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SET

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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. If right kinds of employees are not available, it will lead to wastage of materials, time, effort and energy, resulting in lower productivity and poor quality of products. The enterprise will not be able to sell its products profitably. It is, therefore, essential that right kind of people must be available in right number at the right time	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>Vestibul training.</u> Actual work environments are <u>created in a class room and employees use the same materials, files and equipment.</u> This is usually done when employees are required to handle sophisticated <u>machinery and equipment</u>	Any two points
	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) Accomplishing organizational goals (ii) Judging accuracy of standards (iii) Making efficient use of resources (iv) Improving employee motivation (v) Ensuring order and discipline Facilitating coordination innaction	
	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 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.	

		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	
	7	Democratic leadership style is being adopted by Pramod , as he gives orders only after consulting his subordinates with the acceptance of the group. A democratic leader takes decisions after consultation and encourages the participation of subordinates. This leadership style is more common and popular, as it ensures achievement of goals when they are set with the acceptance of the subordinates themselves. A democratic leader provides freedom of thinking and listens to suggestions, grievances and opinions of the subordinates. This improves the attitude of the employees towards their jobs and the organisation, thereby increasing their morale. This style is of mutual benefit which allows subordinates to become part of team and help leaders (seniors) to make better decisions.	
	8	<ol style="list-style-type: none"> It helps in forecasting what may happen in future under different business situations. It helps in avoiding business shocks and surprises and helps the company in preparing for the future. It helps in coordinating various business functions. It tries to link the present with the future. It provides a link between investment and financing decisions on a continuous basis. 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	
	9	Marks indicating quality in different products <ol style="list-style-type: none"> ISI (Mark of Bureau of Indian Standards) – Industrial products Food Process Order (FPO) – All processed fruit products BIS hall Mark - Gold as well as silver jewellery Agmark – Agricultural Produce Eco – Mark – Products confirming to a set of standards aimed at the least impact on the ecosystem. <p style="text-align: center;">OR</p> 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	<ol style="list-style-type: none"> Recruitment <ol style="list-style-type: none"> Recommendation by employee Advertising through news paper Campus interview 	
	11	<ol style="list-style-type: none"> Ans: Long-term investment decision/Capital budgeting decision Financing decision <p style="text-align: center;">OR</p> <p>I option: Present rate of Return On Investment (ROI) = $\frac{\text{EBIT}}{\text{Capital employed}} \times 100 = \frac{\text{₹}4,00,000}{\text{₹}20,00,000} \times 100 = 20\%$</p>	

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	₹3,15,000	`2,45,000
shares	30,000	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

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1. A depository participant (DP), either a bank, broker, or financial services company, may be identified.
2. An account opening form and documentation (PAN card details, photograph, power of attorney) may be completed.
3. The physical certificate is to be given to the DP along with a dematerialisation request form.
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.
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.
6. The broker then gives instruction to his DP for delivery of the shares to the stock exchange.
7. The broker then receives payment and pay the person for the shares sold.
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.	