



**INDIAN SCHOOL MUSCAT
HALF YEARLY EXAMINATION
BUSINESS STUDIES (054)**

CLASS: XII

Max. Marks: 80

MARKING SCHEME

SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
		Section A	
1		(c) Coordination is a continuous process	1
2		(a) Scalar Chain	1
3		Planning	1
4		Mental Revolution' – change in the attitude of both workers and Management.	1
5		False	1
6		(b) Rule	1
7		Setting Objectives	1
8		(c) Span of Management	1
9		Formal Organisation	1
10		Campus Recruitment	1
11		Aptitude	1
12		(c) Preliminary Screening	1
13		Staffing – Filling and Keeping Filled the posts with people.	1
14		Semantic Barrier	1
15		(a) Fear of challenge to authority	1
16		Autocratic Leadership Style	1
17		True	1

18		Qualitative	1
19		(a) When standards have been set	1
20		Controlling	1
		Section B	
21	A	<p>(a) Order - According to Fayol, “People and materials must be in suitable places at appropriate time for maximum efficiency.” The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’.</p> <p>(b) Initiative - Workers should be encouraged to develop and carry out their plans for improvements according to Fayol. Initiative means taking the first step with self-motivation. It is thinking out and executing the plan.</p> <p style="text-align: center;">OR</p> <p>(a) Method Study - The objective of method study is to find out one best way of doing the job. There are various methods of doing the job. To determine the best way there are several parameters. Right from procurement of raw materials, till the final product is delivered to the customer every activity is part of method study.</p> <p>(b) Time Study - It determines the standard time taken to perform a well-defined job. Time measuring devices are used for each element of task. The standard time is fixed for the whole of the task by taking several readings. The method of time study will depend upon volume and frequency of the task, the cycle time of the operation and time measurement costs.</p>	3
	B	<p>(a) Stability of Personnel – According to Fayol there should be one and only one boss for every individual employee. If an employee gets orders from two superiors at the same time the principle of unity of command is violated. The principle of unity of command states that each participant in a formal organisation should receive orders from and be</p> <p>(b) Unity of Command – “Employee turnover should be minimised to maintain organisational efficiency”, according to Fayol. Personnel should be selected and appointed after due and rigorous procedure. But once selected they should be kept at their post/ position for a minimum fixed tenure.</p> <p style="text-align: center;">OR</p> <p>Discuss in brief the following techniques of Scientific Management.</p> <p>(a) Motion Study - Motion study refers to the study of movements like lifting, putting objects, sitting and changing positions, etc., which are undertaken while doing a typical job. Unnecessary movements are sought to be eliminated so that it takes less time to complete the job efficiently.</p> <p>(b) Standardisation and Simplification of Work- Standardisation refers to the process of setting standards for every business activity; it can be standardisation of process, raw material, time, product, machinery, methods or working conditions.</p>	

	C	<p>Simplification aims at eliminating superfluous varieties, sizes and dimensions while standardisation implies devising new varieties instead of the existing ones.</p> <p>(a) Division of Work - Work is divided into small tasks/ jobs. A trained specialist who is competent is required to perform each job. Thus, division of work leads to specialisation. According to Fayol, “The intent of division of work is to produce more and better work for the same effort. Specialisation is the most efficient way to use human effort.”</p> <p>(b) Remuneration - The overall pay and compensation should be fair to both employees and the organisation. The employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time it should be within the paying capacity of the company. I</p> <p style="text-align: center;">OR</p> <p>Discuss in brief the following techniques of Scientific Management.</p> <p>(a) Fatigue Study - Fatigue study seeks to determine the amount and frequency of rest intervals in completing a task. For example, normally in a plant, work takes place in three shifts of eight hours each. Even in a single shift a worker has to be given some rest interval to take her/his lunch etc. If the work involves heavy manual labour then small pauses have to be frequently given to the worker so that she/he can recharge her/his energy level for optimum contribution.</p> <p>(b) Differential Piece Wage System - Taylor was a strong advocate of piece wage system. He wanted to differentiate between efficient and inefficient workers. The standard time and other parameters should be determined on the basis of the workstudy discussed above. The workers can then be classified as efficient or inefficient on the basis of these standards. He wanted to reward efficient workers. So he introduced different rate of wage payment for those who performed above standard and for those who performed below standard.</p>	
22		<p>(i) Economic – “A recent rate cut in the interest on loans announced”</p> <p>(ii) Technological – “develop cars be powered by fuel produced from garbage. (Quote & Explain. Each point 0.5 mark * 3)</p>	<p>3 (1.5 mark * 2)</p>
23	<p>A</p> <p>B</p> <p>C</p>	<p>Importance of Planning</p> <p>(i) Planning provides directions:</p> <p>(ii) Planning reduces the risks of uncertainty</p> <p>(iii) Planning reduces overlapping and wasteful activities</p> <p>Features of Planning</p> <p>(i) Planning focuses on achieving objectives</p> <p>(ii) Planning is a primary function of management</p> <p>(iii) Planning is pervasive:</p> <p>Limitations of Planning</p> <p>(i) Planning leads to rigidity</p> <p>(ii) Planning may not work in a dynamic environment</p> <p>(iii) Planning reduces creativity</p>	<p>3 (1mark * 3)</p>

		(Explain. Other relevant points)	
24	<p>A</p> <p>B</p> <p>C</p>	<p>(a) Apprenticeship Training - Apprenticeship programmes put the trainee under the guidance of a master worker. These are designed to acquire a higher level of skill. People seeking to enter skilled jobs, to become, for example, plumbers, electricians or iron-workers, are often required to undergo apprenticeship training.</p> <p>(b) Computer Modelling- It simulates the work environment by programming a computer to imitate some of the realities of the job and allows learning to take place without the risk or high costs that would be incurred if a mistake were made in real life situation.</p> <p>(a) Coaching - : In this method, the superior guides and instructs the trainee as a coach. The coach or counselor sets mutually agreed upon goals, suggests how to achieve these goals, periodically reviews the trainees progress. It is to enable the overall growth of the employee. It is a job oriented process. It is a career oriented process and suggests changes required in behavior and performance.</p> <p>(b) 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.</p> <p>(a) Internship Training: It is a joint programme of training in which educational institutions and business firms cooperate. Selected candidates carry on regular studies for the prescribed period. They also work in some factory or office to acquire practical knowledge and skills.</p> <p>(b) Programmed Instructions - Programmed Instruction: This method incorporates a prearranged and proposed acquisition of some specific skills or general knowledge. Information is broken into meaningful units and these units are arranged in a proper way to form a logical and sequential learning package i.e. from simple to complex. The trainee goes through these units by answering questions or filling the blanks.</p>	3
25		<p>(a) Motivation refers to the process of stimulating people to action to achieve desired goals. (1 mark)</p> <p>(b) The measures used to motivate the employees to improve performance are known as incentives. These incentives may be broadly classified as financial and non-financial. (0.5 mark * 3)</p> <p>(c) Job Enrichment is the type of non-financial incentive being offered to Priyank. (0.5 mark * 1)</p>	3 (1m + 1.5 m + 0.5 m)
		Section C	
26		<p>(a) Inter-relatedness</p> <p>(b) Importance of Business Environment</p> <p>(i) It enables the firm to identify opportunities and getting the first mover</p>	4 (1 m + 1*3)

		<p>advantage</p> <p>(ii) It helps the firm to identify threats and early warning signals</p> <p>(iii) It helps in tapping useful resources (Explain)</p>	
27		<p>(a) Organising function (1 mark)</p> <p>(b) Organisational Structure (1 mark)</p> <p>(c) Functional Structure</p> <p>Advantage - It facilitates control and coordination within a department because of similarity of tasks being performed.</p> <p>Promotes work related specialization since it emphasizes on functions.</p> <p>(1 mark + 0.5 mark * 2)</p>	<p>4</p> <p>(1m + 1m + 2 m)</p>
28		<p>Controlling (1 mark)</p> <p>Managerial Control implies the measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans. Koontz and O' Donnel. (1 mark)</p> <p>Steps in Controlling</p> <p>Step 1: Setting Performance Standards – “a worker could produce 300 units per day.”</p> <p>Step 2: Measurement of Actual Performance – “that the average daily production of a worker is in the range of 200-225 units.”</p> <p>(Quote & Explain) (2 marks)</p> <p style="text-align: center;">OR</p> <p>a. Critical Point Control: It is neither economical nor easy to keep a check on each and every activity in an organisation. Control should, therefore, focus on key result areas (KRAs) which are critical to the success of an organisation. These KRAs are set as the critical points. If anything goes wrong at the critical points, the entire organisation suffers. For instance, in a manufacturing organisation, an increase of 5 per cent in the labour cost may be more troublesome than a 15 per cent increase in postal charges.</p> <p>b. Management by Exception: Management by exception, which is often referred to as control by exception, is an important principle of management control based on the belief that an attempt to control everything results in controlling nothing. Thus, only significant deviations which go beyond the permissible limit should be brought to the notice of management. Thus, if the plans lay down 2 per cent increase in labour cost as an acceptable range of deviation in a manufacturing organisation, only increase in labour cost beyond 2 per cent should be brought to the notice of the management. However, in case of major deviation from the standard (say, 5 per cent), the matter has to receive immediate action of management on a priority basis. The box below high</p>	<p>4</p> <p>(1m + 1m + 2m)</p> <p style="text-align: center;">OR</p>
		Section D	
29		<p>The various objectives of management being fulfilled by Real Alliance Ltd are stated below:</p> <p>(i) Organizational objectives: An organization strives to achieve multiple organizational objectives, mainly:</p> <ul style="list-style-type: none"> • Survival: “It is able to earn adequate revenues to cover costs.” • Growth: “Its capital base, number of employees and production turnover 	<p>5</p> <p>(1 mark *5)</p>

		<p>has increased manifolds over the years.”</p> <ul style="list-style-type: none"> • Profit: “The rate of profitability of the business is also creditable.” <p>(ii) Personal objectives: These objectives relate to the needs of the employees of the organization which must be given due consideration. “The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc.”</p> <p>(iii) Social objectives: It is expected that every organization should undertake certain initiatives for the welfare of the society at large. “As a part of its moral obligation, the company has taken many initiatives for providing employment to especially abled persons and promoting literacy in the villages adopted by it.”</p> <p style="text-align: center;">OR</p> <p>Henceforth, Arundhati will be working at middle level of management. The four functions that she will have to perform at this level are stated below:</p> <ul style="list-style-type: none"> • She has to ensure that her department has the necessary staff. • She has to assign duties and responsibilities to the people in her department. • She has to motivate the people in her department to achieve the desired objectives. • She has to co-operate with the other departments for ensuring smooth functioning of the organization. 	(1 Mark + 4 marks)
30		<p>Standing plans are used for activities that occur regularly over a period of time. It is designed to ensure that internal operations of an organisation run smoothly. (1 mark)</p> <p>Single use plans- A single use plan is developed for a one-time event or project. Such a course of action is not likely to be repeated in the future. (1 mark) The following type of plans discussed above are classified as standing plans:</p> <p>(i) “Changing the vendors.”- Policy is a general statement that guides thinking or channelizes energies towards a particular direction.</p> <p>(ii) “Seminar for higher levels supervisory management”- Method provides the prescribed ways or manner in which a task has to be performed considering the objective.</p> <p>(iii)“Attending the meeting not discretion-----penalty”- Rules are specific statements that inform what is to be done. (1/2 mark for quoting; mark for explaining) (1x3=3)</p>	5
31		<p>Directing</p> <p>Importance of Directing:</p> <p>(i) Directing helps to initiate action by people in the organisation towards attainment of desired objectives. For example, if a supervisor guides his subordinates and clarifies their doubts in performing a task, it will help the worker to achieve work targets</p>	5 (1 m + 1m * 4)

		<p>given to him.</p> <p>(ii) Directing integrates employees efforts in the organisation in such a way that every individual effort contributes to the organisational performance. Thus, it ensures that the individuals work for organisational goals. For example, a manager with good leadership abilities will be in a position to convince the employees working under him that individual efforts and team effort will lead to achievement of organisational goals.</p> <p>(iii) Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership. A good leader can always identify the potential of his employees and motivate them to extract work up to their full potential.</p> <p>(iv) Directing facilitates introduction of needed changes in the organisation. Generally, people have a tendency to resist changes in the organisation. Effective directing through motivation, communication and leadership helps to reduce such resistance and develop required cooperation in introducing changes in the organisation.</p> <p style="text-align: center;">OR</p> <p>Measures to overcome barriers to effective communication.</p> <p>(i) Clarify the ideas before communication: The problem to be communicated to subordinates should be clear in all its perspective to the executive himself. The entire problem should be studied in depth, analysed and stated in such a manner that is clearly conveyed to subordinates.</p> <p>(ii) Communicate according to the needs of receiver: The level of understanding of receiver should be crystal clear to the communicator. Manager should adjust his communication according to the education and understanding levels of subordinates.</p> <p>(iii) Consult others before communicating: Before actually communicating the message, it is better to involve others in developing a plan for communication. Participation and involvement of subordinates may help to gain ready acceptance and willing cooperation of subordinates.</p> <p>(iv) Be aware of languages, tone and content of message: The contents of the message, tone, language used, manner in which the message is to be communicated are the important aspects of effective communication. The language used should be understandable to the receiver and should not offend the sentiments of listeners. The</p>	<p style="text-align: center;">OR (1m * 5)</p>
--	--	--	--

		<p>message should be stimulating to evoke response from the listeners.</p> <p>(v) Convey things of help and value to listeners: While conveying message to others, it is better to know the interests and needs of the people with whom you are communicating. If the message relates directly or indirectly to such interests and needs it certainly evokes response from communicate.</p> <p>(Any other relevant points)</p>	
		Section E	
32	<p>A</p> <p>B</p> <p>C</p>	<p>Nature of Principles of Management</p> <p>(i) Universal applicability: (ii) General guidelines (iii) Formed by practice and experimentation (iv) Flexible</p> <p>Significance of Principles of Management</p> <p>(i) Providing managers with useful insights into reality: (ii) Optimum utilisation of resources and effective administration: (iii) Scientific decisions (iv) Meeting changing environment requirements:</p> <p>Principles of Scientific Management</p> <p>(i) Science not Rule of Thumb (ii) Harmony, Not Discord (iii) Cooperation, Not Individualism (iv) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity (Explain. Any other relevant points)</p>	<p>6 (1.5 marks* 4)</p>
33		<p>Importance of ‘Decentralisation’</p> <p>(i) Effective management: (ii) Employee development (iii) Motivation of employees (iv) Facilitation of growth (Any other Relevant Points)</p> <p>OR</p> <p>Importance of ‘Delegation’</p> <p>(i) Develops initiative among subordinates (ii) Develops managerial talent for the future (iii) Quick decision making (iv) Relief to top management (Any other Relevant Points)</p> <p>(Explain)</p>	<p>6 (1.5 marks * 4)</p> <p>OR</p> <p>(1.5 marks * 4)</p>
34		<p>(a) Sources of recruitment used to fill up the vacancies are:</p> <p>(i) Promotion (ii) Placement Agencies and Management Consultants (iii) Casual Callers (1 mark * 3)</p> <p>(b) Merit of each of the above identified source of recruitment: Promotion:</p> <ul style="list-style-type: none"> It helps to improve motivation, loyalty and satisfaction level of 	<p>6 (3 m + 3 m)</p>

		<p>employees.</p> <ul style="list-style-type: none"> • It has a great psychological impact over the employees because a promotion at a higher level may lead to a chain of promotions at lower levels in the organisation. <p>Placement Agencies and Management Consultants –</p> <ul style="list-style-type: none"> • It helps in enticing the needed top executives from other companies by making the right offers. • It helps in enticing the needed top executives from other companies by making the right offers. <p>Casual Callers:</p> <ul style="list-style-type: none"> • It reduces the cost of recruiting workforce in comparison to other sources. • Saves time. (0.5 mark * 6) <p style="text-align: center;">OR</p> <p>Steps in the Staffing Process</p> <p>(i) Estimating the Manpower Requirements</p> <p>(ii) Recruitment</p> <p>(iii) Selection</p> <p>(iv) Placement and Orientation:</p> <p>(v) Training and Development:</p> <p>(vi) Performance Appraisal (Explain)</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">(1 mark * 6)</p>
--	--	--	---