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**INDIAN SCHOOL MUSCAT
FIRST PRE BOARD EXAMINATION 2023
BUSINESS STUDIES (054)**

CLASS: XII

Max.Marks:

MARKING SCHEME			
SET	QN. NO	VALUE POINTS	MARKS SPLIT UP
3	1	A . Statement I is true and II is false.	1
3	2	B. B A (II), B (I), C (III), D (IV)	1
3	3	B. Economic	1
3	4	C. Both efficient and effective	1
3	5	B. Decreases	1
3	6	C. Setting objectives, developing premises, identifying alternative course of actions, Evaluating alternative courses	1
	7	C. Social	1
3	8	C. Transportation packaging	1
3	9	A. Uncertainty	
3	10	D. Sales Promotion	1
3	11	B. Depository	1
3	12	C. Right to seek redressal	1
3	13	B. Principles based on experimentation.	1
3	14	C. Organising	1
3	15	A. Managerial by exception	1
3	16	A. Social marketing concept	1

3	17	C. It helps in improving performance.	1
	18	C. It refers to the set of actual and potential buyers for a product.	1
3	19	B. Place	1
3	20	B. Risk Consideration	1
3	21	<p>Judging accuracy of standards: An efficient control system enables management to determine whether the standards set are accurate and objective(½). This is because it helps to review (½) and revise (½) the standards in light the changes taking place in the organisation and in the environment.</p> <p>Ensuring order and discipline: Controlling helps to minimise dishonest behaviour (½) on the part of the employees by keeping a close check on their activities. Thus, it creates an atmosphere of order (½) and discipline in the organisation. (½)</p> <p style="text-align: center;">OR</p> <p>The given statement refers to the importance of ‘Critical Point Control’(1) in order to ensure effective performance of key activities in an organisation. Critical Point Control: It may not be either economical nor easy to monitor each and every activity in the organisation. Therefore, every organisation identifies and states its specific Key Result Areas (KRAs) (1) or critical points which require tight control and are likely to have a significant effect on the working of the business. Any deviations on these points are attended to urgently by the management. For example, if in an organisation, the expenditure on stationery goes up by 10%, it can be ignored but if the production cost goes up by 5%, it may call for managerial action. (1) Any relevant example.</p>	1 mark for each benefit
3	22	<p>Benefits of Staffing (any three):</p> <ul style="list-style-type: none"> (i) It helps in discovering and obtaining competent personnel for various jobs. (ii) It ensures continuous survival and growth of the enterprise through the succession planning for managers. (iii) It helps to ensure optimum utilisation of human resources by avoiding overmanning and under utilisation of personnel. <p>It improves job satisfaction and morale of employees through objective assessment and fair reward of their contribution.</p>	
3	23	<p>Development Functions .(1) Training of intermediaries of the securities.(1) Training of intermediaries of the securities market, Conducting research and publishing information useful to all market participants. (1)</p>	

		<p>OR</p> <ul style="list-style-type: none"> The investor then places an order ($\frac{1}{2}$) with the broker to buy or sell shares. An order confirmation slip is issued ($\frac{1}{2}$) to the investor by the broker. The broker then will go on-line and connect to the main stock exchange ($\frac{1}{2}$) and match the share and best price available. ($\frac{1}{2}$) When the shares can be bought or sold at the price mentioned, it will be communicated to the broker's terminal($\frac{1}{2}$) and the order will be executed electronically. The broker will issue a trade confirmation slip to the investor. ($\frac{1}{2}$) 	
	24	<p>Coordination1 mark</p> <ul style="list-style-type: none"> ➤ Coordination integrates group efforts, ➤ Coordination ensures unity of action, ➤ Coordination is a continuous process, ➤ Coordination is an all-pervasive function, ➤ Coordination is the responsibility of all managers, ➤ Coordination is a deliberate function. Any two with explanation. 	1 + $\frac{1}{2}$ for heading & $\frac{1}{2}$ for explanation
3	25	<p>The Consumer Protection Act provides for setting up of a three-tier enforcement machinery at the District, State, and the National levels. They are referred to as the</p> <p>‘District Forum’:($\frac{1}{2}$) Established by State Govt, In all the districts, Complaints up to 1 crore, ($\frac{1}{2}$)Appeal to State Commission within 45 days ($\frac{1}{2}$).....(1 $\frac{1}{2}$)</p> <p>‘State Commission’: ($\frac{1}{2}$) Established by State Govt, In all the States, Complaints from 1 crore to 10 crore, ($\frac{1}{2}$)Appeal to National Commission within 30 days $\frac{1}{2}$.....1 $\frac{1}{2}$</p> <p>‘National Commission’: ($\frac{1}{2}$) Established by Central Govt, only at national level, Complaints above 10 crore, ($\frac{1}{2}$)Appeal to Supreme Court within 30 days.....1</p>	
3	26	<p>a. Financial Planning1 marks</p> <p>b.</p> <p>(i) <u>To ensure availability of funds whenever these are required:</u> ($\frac{1}{2}$) A proper estimation of the funds required for different purposes such as for the purchase of longterm assets($\frac{1}{2}$) or to meet day-today expenses ($\frac{1}{2}$) of business etc. Apart from this, there is a need to estimate the time at which these funds are to be made available($\frac{1}{2}$). Financial planning also tries to specify possible sources of these funds.</p> <p>(ii) <u>To see that the firm does not raise resources unnecessarily:</u> ($\frac{1}{2}$) Excess funding is almost as bad as inadequate funding. ($\frac{1}{2}$) Even if there is</p>	<p>1 Mark</p> <p>+ 1 $\frac{1}{2}$ + 1 $\frac{1}{2}$</p> <p>2 + 2</p>

		some surplus money, good financial planning would put it to the best possible use so that the financial resources are not left idle (½) and don't unnecessarily add to the cost (½)	
3	27	<p>A. Selection1 mark</p> <p>B. Placement & orientation , Training & Development</p> <p><u>Placement and orientation.</u> (½)</p> <p>Placement refers to occupying of position by the employee for which he has been selected. (½) Orientation refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation. (½)</p> <p><u>Training and Development.</u> (½)</p> <p>Training is the process by which the aptitudes, skills and abilities of the employees to perform specific jobs are improved. (½) Development is the process by which the employees acquire skills and competencies for handling higher jobs in future. It enables the overall growth of the employee. (½)</p> <p style="text-align: center;">OR</p> <p><u>Transfers:</u> ½</p> <p>It involves shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status (½) of the employee. It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. Transfer is a good source of filling the vacancies with employees from over-staffed departments. (½) It is practically a horizontal movement of employees. (½)</p> <p><u>Promotion :</u> ½</p> <p>The practice of filling higher jobs by promoting employees from lower jobs. Promotion leads to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay. (½) Promotion is a vertical shifting of employees. (½) This practice helps to improve the motivation, loyalty and satisfaction level of employees. (½) It has a great psychological impact over the employees because a promotion at the higher level may lead to a chain of promotions at lower levels in the organization.</p>	
3	28	<p>(a) Semantic barriers to communication: (Any four)</p> <p>(i) Badly expressed message in which the intended meaning may not be conveyed on account of inadequate vocabulary, usage of wrong words, omission of needed words etc.</p> <p>(ii) Symbols with different meanings where a word may have several meanings and receiver has to perceive one such meaning for the word used by communicator.</p> <p>(iii) Faulty translations where the communication drafted in one language is not properly translated in a language understandable</p>	

		<p>to workers.</p> <p>(iv) Unclear assumptions where communication may have certain assumptions which are subject to different interpretations.</p> <p>(v) Technical jargon where the specialists use it to explaining something to persons who are not specialists in the concerned field as a result of which it is not understood clearly by the receiver.</p> <p>(vi) Body language and gesture decoding becomes a barrier when there is no match between what is said and what is expressed in body movements.</p> <p>(If an examinee has given only the heading, ½ mark for each heading should be awarded)</p> <p>OR</p> <p>(b) Measures to overcome communication barriers: (Any four)</p> <p>(i) Clarify the ideas before communicating.</p> <p>(ii) Communicate according to the needs of the receiver.</p> <p>(iii) Consult others before communicating.</p> <p>(iv) Be aware of the language, tone and content of the message.</p> <p>(v) Convey things of help and value to listeners.</p> <p>(vi) Ensure proper feedback by asking questions regarding the message conveyed.</p> <p>(vii) Communicate for present as well as future.</p> <p>(viii) Follow up communications and review on the instructions given to the subordinates.</p> <p>(ix) Be a good listener.</p> <p>(If an examinee has only listed the points, ½ mark for each point should be awarded)</p>	
3	29	<p>A. Bonus (½) and Financial Incentives. (½)</p> <p>B. Pay and allowances, Productivity linked wage, perquisites, Profit Sharing, Co-partnership/ Stock option, Retirement Benefits. (any two with proper explanation) . (½) for heading and (1) for explanation</p>	<p>1 +</p> <p>1 ½ + 1 ½</p>
3	30	<p>Financial Decision..... (1) mark</p> <p>Quantum of finance to be raised from various long-term sources (½) Short-term sources are studied under the ‘working capital management’ (½)The main sources of funds for a firm are shareholders’ funds and borrowed funds. (½) (Any two Points)</p> <p>Cost, risk , flotation cost, Cash flow position, Fixed operating cost,State of share capital etc</p> <p>Any two (½ for heading and ½ for explanation)</p>	<p>1 + 1</p> <p>1 + 1</p>

3	31	<p>Functions of Marketing not performed are:</p> <p>Customer Support services : This is an important function to boost the sales and is related to developing customer support services such as after sale services, handling customer complaints, and adjustments, procuring credit services, technical services and consumer information. These services aim at providing maximum satisfaction to customers.</p> <p>Promotion : This function involves informing the customers about the firm's product, its features, etc. and persuading them to purchase these products. § It includes advertising, Personal selling, public relations and sales promotion. (or any other correct explanation)</p> <p>Transportation and Distribution: Transportation involves physical movement of goods from one place to the other. As generally the users of products, particularly consumer products are wide spread and geographically separated from the place these are produced, it is necessary to move them to the place where it is needed for consumption or use, For example, tea produced in Assam has to be transported not only within the state but to other far off places like Tamil Nadu, Punjab, Jammu and Kashmir and Haryana, Rajasthan, where it is consumed.</p> <p>Physical distribution.(a) decision regarding channels of distribution or the marketing intermediaries (like whole salers, retailers) to be used and (b) physical movement of the product from where it is produced to a place where it is required by the customers for their consumption or use.</p>	<p>2 marks Each $2 \times 3 = 6$</p> <p>1 for heading 1 for explanation</p>
3	32	<p>Taylor advocated separation of planning and execution functions. (½) This concept was extended to the lowest level of the shop floor. It was known as functional foremanship. (½)</p> <p>Under the factory manager there was a planning in charge and a production in charge. Under planning in charge four personnel namely instruction card clerk, route clerk, time and cost clerk and a disciplinarian worked. These four personnel would draft instructions for the workers, specify the route of production, prepare time and cost sheet and ensure discipline respectively.</p> <p>Under Production in charge, personnel who would work were speed boss, gang boss, repair boss, and inspector. These respectively were responsible for timely and accurate completion of job, keeping machines and tools etc., ready for operation by workers, ensure proper working condition of machines and tools and check the quality of work.</p> <p>Clear explanation should be given under each personnel.</p> <p>Provide only 5 marks altogether if student draw diagram without</p>	

		<p>explanation of various personnel/in charges under each.</p> <p>OR</p> <p>Unity of direction: Moving towards the same objectives through coordinated and focussed efforts. (½) One head and one plan. (½) This ensures unity of action and coordination. (½). It prevents overlapping of activities. (½) Example can be considered.</p> <p>Equity: All employees should be treated as fairly as possible. (½) This principle emphasises kindness and justice in the behaviour of managers towards workers. (½) This will ensure loyalty and devotion. (½) .lazy personnel should be dealt with sternly to send the message that everyone is equal in the eyes of the management. (½)</p> <p>Order: “People and materials must be in suitable places at appropriate time for maximum efficiency.” (½) Essentially it means orderliness(½). If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. (½) This will lead to increased productivity and efficiency. (½)</p> <p>Espirit de corps: Management should promote a team spirit of unity and harmony among employees. (½) A manager should replace ‘I’ with ‘We’ in all his conversations with workers to foster team spirit. (½) This will give rise to a spirit of mutual trust and belongingness among team members. (½) It will also minimise the need for using penalties. (½)</p> <p>Any Three valid points for each principle.</p>	
3	33	<p>Divisional structure. (1) In a divisional structure, the organisation structure comprises of separate business units or divisions. Each division is multifunctional because within each division functions like production, marketing, finance, purchase, etc. (Any two Pints)</p> <p>Advantages:</p> <p>a. Product specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions. This is because he gains experience in all functions related to a particular product.</p> <p>b. Divisional heads are accountable for profits, as revenues and costs related to different departments can be easily identified and assigned to them.</p> <p>c. It promotes flexibility and initiative.</p> <p>d. It facilitates expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.</p> <p>Any two other valid points.</p>	<p>1 + 1</p> <p>2 + 2</p>

		<p>Disadvantages:</p> <p>a. Conflict may arise among different divisions with reference to allocation of funds.</p> <p>b. It may lead to increase in costs since there may be a duplication of activities across products.</p> <p>c. It provides managers with the authority to supervise all activities related to a particular division.</p>	
3	34	<p>1. Objectives: Objectives are the end results of the activities that an organisation seeks to achieve through its existence. All other activities within the organisation are directed towards achieving these objectives. “One of her objectives was to earn 10% profit on the amount invested in the first year.”</p> <p>2. Policy: A policy is a set of general guidelines that helps in managerial decision making and action. “It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops.”</p> <p>3. Procedure: A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities. “She also decided to follow the steps required for marketing of the products through her own outlets.” “The exact manner in which the production activities are to be carried out.”</p> <p>4. Rule: A rule is a specific statement relating to the general norms in terms of Do’s and Don’ts that guide the behaviour of people. It commands strict obedience, and a penalty is likely to be imposed on its violation. “While working on the production table, a penalty of ₹ 100 per day for not wearing caps, gloves and aprons was announced.”</p> <p>5. Budget: A budget refers to a financial plan that is expressed in numerical terms. “Mohan also prepared a statement showing the number of workers different products for the forthcoming quarter.”</p> <p style="text-align: center;">OR</p> <p>1. The points highlighting the importance of planning mentioned in the above paragraph are described below:</p> <p>a. Reduces the risk of uncertainty: Planning relates to deciding in advance about the tasks to be performed in future. This enables a manager to anticipate changes and devise the ways to deal with changes and uncertain events effectively.</p> <p>b. Avoiding overlapping and wasteful activities: Planning ensures clarity in thought and action and serves as the basis of coordinating the activities and efforts of different individuals</p>	<p>Any four $1\frac{1}{2} \times 4 = 6$</p> <p>$\frac{1}{2}$ for plan $\frac{1}{2}$ for quote $\frac{1}{2}$ for explanation of plan</p>

		<p>and departments. Therefore, by curtailing useless and redundant activities, it helps in the smooth working of the organisation's work without interruptions. Moreover, it makes detection of inefficiencies easier so that timely corrective measures may be taken to avoid them in future.</p> <p>2. The limitation of planning which adversely affects Payal's business is:</p> <p>a. Planning may not work in a dynamic environment: The business environment is dynamic in nature. Every organisation has to constantly adapt itself to changes in its environment in order to survive and grow. However, it difficult to anticipate all the likely future changes in the environment with utmost accuracy. Hence, even with planning, everything cannot be foreseen.</p>	
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