

SET**A**

**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
ELEMENTS OF BUSINESS (154)**

CLASS:X

Max. Marks: 70

MARKING SCHEME

QN. NO	VALUE POINTS	MARK S SPLIT UP
1.	(b) a member of the company	1
2.	(b) Perpetual Succession	1
3.	(b) Working Capital Requirement OR (c) Equity Shares	1
4.	(a) Interest OR (b) Borrowed	1
5.	(d) Shares OR (c) Assertion (A) is true, but Reason (R) is false	1
6.	(a) spam OR (a) electronic mail	1
7.	(c) videoconferencing	1
8.	(b) fax	1
9.	(c) Vertical Communication	1
10.	(d) Ability to attach files along with the message OR (b) Encoding	1
11.	(d) Accounts Sales OR (b) Installment payment system.	1
12.	(a) Purchase by Sample	1
13.	(b) Debit Card	1
14.	(d) Online Shopping OR	1

	(a) Automated Teller machines.													
15.	(c) Vending Machines OR (a) Books	1												
16.	(a) Teleshopping OR (c) Chain store or multiple shops	1												
17.	(d) Joint stock company	1												
18.	(b) Public company	1												
19.	Written letters provide a physical record of business correspondence; they can be filed, pulled out for reference and kept for years. No matter what kind of technology comes along, printed words on paper is a medium that anyone can understand.	3												
20.	Sales - The exchange of a commodity for money; the action of selling something is termed as sale. Sales can be of two types: (i) Cash Sales and Credit Sales i. Cash Sales - Cash Sales is when goods and services are exchanged for immediate payment. ii. Credit Sales - Credit Sales is when goods and services are exchanged but payment is received at a later date.	3												
21.	Digital payment is a way of payment, which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in digital payments. All the transactions in digital payments are completed online. The different modes of digital payments are debit card, credit cards, prepaid cards, e-wallet etc.	3												
22.	The type of goods that can be traded by a Mail Order Business are goods that can be (i) graded and standardised, (ii) easily transported at low cost, (iii) have ready demand in the market, (iv) are available in large quantity throughout the year, (v) involve least possible competition in the market and (vi) can be described through pictures etc., are suitable for this type of trading. OR Advantages of Email i. It is a fast method of communication ii. It is an inexpensive method of communication iii. As compared to tradition sources of communication there is a little chance of loss in transmission.	3												
23.	The debenture issued by a company is an acknowledgment that the company has borrowed a certain amount of money, which it promises to repay at a future date Two differences between Shares and Debentures <table><tr><td>No</td><td>Basis</td><td>Shares</td><td>Debentures</td></tr><tr><td>1</td><td>Meaning</td><td>Shares are the company's owned capital</td><td>Debentures are the borrow capital of the company</td></tr><tr><td>2</td><td>Status</td><td>Shareholders are the owners of the company.</td><td>Debenture-holders are creditors of the company.</td></tr></table> OR Features of Equity Shares i. Equity shareholders do not get a fixed dividend but are paid on the basis of earnings by the company.	No	Basis	Shares	Debentures	1	Meaning	Shares are the company's owned capital	Debentures are the borrow capital of the company	2	Status	Shareholders are the owners of the company.	Debenture-holders are creditors of the company.	4
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	<p>ii. They are referred to as ‘residual owners’ since they receive what is left after all other claims on the company’s income and assets have been settled.</p> <p>iii. They enjoy the reward as well as bear the risk of ownership. (Any two points)</p> <p>Merits of Equity Shares The important merits of raising funds through issuing equity shares are given as below:</p> <p>i. Equity shares are suitable for investors who are willing to assume risk for higher returns;</p> <p>ii. Payment of dividend to the equity shareholders is not compulsory. Therefore, there is no burden on the company in this respect;</p> <p>iii. Equity capital serves as permanent capital as it is to be repaid only at the time of liquidation of a company. As it stands last in the list of claims, it provides a cushion for creditors, in the event of winding up of a company; (Any two points)</p>																
24.	<p>Two merits of Fax are:</p> <p>(i) They don’t need internet connection to send / receive faxes</p> <p>(ii) They don’t come with monthly subscription fee</p> <p>Two demerits of Fax are:</p> <p>(i) They need constant maintenance</p> <p>(ii) They need a landline phone number</p> <p style="text-align: center;">OR</p> <p>(a) Oral/Verbal communication: Communication with the help of words is known as oral/verbal communication. It may be in the form of lectures, meetings, group discussions, conferences, telephonic conversations, radio messages, etc,</p> <p>(b) Written communication: In written communication message is transmitted through written words in the form of letters, memos, circulars, notices, reports, manuals, handbooks, etc.</p>	4															
25.	<p>The steps involved in selling procedure:-</p> <p>(a) Enquiry from intending buyer</p> <p>(b) Providing Quotation to the intending buyer</p> <p>(c) Receipt of order from the buyer</p> <p>(d) Execution of order and Invoicing</p> <p>(e) Opening customer’s account</p> <p>(f) Dispatch of goods</p> <p>(g) Delivery of goods to the buyer</p> <p>(h) Receipt of payment and settlements of accounts.</p>	4															
26.	<p>Differences between Departmental Stores and Multiple Shops/ Chain Stores are:</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Departmental Stores</th><th>Multiple Shops/ Chain Stores</th></tr> </thead> <tbody> <tr> <td>Location</td><td>Located at a central place, where a large number of customers can be attracted to it.</td><td>Located at a number of places for approaching a large number of customers.</td></tr> <tr> <td>Range of products</td><td>Carry a variety of products of different types.</td><td>Satisfy the requirements of customers relating to a specified range of their products only.</td></tr> <tr> <td>Pricing</td><td>Do not have uniform pricing policy for all the departments; rather they have to occasionally offer discounts on certain products and varieties to clear their stock.</td><td>Sell goods at fixed prices and maintain uniform pricing policies for all the shops.</td></tr> <tr> <td>Class of</td><td>Cater to the needs of relatively</td><td>Cater to different types of</td></tr> </tbody> </table>	Basis	Departmental Stores	Multiple Shops/ Chain Stores	Location	Located at a central place, where a large number of customers can be attracted to it.	Located at a number of places for approaching a large number of customers.	Range of products	Carry a variety of products of different types.	Satisfy the requirements of customers relating to a specified range of their products only.	Pricing	Do not have uniform pricing policy for all the departments; rather they have to occasionally offer discounts on certain products and varieties to clear their stock.	Sell goods at fixed prices and maintain uniform pricing policies for all the shops.	Class of	Cater to the needs of relatively	Cater to different types of	4
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	customers	high income group of customers who care more for the services provided rather than the prices of the product.	customers, including those belonging to the lower income groups, who are interested in buying quality goods at reasonable prices.		
27.	<p>Global Enterprises thus are huge industrial organisations which extend their industrial and marketing operations through a network of their branches in several countries. Examples: Nestle, Sony, Kellogs, Hilton</p> <p>The four features of Global Enterprises are the following:</p> <p>(a) Huge Capital Resources: These enterprises are characterised by possessing huge financial resources and the ability to raise funds from different sources. They are able to tap funds from various sources. They may issue equity shares, debentures or bonds to the public. They are also in a position to borrow from financial institutions and international banks.</p> <p>(b) Foreign Collaboration: Global enterprises usually enter into agreements with Indian companies pertaining to the sale of technology, production of goods, use of brand names for the final products, etc. These MNCs may collaborate with companies in the public and private sector. There are usually various restrictive clauses in the agreement relating to transfer of technology, pricing, dividend payments, tight control by foreign technicians, etc.</p> <p>(c) Advanced Technology: These enterprises possess technological superiorities in their methods of production. They are able to conform to international standards and quality specifications. This leads to industrial progress of the country in which such corporations operate since they are able to optimally exploit local resources and raw materials. Computerisation and other inventions have come due to the technological advancements provided by MNCs.</p> <p>(d) Product Innovation: These enterprises are characterised by having highly sophisticated research and development departments engaged in the task of developing new products and superior designs of existing products. Qualitative research requires huge investment, which only global enterprises can afford.</p> <p style="text-align: center;">OR</p> <p>A company can be described as an artificial person having a separate legal entity, perpetual succession and a common seal.</p> <p>Four features of Joint Stock Company are:</p> <p>(a) Artificial person: A company is a creation of law and exists independent of its members. Like natural persons, a company can own property, incur debts, borrow money, enter into contracts, sue and be sued but unlike them it cannot breathe, eat, run, talk and so on. It is, therefore, called an artificial person.</p> <p>(b) Separate legal entity: From the day of its incorporation, a company acquires an identity, distinct from its members. Its assets and liabilities are separate from those of its owners. The law does not recognise the business and owners to be one and the same.</p> <p>(c) Formation: The formation of a company is a time consuming, expensive and complicated process. It involves the preparation of several documents and compliance with several legal requirements before it can start functioning. Registration of a company is compulsory as provided under the Indian Companies Act, 1956.</p> <p>(d) Perpetual Succession: A company being a creation of the law, can be brought to an end only by law. It will only cease to exist when a specific procedure for its closure, called winding up, is completed. Members may come and members may go, but the company continues to exist.</p>				6

28.	<p>Communication is the transfer of information from the sender to the receiver with the information being understood by the receiver.</p> <p>The four types of Communication are:</p> <ul style="list-style-type: none"> (a) The first kind is Oral/ Verbal Communication, in which information is exchanged verbally. Companies used to handle oral communication through face-to-face interaction and telephone. With modern technology, computers make it possible for employees to orally share information on computers via webcam. (b) Non Verbal Communication – Our facial expressions, gestures, posture, tone of voice etc.: (c) The third form is known as Written Communication, which used to be limited to paper communication. Technology has changed written communication to include text messages and emails. (d) Visual Communication is the use of visual elements to convey ideas and information which include but are not limited to, signs, typography, drawing, graphic design, illustration, industrial design, advertising 	6
29.	<p>The five documents used in the purchases- sales procedure are:</p> <ul style="list-style-type: none"> (a) Quotation: A quotation allows a prospective buyer to see what costs would be involved for the work they would like to have done. Many businesses provide services that cannot have an upfront price, as the costs involved can vary. (b) Invoice: An invoice, bill or tab is a commercial document issued by a seller to a buyer, relating to a sale transaction and indicating the products, quantities, and agreed prices for products or services the seller had provided the buyer. (c) Debit note: Debit note is a commercial document issued by the buyer to a seller as an invoice in order to adjust the amount. Debit note is a document used by a vendor to inform buyer about their current debt obligation. (d) Credit Note: Credit note is a document that informs the buyer that his/her account has been credited with the particular amount. (e) Accounts Sales: Account sales is a statement specifying the price at which the goods are sold, the commission earned by the consignee, the expenses incurred by the consignee on behalf of the consignment and the net balance for which the consignee is liable. 	6
30.	<p>Departmental Stores- A departmental store is a large establishment offering a wide variety of products, classified into well-defined departments, aimed at satisfying practically every customer's need under one roof.</p> <p>Features of Departmental Stores are:</p> <ul style="list-style-type: none"> (a) A modern departmental store may provide all facilities such as restaurant, travel and information bureau, telephone booth, restrooms, etc. (b) These stores are generally located at a central place in the heart of a city, which caters to a large number of customers. (c) As the size of these stores is very large, they are generally formed as a joint stock company managed by a board of directors. There is a managing director assisted by a general manager and several department managers; (d) A departmental store combines both the functions of retailing as well as warehousing. They purchase directly from manufacturers and operate separate warehouses. <p style="text-align: center;">OR</p> <p>Features of Online Shopping</p> <ul style="list-style-type: none"> i. A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices. 	6

	<ul style="list-style-type: none"> ii. Online stores typically enable shoppers to use "search" features to find specific models, brands or items. iii. Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, an Interac-enabled debit card, or a service such as PayPal. iv. For physical products (e.g., paperback books or clothes), the e-retailer ships the products to the customer; for digital products, such as digital audio files of songs or software, the e-retailer typically sends the file to the customer over the Internet. 	
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