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SET

B



INDIAN SCHOOL MUSCAT
SECOND PRE - BOARD EXAMINATION
SUBJECT WITH SUBJECT CODE

CLASS: XII

TERM 2

Max.Marks:

MARKING SCHEME			
SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
	1	Yes. It begins with workforce planning and includes different other function like recruitment, selection, training, development, promotion, compensation and performance appraisal of work force	1+1
	2	principle of management control based on the belief that an attempt to control everything results in controlling nothing. significant deviations which go beyond the permissible limit should be brought to the notice of management.	
	3	<u>Apprenticeship programmes</u> . put the <u>trainee under the guidance of a master worker.</u> These are <u>designed to acquire a higher level of skill.</u> People seeking to enter skilled jobs, to become, for example, plumbers, electricians or iron-workers, are often required to undergo apprenticeship training. <u>These apprentices are trainees who spend a prescribed amount of time working with an experienced guide, or trainer.</u>	
	4	Features of money market are as follows (i) It deals in short-term monetary assets, whose period of maturity is upto one year. (ii) It is a market where low risk, unsecured and short-term debt instruments are issued and actively traded everyday. (iii) Liquidity is provided by the Discount and Finance House of India, specially formed for this purpose.	
	5	I. It helps in forecasting what may happen in future under different business situations. II. It helps in avoiding business shocks and surprises and helps the company in preparing for the future. III. It helps in coordinating various business functions. IV. It tries to link the present with the future. V. It provides a link between investment and financing decisions on a continuous basis. VI. It helps in reducing waste, duplication of efforts and gaps in planing. It acts as the basis of control, by spelling out the objectives of various business segments	
	6	Gyan Pradan is offering a <u>financial incentive of fringe benefits.</u> It includes housing, medical aid, education to the children over and above the salary. Other examples o financial incentives are: (a) <u>Co partnership</u> – The employees re offered companies share at a	

		<p>price lower than the market price. The management may also allot a share in line of various incentives payable in cash. This would create a feeling of ownership in the employees and make them contribute to the organization's growth.</p> <p>Retirement benefits: It includes, gratuity fund, retirement provident fund. It provides security for retirement as well as an incentive for the time they have spent working in the organization</p>	
	7	<p>Excess of everything is bad. More use <u>of informal communication is resulting in this</u> problem. A <u>proper chain of command should be established. Only the necessary information should be passed through chain of command.</u> This will save time and more discipline</p>	1+1+1
	8	<ul style="list-style-type: none"> (i) Accomplishing organizational goals (ii) Judging accuracy of standards (iii) Making efficient use of resources (iv) Improving employee motivation (v) Ensuring order and discipline <p>Facilitating coordination innaction</p>	
	9	<p>Responsibilities that a consumer should discharge while purchasing, using and consuming goods and services are (any five)</p> <ul style="list-style-type: none"> (i) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made. (ii) Buy only standardised goods as they provide quality assurance. Thus, look for ISI mark on electrical goods, FPO/FSSAI mark on food products, Hallmark on jewellery etc. (iii) Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely. (iv) Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc. (v) Assert yourself to ensure that you get a fair deal. (vi) Be honest in your dealings. Choose only from legal source and discourage unscrupulous practices like black-marketing, hoarding etc <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> (i) To remove the deficiency in services. (ii) To refund the price paid for the services, if any. (iii) To pay a reasonable amount of compensation. (iv) To pay punitive damages in appropriate cases. (v) To ban the provision of services by the company. (vi) To pay adequate costs to the aggrieved party. 	
	10	<ul style="list-style-type: none"> (a) Staffing (b) Recruitment (c) 1. Recommendation by employee 2. Advertising through news paper 3. Campus interview 	
	11	<p>: (a) Factors that should be kept in mind by the company while making the investment decision: <i>(any two)</i></p> <ul style="list-style-type: none"> (i) The amount of cash flows should be carefully analyzed before considering the decision. (ii) The rate of return of the project based on expected return and assessment of the risk involved from each proposal should be 	

analyzed.

(iii) The decision to invest in a particular project involves a number of calculations regarding the amount of investment, interest rate, cash flows and rate of return.

(b) The following are the reasons that make the above decision to be made carefully: (*any three*)

- (i) These decisions have a bearing on the long term growth.
- (ii) These decisions result in a substantial portion of capital funds being blocked in long-term project.
- (iii) These decisions influence the overall business risk complexion of the firm.
- (iv) These decisions once taken, are not reversible without incurring heavy losses.

OR

I option: Present rate of Return On Investment (ROI) = $\text{EBIT} / \text{Capital employed} \times 100 = ₹4,00,000 / ₹20,00,000 \times 100 = 20\%$

Rate of Return On Investment (ROI) after expansion due to COVID-19 outbreak = $20\% - 5\% = 15\%$

Therefore, EBIT after expansion = 15% of total capital employed after expansion = $15\% \times ₹30,00,000 = ₹4,50,000$

Particular	Alternative I	Alternative II
Earnings before interest and tax (EBIT)	₹4,50,000	₹4,50,000

Earnings before tax (EBT) Less: Tax@ 30%	₹4,50,000 ₹1,35,000	`3,50,000 `1,05,000
Earnings after tax (EAT) No. of equity shares	₹3,15,000 30,000	`2,45,000 20,000
Earnings per shares (EPS) = EAT/ No. of equity shares	₹10.50	`12.25

Clearly, Company Y should opt Alternative II (obtain 10% Bank Loan of ₹10,00,000) in order to increase the shareholders' wealth since EPS is greater in Alternative II (₹12.25) than in Alternative I (₹10.50).

This is because ROI (15%) is greater than the rate of interest on Bank Loan (10%). This is a situation of favourable financial leverage. In this situation,

		use of debt in the capital employed increases EPS	
	12	<p>A depository participant (DP), either a bank, broker, or financial services company, may be identified.</p> <p>2. An account opening form and documentation (PAN card details, photograph, power of attorney) may be completed.</p> <p>3. The physical certificate is to be given to the DP along with a dematerialisation request form.</p> <p>4. If shares are applied in a public offer, simple details of DP and demat account are to be given and the shares on allotment would automatically be credited to the demat account.</p> <p>5. If shares are to be sold through a broker, the DP is to be instructed to debit the account with the number of shares.</p> <p>6. The broker then gives instruction to his DP for delivery of the shares to the stock exchange.</p> <p>7. The broker then receives payment and pay the person for the shares sold.</p> <p>8. All these transactions are to be completed within 2 days, i.e., delivery of shares and payment received from the buyer is on a T+2 basis, settlement period</p>	