

INDIAN SCHOOL MUSCAT**FINAL EXAMINATION****CLASS XII****SET B****Marking Scheme – Business Studies [THEORY]**

Q.NO.	Answers	Marks (with split up)
1.	Option B	1
2.	Option C	1
3.	Option C	1
4.	Option B	1
5.	Option C	1
6.	Option D	1
7.	Option A	1
8.	Option B	1
9.	Option C	1
10.	SECURITY NEED	1
11.	Option A	1
12.	PRDUCTIVITY LINK	1
13.	Option A	1
14.	Option C	1
15.	Option D	1
16.	Option C	1
17.	Option D	1
18.	TRADE MARK	1
19.	Option A	1

20.	SOCIETAL	1
21.	Option B	3
22.	Option C	3
23.	Option C	3
24.	<p>Nature of the business : Manufacturing concerns require huge investment in fixed assets & thus huge fixed capital is required for them but trading concerns need less fixed capital as they are not required to purchase plant and machinery etc.</p> <p>Business Cycle :During boom period business need more fixed capital as the product demand is high and during recession business required less fixed capital.</p>	3
25.	<p>1.The market place for new shares is called primary market. The place where formerly issued securities are traded is known as Secondary Market.</p> <p>2.It supplies funds to budding enterprises and also to existing companies for expansion and diversification. It does not provide funding to companies.</p> <p>3. New issue market and helps for the new investment. Existing security market helps investment and re investment.</p>	3
26.	<p>The element of directing applied by the management is motivation. The management has applied a process of directing where the financial and non-financial needs of the employees are identified and are satisfied accordingly.</p> <p>The benefits of Motivation highlighted in the above case are:</p> <p>Motivation helps in increasing the performance level of the employees and the overall organisation. The output levels of the employees have touched a new high.</p> <p>Motivation helps in reducing the employee turnover of the company and thus helps the organisation in retaining employees. Two years back when the organisation had not applied this process the employees were leaving the</p> <p>organisation and were not loyal but now the situation has changed and there has been increase in the number of applicants for various jobs in the company.</p> <p>Motivation helps in reducing absenteeism in the organisation. There are many steps taken to increase the input of the employees and for this the work environment is made interesting in order to increase their regularity which has obviously increased the labour input during the recent years.</p>	4
27.	<p>Right to consumer education: Consumer has the right to acquire knowledge and to be well informed throughout life. He should be made aware of his rights and reliefs available to him in case of the product or service falls short of his expectations.</p>	4

	<p>Right to choose: Consumer has a right to choose any product out of the available products as per his own decision making.</p> <p style="text-align: center;">Or</p> <p>1. Consumers' Ignorance : Majority of consumers are not aware of their rights and reliefs available to them as a result of which they are exploited. In order to save consumers from exploitation, consumer protection is needed.</p> <p>2. Unorganised Consumers : In India consumers are still unorganised and there is lack of consumer organisations also, thus consumer protection is required.</p> <p>3. Widespread Exploitation of Consumers : Consumers are exploited on large scale by means of various unfair trade practices and consumer protection is required to protect them from exploitation.</p>	
28.	<p>i) Semantic barriers</p> <p>ii) The measures we would suggest him to adopt to improve his communication effectiveness are:</p> <p>Rajeev should clarify his ideas before communication. The reason behind this problem was that he himself was unsure about the concept he used to explain to the subordinates</p> <p>Rajeev should become a good listener. He was more concerned about speaking than listening.</p> <p>He should try to follow up communications. He forgot to review the instructions he had given to his subordinates about a very important programme to be organized in his home town.</p>	4
29.	<p>Selection is the process of choosing the best candidate from a pool of applicants for the job.</p> <p>Important Tests Used for Selection of Employees:</p> <p>Intelligence Tests include important psychological tests used to measure the level of intelligence quotient of an individual.</p> <p>Aptitude Test is a measure of an individual's potential for learning new skills.</p> <p>Personality Tests give an insight into a person's emotions, reactions, maturity and value system etc.</p> <p>Trade Test seek to measure the existing skills of the individual.</p> <p>Interest Tests are used to know the pattern of interests or involvement of a person.</p>	5
30.	<p>i) Decentralization .</p> <p>1. It seeks to develop initiative in the subordinates by promoting self-reliance and confidence amongst them and also helps to identify those executives who have the necessary potential to become dynamic leaders.</p> <p>2. It provides relief to top management as the subordinates are allowed to operate independently within their area of jurisdiction. Consequently, the need for direct supervision is reduced.</p> <p>3. It facilitates quick decision making as the employees are allowed to act independently within their jurisdiction without consulting others.</p> <p>4. It develops managerial talent for the future by providing the employees with the necessary training and experience through exposure to varied challenging jobs and also facilitates identification of those employees who may and those who may not be successful in assuming greater responsibility.</p> <p>ii) Functional structure with its meaning</p>	5
31.	a) Usable benefits	5

	b) Quantity gift c) Rebate d) Product combination e) refund	
32.	Same as QNO : 34 of set A	6
33.	<p>Method of floatation used is offer for sale- In this method securities are not offered directly to the public but are offered for sale through intermediaries like stock brokers. (1 mark for identification and 1½ mark for explanation)</p> <p>Other methods are</p> <ol style="list-style-type: none"> 1. Offer through prospectus- 2. E-IPO- 3. Right issue : 4. Private placement <p style="text-align: center;">OR</p> <p>a. The steps discussed in above para are</p> <ol style="list-style-type: none"> 1. Selection of broker- The buying & selling can be through SEBI broker. The first step is to select a broker who will buy/sell securities on behalf of investor. 2. Opening DEMAT account with a depository participant. (1x2=2) <p>b. The next four steps of the trading procedure:</p> <ol style="list-style-type: none"> 1. Placing an order-. . 2. Executing order- 3. Issue of contract note-. 4. Settlement. 	6
34.	Same as QN 31 of Set C	6