

INDIAN SCHOOL MUSCAT
First Pre board EXAMINATION

SET A

CLASS XII

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.	Economic environment – Interest rates, inflation rates, changes in disposable income of people, stock market indices and the value of rupee are some of the economic factors that can affect management practices in a business enterprise. Short and long term interest rates significantly affect the demand for product and services. For example, in case of construction companies and automobile manufacturers, low longer-term rates are beneficial because they result in increased spending by consumers for buying homes and cars on borrowed money. Similarly, a rise in the disposable income of people due to increase in the gross domestic product of a country creates increasing demand for products	3
22.	Planning premises are the assumptions that are made to prepare plans. Planning is futuristic: Planning essentially involves looking ahead and preparing for the future. The purpose of planning is to meet future events effectively to the best advantage of an organization. It implies peeping into	2+1

	<p>the future, analyzing it and predicting it. Planning is, therefore, regarded as a forward looking function based on forecasting</p> <p style="text-align: center;">Or</p> <p>Planning is a process of deciding in advance of what to do and how to do. Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action. The manager has to evaluate each alternative and select the most viable proposition. Planning involves setting targets and predicting future conditions,</p>	
23.	<p>a) Public relation. Information about the organization needs to be presented in a positive manner. The public relations department is in contact with the media to present the true facts about the company. Otherwise news can get distorted if taken from other sources.</p> <p>b) advertisement and publicity or sales promotion</p>	2+1
24.	<p>Casual Callers: Many reputed business organizations keep a database of unsolicited applicants in their offices. Such job-seekers can be a valuable source of manpower. This is needed when to fill immediate requirement. The major merit of this source of recruitment is that it reduces the cost of recruiting workforce in comparison to other external sources. Second merit is wider choice.</p> <p style="text-align: center;">OR</p> <p>Direct Recruitment: Under the direct recruitment, a notice is placed on the notice-board of the enterprise specifying the details of the jobs available. Job-seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot. The practice of direct recruitment is followed usually for casual vacancies of unskilled or semi-skilled jobs</p> <p>Demerits</p> <ol style="list-style-type: none"> 1. This method cannot use for skilled job 2. It takes time. 	1+2
25.	<p>Be aware about various goods and services available in the market. Buy only standardised goods and check for standardisation mark. Be aware about the risks associated with the products and services and use them prudently. Read the labels carefully. Assert yourself to ensure that you get a fair deal. Be honest in your dealings. Ask for a cash memo on purchase of goods or services. File a complaint in an appropriate consumer forum in a case of a shortcoming in the quality of goods purchased or services availed. Form consumer societies which would play an active part in educating consumers and safeguarding their interests. Show concern for the environment (Write any four)</p>	4
26.		2+2

	<p>Top level managers are responsible for the welfare and survival of the organisation. They analyse the business environment and its implications for the survival of the firm. They formulate overall organisational goals and strategies for their achievement. They are responsible for all the activities of the business and for its impact on society. The job of the top manager is complex and stressful, demanding long hours and commitment .</p> <p style="text-align: center;">Or</p> <p>Organisational Objectives: Management is responsible for setting and achieving objectives for the organisation. It has to achieve a variety of objectives in all areas considering the interest of all stakeholders including, shareholders, employees, customers and the government.</p> <p>The line is : Like any other business enterprise profits are important for survival and growth of Hima Computers Ltd.</p>	
27.	<p>Any acceptable diagram</p> <p>Autocratic leadership, also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their ideas and judgments and rarely accept advice from followers.</p> <p style="text-align: center;">Or</p> <p>Any acceptable diagram</p> <p>Under this style, a manager gives complete freedom to his subordinates. The entire decision-making authority is entrusted to them. There is least intervention by the leader and so the group operates entirely on its own. There is free flow of communication. In this style manager does not use power but maintains contact with them. Subordinates have to exercise self control. This style helps subordinates to develop independent personality</p>	1+3
28.	<p>Right to be heard</p> <p>Right to safety explanation</p>	2+2
29.	<p>1.Controlling</p> <p>Controlling means ensuring that activities in an organisation are performed as per the plans.</p> <p>2. Accomplishing organisational goals:</p> <p>Judging accuracy of standards:</p> <p>Making efficient use of resources</p> <p>Improving employee motivation: Explanation required.</p>	1+3
30.	<p>1.Selection Selection is the process of identifying and choosing the best person out of a number of prospective candidates for a job. Towards this purpose, the candidates are required to take a series of employment tests and interviews.</p> <p>2.Placement and Orientation: Joining a job marks the beginning of socialisation of the employee at the workplace. The employee is given a brief</p>	2+2

	<p>presentation about the company and is introduced to his superiors, subordinates and the colleagues. He is taken around the workplace and given the charge of the job for which he has been selected. This process of familiarisation is very crucial and may have a lasting impact on his decision to stay and on his job performance.</p>	
31.	<p>Draw any appropriate label with all contents like expiry contents , brand and statutory warning.</p> <p>Functions :</p> <ol style="list-style-type: none"> 1. Product information 2. Product promotion 3. Legal information 	3+3
32.	<p>Initiative: Workers should be encouraged to develop and carry out their plans for improvements according to Fayol. A good company should have an employee suggestion system whereby initiative/ suggestions which result in substantial cost/time reduction should be rewarded.</p> <p>Unity of Direction: All the units of an organisation should be moving towards the same objectives through coordinated and focussed efforts. Each group of activities having the same objective must have one head and one plan</p> <p>b) Centralisation and Decentralisation:</p>	5+1
33.	<p>Cash Flow Position of the Business: A stronger cash flow position may make debt financing more viable than funding through equity.</p> <p>Control Considerations: Issues of more equity may lead to dilution of management's control over the business. Debt financing has no such implication. Companies afraid of a takeover bid may consequently prefer debt to equity.</p> <p>State of Capital Markets: Health of the capital market may also affect the choice of source of fund. During the period when stock market is rising, more people are ready to invest in equity. However, depressed capital market may make issue of equity shares difficult for any company.</p>	6
34.	<p>Delegation and Decentralisation: A Comparative view Basis Delegation</p> <p>Decentralisation Nature Delegation is a compulsory act because no individual can perform all tasks on his own. Decentralisation is an optional policy decision. It is done at the discretion of the top management. Freedom of action More control by superiors hence less freedom to take own decisions. Less control over executives hence greater freedom of action. Status It is a process followed to share tasks. It is the result of the policy decision of the top management. Scope It has narrow scope as it is limited to superior and his immediate subordinate. It has wide scope as it implies extension of delegation to the lowest level of management. Purpose To lessen the burden of the manager. To increase the role of the subordinates in the organisation by</p> <p style="text-align: center;">Or</p>	6

	<p>Elements of Delegation</p> <p>Authority: Authority refers to the right of an individual to command his subordinates and to take action within the scope of his position. The concept of authority arises from the established scalar chain which links the various job positions and levels of an organisation.</p> <p>Responsibility: Responsibility is the obligation of a subordinate to properly perform the assigned duty. It arises from a superior–subordinate relationship because the subordinate is bound to perform the duty assigned to him by his superior. Thus, responsibility flows upwards i.e., a subordinate will always be responsible to his superior.</p> <p>Accountability: Delegation of authority, undoubtedly empowers an employee to act for his superior but the superior would still be accountable for the outcome:</p>	
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