <tr> <td>EAT</td><td>9,45,000</td><td>10,85,000</td></tr> <tr> <td></td><td></td><td></td></tr> </tbody> </table> <p>No. of shares of Rs. 10 each 9,00,000 9,00,000</p> <p>EPS $9,45,000/9,00,000 = 1.05$ $10,85,000/9,00,000 = 1.21$</p> <p>Yes, the financial managers will be able to meet their goal as the projected EPS, with the issue of debt, is higher than the present EPS.</p> <p style="text-align: center;">OR</p> <p>Capital required for routine operations of a business is called working capital: Factors affecting it are as follows:</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 (any five factors with explanation) 	SOURCES	SITUATION-I	SITUATION-II	EQUITY SHARES OF RS. 10 EACH	90,00,000	90,00,000	10% DEBENTURES	NIL	40,00,000	TOTAL CAPITAL	90,00,000	1,30,00,000	EBIT	13,50,000	19,50,000	LESS INTEREST	NIL	(4,00,000)	EBT	13,50,000	15,50,000	LESS TAX	(4,05,000)	(4,65,000)	EAT	9,45,000	10,85,000				6
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34	<ol style="list-style-type: none"> 1. The elements of marketing mix being taken into consideration by Rupali are Product and Price. 2. The functions of marketing highlighted here are explained below: <ul style="list-style-type: none"> • Gathering and analysing market information: The prime focus of marketing is to ‘find wants and fill them’. Therefore, it is absolutely essential for a company to study the needs and preferences of its target market in order to satisfy their needs and wants optimally. • Product designing and development: Every marketer strives to achieve his marketing objectives by creating offerings to satisfy a need or a want. Therefore, one of the core functions of marketing is to develop the product in the most effective and efficient way. • Pricing: Price is the monetary value paid in consideration for purchase of a product or service by a buyer to its seller. The process of determining the price of a product or service is called pricing. The factors affecting price determination are cost of product, the utility and demand, extent of competition 	6																														

in the market, government and legal regulations, pricing objectives and marketing methods used.

- Yes, she has selected an appropriate brand name 'Desi Delight' for her product as the name reflects on the product's benefits and qualities. The word 'Desi' indicates that the product contains indigenous ingredients like sesame and jiggery and Delight denotes the pleasure that the person is going to get on consuming the delicious chocolates.

OR

Various philosophies of marketing management:

1. Production
2. Product
3. Selling
4. Marketing
5. Societal