



INDIAN SCHOOL MUSCAT  
HALF YEARLY EXAMINATION  
**BUSINESS ADMINISTRATION(CODE NO. 833)**

SET A

CLASS: XII

Max. Marks:60

**MARKING SCHEME**

QN.NO	VALUE POINTS	MARKS SPLIT UP
1.	Motivation is defined as the drive required to engage in goal-oriented behaviour. Motivation is inner urge to do something.	1
2.	Personality is relatively enduring set of traits. These traits are made up of emotional, behavioral and mental set of characteristics.	1
3.	Emotional Stability is a state where a person is calm, self-confident and cool.	1
4.	A positive attitude makes a person happier, and helps build and maintain relationships. It even increases one's chances of success	1
5.	Art	1
6.	An efficient management can lead a business towards growth & prosperity. Management reduces wastage of human, material & financial resources through proper planning & control.	1
7.	Gang Plank	1
8.	<b>Science, Not rule of Thumb</b> — Taylor suggested that each element of a job & the motions required to perform it should be scientifically analyzed and use the most efficient ways of doing it. It will not only save time but also reduce wastage.	1
9.	Interrelated	1
10.	Following elements are involved in the process of Directing :- 1. Supervision 2. Communication 3. Leadership 4. Motivation	1
11.	Following are the importance of effective communication :- 1. For transfer of ideas. 2. Aids in Decision making.	1/2 + 1/2

12.	Verbal Communication can be classified into two types :- 1. Formal Communication 2. Informal Communication	1/2 + 1/2
13.	<b>Alderfer's ERG Theory</b> Alderfer developed a model of motivation aligning with Maslow's motivation theory by reducing the five needs suggested by Maslow to three needs. These needs are Existence, Relatedness and Growth. According to Alderfer, there is no hierarchy of needs and any desire to fulfil a need can be activated at any point in time.	1
14.	Non-Financial Incentives Financial incentives are linked to money which is meant for meeting basic needs and hence they can motivate the employees to a certain extent. Following are the examples of non-financial incentives. 1. Status 2. Praise 3. Incentives	1/2 + 1/2
	<b>Section-B</b>	
15.	Staffing – Involves manning the organization structure through proper & effective selection.	2
16.	<b>CONCEPT OF MENTAL REVOLUTION</b> The essence of Scientific Management according to Taylor is mental revolution. He advocated complete change in the outlook of worker and owners. Harmony, Not discord and cooperation not individualism are outset of Mental Revolution Management should create congenial atmosphere for optimum efficiency of workers and on other hand worker should also not go on strikes and waste the resources. This mental revolution has 3 aspects – i) All efforts for increased production ii) Creation of the spirit of mutual trust and confidence iii) Inculcating and developing the scientific attitude towards problems.	2
17.	Planning and Controlling are closely related to each other. After a plan becomes operational, control is necessary to measure progress, to uncover deviation and to take corrective steps. It is also not possible to think of an effective control system without existence of good plans. Planning is looking ahead because plans are prepared for future while Controlling is looking backwards as it compares actual performance with standards fixed in the	2

	past.	
18.	<p><b>Importance of Communication</b></p> <ol style="list-style-type: none"> <li><b>1. Provides Effective Leadership:</b> Through effective communication skill, manager may become more connected with his sub-ordinates and exchange ideas as well as submit appropriate proposal, knows the opinions, seeks their advices and take decisions. These enables the manager to win confidence of his subordinates through constantly communicating with them as well as removing probable misunderstandings. In this way manager leads his people to accomplish the organizational goal.</li> <li><b>2. For interacting with society:</b> It is important that we interact with our surroundings and people who live in the surroundings. Whenever we talk to someone, we, knowingly or unknowingly, react to their question, comments or actions. This is communication. While corresponding to someone in anyway, we are actually communicating with them. For healthy society, healthy communication is essential.</li> </ol>	1+1
19.	<p><b>Job Enrichment</b></p> <ol style="list-style-type: none"> <li>1. Job enrichment basically means adding the contents to a job leading to increased responsibility, scope and challenge in its performance.</li> <li>2. This concept was pioneered by Frederick Herzberg in 1968. It is also referred as vertical loading of the job.</li> </ol> <p><b>Job Enlargement</b></p> <ol style="list-style-type: none"> <li>1. Job enlargement is a technique by which scope of the job is increased by increasing the number of tasks associated with the job but at the same level in the organisation.</li> <li>2. It is the horizontal expansion of job as it includes performing a variety of jobs or operations at the same time.</li> </ol>	1+1
20.	<p>Self-motivation is important because :-</p> <ul style="list-style-type: none"> <li>• It increases individual's energy and activity.</li> <li>• It directs an individual towards specific goals</li> <li>• It results in initiation and persistence of specific activities</li> <li>• It affects cognitive processes and learning strategies used for completing similar tasks.</li> </ul>	2
21.	Following are the sources of motivation and inspiration.	2

	<ul style="list-style-type: none"> <li>• Music</li> </ul> <p>Music is the language of the soul. A good inspiring piece touches every heart and can help create miracles.</p> <ul style="list-style-type: none"> <li>• Books</li> </ul> <p>Books are said to be best friends. They expand our horizon of thinking. They help us visualize the unknown and uncharted territories beyond our capacities. Books about heroic acts, inspiring lives and stimulating creativity help readers move beyond their routine lives.</p>	
22.	<p>Following are the common personality disorders. If anyone is identified with these disorders, counselling shall be provided by family members, teachers and counsellors.</p> <ul style="list-style-type: none"> <li>• Paranoid Feeling extremely nervous and worried because you believe that other people do not like you or are trying to harm you.</li> <li>• Antisocial Is characterized by a pattern of persistent disregard for and violation of the rights of others.</li> </ul>	2
	<b>Section-C</b>	
23.	<p><b>Following are the differences between Management and Administration:-</b></p> <p><b>Meaning</b></p> <ul style="list-style-type: none"> <li>• Management means getting the work done through &amp; with others</li> <li>• Administration is concerned with the formulation of objectives, plans, policies of the organization.</li> </ul> <p><b>Level</b></p> <ul style="list-style-type: none"> <li>• Management is relevant at Middle &amp; Lower Level or Management</li> <li>• Administration is relevant at top level Management.</li> </ul> <p><b>Nature</b></p> <ul style="list-style-type: none"> <li>• It is an executing function</li> <li>• It is a decision making function</li> </ul> <p><b>Skills</b></p> <ul style="list-style-type: none"> <li>• Technical &amp; Human Skills</li> <li>• Conceptual &amp; Human skills</li> </ul> <p><b>Applicability</b></p> <ul style="list-style-type: none"> <li>• It is applicable to business concerns i.e. profit making organization.</li> <li>• It is applicable to non-business concerns i.e. clubs, schools, hospitals etc.</li> </ul>	1+1+1

24.	<p><b>Differential Piece Rate System</b> – In order to motivate workers, wage incentive plans were developed. Taylor advocated differential piece rate system based on actual performance of the worker. He emphasized that to achieve maximum productivity of workers it is important that efficient and inefficient workers should to differentiate. Taylor introduced 2 piece rates. One, low rate for those who fail to achieve the standard output and higher rate for those who perform above the standard output.</p> <p>For example – A company has fixed the standard output as 10 units per day (through time and motion study). If the worker produces less than the standard he will be paid Rs.40 per unit and if the worker produces more than the standard then he will be paid Rs.60 per unit. The daily wages of 2 workers A and B who produce 8 and 12 units will be as under : -</p> <p>A's wages – 8 units x Rs.40 = Rs.320</p> <p>B's wages - 12 units x Rs.60 = Rs.720</p> <p>Due to significant difference in wages, worker A and other inefficient workers will be under pressure to reach the standard output &amp; worker B will be encouraged to keep their output above standard.</p> <p>Trade unions oppose this system of wage plan as it might lead to discontentment among workers. But Taylor emphasized that this system is scientific &amp; based on proper work study.</p>	2+1
25.	<p><b>1. It facilitates efficient management</b> - Organising is necessary for the performance of other functions of management .Poor organisation may result in duplication of work and efforts.</p> <p><b>2. It facilitates coordination and communication</b> - Organisation creates a clear cut relationships between the departments and helps in laying down balanced emphasis on various activities. It also provides channels of communication and coordination of activities of different departments.</p> <p><b>3. It facilitates growth and diversification-</b> Sound organization helps in the growth and expansion of the enterprise by facilitating its efficient management .It also increases the capacity of the enterprise to undertake more activities.</p> <p><b>4. It ensures optimum use of resources</b> -Organising leads to the optimum use of all material, financial and human resources. It matches the jobs with the individuals and vice versa and ensures that job position is clearly defined. It minimizes confusion and wastage of resources.</p>	1+1+1

26.	<p><b>Features of Effective Communication:-</b></p> <p>Effective communication is a process of exchanging ideas, thoughts, knowledge and information such that the purpose or intention is fulfilled in the best possible manner. In simple words, it is nothing but the presentation of views by the sender in a way best understood by the receiver.</p> <p><b>1. Clear:-</b>The primary character of any spoken or written form of transmission of information should be to state the message clearly. There are several ways to do it. For example, the sentences should be short and simple. We should prefer the active voice over the passive voice. If we have to convey several messages then it is convenient to state it in separate bulleted points</p> <p><b>2. Concise:-</b> Time is an essential parameter in communications. The normal attention span is just a few minutes long. If you present your message in a clear and beautiful manner which is very long, the crux of the report or the message may be lost altogether. Long and lengthy communicate is boring and avoided by most. So to summarize this point, effective communication has to be concise.</p> <p><b>3. Concrete:-</b> Whatever message or information or data is present in your communicate, it should be well-footed. Your arguments should have data that suitably backs it up. A tangible argument is always easy to understand.</p>	1+1+1
27.	<p>Maslow's Hierarchy of Needs Need hierarchy model developed by Abraham Maslow is one of the earliest works in the area of motivation. This theory has classified the human needs into five categories According to him, once a lower level need of an individual is met, he moves towards the next level needs.</p> <ul style="list-style-type: none"> <li>• <b>Physical or Physiological Needs:</b> These needs include the basis needs of an individual which include food, air, water and shelter. They are lower-order needs and they need to be met first in order to move an individual for higher level needs.</li> <li>• <b>Safety needs:</b> After meeting physical needs, an individual is concerned about the safety needs which include staying in a safe and secure environment. At a work place, the managers ensure meeting of the safety needs by providing job security, medical insurance and safe gadgets and machines for working.</li> <li>• <b>Social or Belongingness Needs:</b> These needs include the needs for love, affection and interaction with people. These needs are also called affiliation needs. Social needs are essential to humans so that they do not feel isolated and depressed. Social needs are met through friendships, family and intimacy. A manager can work upon satisfying the social needs by ensuring that employees are provided with</li> </ul>	$\frac{1}{2} \times 6 = 3$

	<p>cooperative teamwork, kind supervision and sufficient work-life balance.</p> <ul style="list-style-type: none"> <li>• <b>Esteem Needs:</b> These needs include two aspects- self-esteem or self-respect through personal achievement and social esteem through respect and appreciation from others. Managers should motivate their subordinates by giving those awards and appreciation certificates for their achievements. Self Actualisation Esteem Needs Social Needs Security Needs Physical Needs</li> <li>• <b>Self Actualisation Needs:</b> It is the pursuit of reaching one's full potential as a person. These needs are not necessarily fully satisfied owing to the exploration of new opportunities by an individual. This depends upon the individual to individual. The management should help in meeting these needs by providing the employees with a challenging tasks and inviting them for decision making.</li> </ul>	
	<b>Section-D</b>	
28.	<p>Aman is working at Top level Management</p> <p>Top management constitute the highest level in the management hierarchy. This level consists of small group of executives who are the senior most in the organization. Top management has the maximum source of authority &amp; it establishes goals &amp; policies for the enterprise. Top Management consist of 1. CEO (Chief Executive Officer) 2. COO (Chief Operating Officer) 3. BOD (Board of Directors) 4. CFO (Chief Finance Officer) 5. Chairman 6. President 7. Vice President 8. M.D. (Managing Director)</p> <p>Functions of Top Management:-</p> <ol style="list-style-type: none"> <li>1. To lay down the objectives of the enterprise.</li> <li>2. To prepare strategic plans &amp; policies for the enterprise.</li> <li>3. To assign jobs to different individuals working at middle level.</li> <li>4. To arrange all the finance required to carry on day to day activities.</li> <li>5. Top level management is responsible for the survival &amp; growth of the organization.</li> </ol>	1+4
29.	<p>Principles of Management propounded by Henri Fayol are :-</p> <p><b>(i) Authority and Responsibility</b> – Authority is the right to give orders and power to obtain obedience. A manager might use both his official authority and personal authority while getting things done. Official authority is derived from manager's position and personal authority arises out of personal qualities like intelligence, experience etc.</p>	2½ + 2½

	<p>Responsibility arises from assignment of an activity. A parity must be maintained between authority and responsibility. An individual to whom authority is given to exercise power, must also be prepared to bear the responsibility to perform the work in a satisfactory manner.</p> <p>For Example – CEO of a company has doubled the sales target of the sales manager for the coming year. To achieve this target, authority for appointing necessary sales representatives, advertising etc. shall have to be allowed. In case these thing are not allowed the sales manager cannot be held responsible for not accomplishing the target.</p> <p><b>(ii) Centralization and Decentralization</b> – The concentration of decision making authority with one level in the organization i.e. top-level management is called Centralization.</p> <p>Decentralization means dispersal of authority to the lower levels of the organization. According to Fayol there should be a proper balance between the dispersal and retention of authority. Everything that increases the importance of subordinate's role is decentralization and which reduces it is centralization. The degree of decentralization varies according to the scale of operations.</p> <p>For Example – Decisions in respect of determining objectives, policies, expansion of business etc. should remain in the hands of the top management. The other decisions regarding purchase of new material, gratuity leave to employees etc. should be delegated to the middle and lower level of management. If it's a small business unit then all the above mentioned decision remain centralized and if it's a large organization like TATA, RELIANCE then decentralization is possible.</p>	
30.	<p>An Organisation Structure shows the authority responsibility relationship between the various positions in the organization by showing who reports whom, It lays down the pattern of communication and coordination in the enterprise. It facilitates growth of the enterprise by increasing capacity to handle diversified situations.</p> <p>Organisation structure is usually shown on an organisation chart. There are basically 2 types of organization structure.</p> <p><b>Functional structure-</b></p> <ol style="list-style-type: none"> <li>1. This type of organization structure is formed by grouping together all activities into functional department and putting each department under one head.</li> <li>2. Functional structure leads to specialization. It promotes efficiency and results in increased profits.</li> </ol>	1+1+1+1+1



	<p>3. It's suitable to organization where operations require high degree of specialization.</p> <p>4. Economical, as the functions are not repeated.</p> <p>5. For example –A steel manufacturing Company .has divided its structure into Manufacturing, Finance, Marketing Personnel, Research and Development, as it has diversified activities and its operation require a high degree of specialization.</p> <p><b>Divisional Structure-</b></p> <p>1. Large Companies often find it to operate as one large unit under a functional organizational structure.</p> <p>2. The size of the company makes it difficult for managers to oversee operations and screen customers.</p> <p>3. To overcome this problem, most large companies are now structured as divisional organisations.</p> <p>4. Expensive as it involves repetition of resources.</p> <p>5. Division can be formed according to product, customers, processes or geographical division. For Example Samsung has multiproduct based division Each Product division has its own Manufacturing, Research and Development, Marketing, Finance departments.</p>	
	<b>End of the Question Paper</b>	