CLASS: XII   MAX.MARKS: 20

Marking Scheme

1	(a) Scalar Chain: The formal lines of authority from highest to lowest ranks are knows as scalar chain. According to Fayol, Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates. (b) Gang Plank: If there is any emergency, the worker can communicate directly to the CEO but he must pass the information to his immediate superior. So, the communication is not delayed.	(1.5 +1.5 = 3 Marks)
2	The three dimensions are: (i) Technological: The advancement in the technology is replacing manual works with machines. (ii) Social environment: This has raised many issues in the minds of consumers and society regarding the product, problem of employment and its impact on the quality of life. (iii) Legal environment: The Central and State Governments are playing a significant role in bringing a balance between the use of human and machine powers through amending the existing rules and laws.	(1 + 1 + 1 = 3 Marks)
3	The various principles of management that Raj is applying for the successful management of his eye care centre are described below: (i) 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'. A sense of orderliness will lead to increased productivity and efficiency in the organization. (ii) Espirit De Corps: According to Fayol, "Management should promote a team spirit of unity and harmony among employees." A manager should replace T with 'We' in all his conversations with workers to promote teamwork. This approach will give rise to a spirit of mutual trust and belongingness among team members. It will also reduce the need for using penalties. (iii) Equity: According to Fayol, "Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible." This principle emphasizes on kindliness and justice in the behaviour of managers towards workers. The managers should not discriminate against anyone on account of gender, religion, language, caste, belief or nationality etc. (iv) Fair remuneration: Remuneration according the skill, knowledge of employees and the ability of business.	(1 mark each for each point with explanation) 4 Marks
4	(i) Increasing competition (ii) More demanding customers (iii) Rapidly changing technological environment (iv) Necessity for change	(Any four points with explanation) 1 mark for

	(v) Need for developing human resource (vi) Market orientation (vii) Loss of budgetary support to the public sector	each point = 4 Marks
5	**Features of business environment: (3 Marks)** 1. Inter-relatedness: They are now more conscious about the carbon emission, climate change effects, ozone layer depletion, global warming etc. 2. Totality of external forces: The company knows that there are a lot of external forces which are out of control and affect the business. 3. Dynamic nature: The technological development, competitions, Government policies may bring any type of change in the business situations. **Importance of business environment: (3 Marks)** 1. It enables the firm to identify opportunities and getting the first mover advantage: The dynamic business environment provides numerous opportunities for a business to evolve as per the changing needs. Therefore, early identification of the forthcoming opportunities helps an enterprise to be the first to exploit them instead of losing them to the competitors. (The companies as they have to not only meet the needs of the consumers but also ensure that their products are safe and environment friendly.) 2. It helps the firm to identify threats and early warning signals: sometimes the changes in the external environment may pose as a threat and hinder a firm's performance. An awareness about the business environment helps the managers to identify such threats on time and take necessary decisions and action. (His may also pose some problems for the business in future related to the costs, type of products etc.) 3. It helps in tapping useful resources as the enterprise designs policies that allow it to get the resources that it needs so that it can convert those resources into outputs that the environment desires. (There is growing need for better and advanced technologies to works as a catalyst in this regard).	(3 + 3 = 6 Marks)
	END OF THE PAPER	