

INDIAN SCHOOL MUSCAT

FINAL EXAMINATION

APRIL 2021

CLASS XII

SET A

Marking Scheme – BUSINESS STUDIES

Q.NO.	Answers	Marks (with split up)
1.	(c) A dynamic function OR (a) Coordination is a continuous process	1
2.	(d) Mainly behavioural	1
3.	(c) Standardisation and Simplification of Work	1
4.	(c) Planning establishes standards for controlling.	1
5.	(a) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses	1
6.	(b) Planning is a mental exercise.	1
7.	(b) Decreases	1
8.	(c) It ensures that different products get due attention.	1
9.	(a) Trade Test	1
10	(d) iii, i, ii	1
11	(b) Communication	1
12	(c) Directing guides employees to fully realise their potential.	1
13	(a) Democratic Leader	1
14	(c) Stability of dividend	1
15	(a) A decline in the cost of funds but an increase in the financial risk	1
16	(c) Depository Participant	1
17	(d) The investor then places order with the broker to buy or sell shares.	1
18	(a) Securities and Exchange Board of India	1
19	(c) Brand name OR (b) Customer value	1
20	(a) It consists of a President and at least five other members, one of whom should be a woman.	1
21	Dimensions: (a) Legal – ‘As per the directions issued by the Supreme Court.’ (b) Political – ‘the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions.’ (c) Social – ‘Its consumption is injurious to health.’	3
22	On the Job Methods of Training: (i) Apprenticeship Programmes (ii) Coaching (iii) Internship Training	3

	(iv) Job Rotation (Explain any two)	
23	<p>Importance of Planning:</p> <ul style="list-style-type: none"> (i) Planning provides directions (ii) Planning reduces the risks of uncertainty (iii) Planning reduces overlapping and wasteful activities (iv) Planning promotes innovative ideas (v) Planning facilitates decision making (vi) Planning establishes standards for controlling (Any two) <p style="text-align: center;">OR</p> <p>Limitations of Planning</p> <ul style="list-style-type: none"> (i) Planning focuses on achieving objectives (ii) Planning is a primary function of management (iii) Planning is pervasive (iv) Planning is continuous (v) Planning is futuristic (vi) Planning involves decision making (vii) Planning is a mental exercise (Any two) 	3
24	<p>(a) Societal marketing concept is being pursued by the company. (b) The main focus of this philosophy is on both the needs of the potential buyers as well as concern for the society at large. The ends include profit maximisation through customer satisfaction and social welfare.</p> <p style="text-align: center;">OR</p> <p>(a) Secondary packaging and Transportation packaging.</p> <p>(b) The functions of packaging in the marketing of goods and services is explained below:</p> <ul style="list-style-type: none"> (i) Product Identification: Packaging facilitates the identification of the product with the use of different colours like wrapper of maggi noodles is red whereas yippe noodles are sold in orange colour packaging. Also, the shape of different brands of cold drinks bottles is different. (ii) Product Protection: One of the basic purposes of packaging is to safeguard the contents of a product from any kind of damage due to mishandling, adverse weather conditions etc. during the activities related to physical distribution like storing, transportation etc. 	3
25	<p>Controlling</p> <p>The steps in the Controlling Process is:</p> <p>Step 1: Setting Performance Standards – ‘Recently the company had conducted time and motion studies and concluded that on an average, a worker could produce 300 units per day.’</p> <p>Step 2: Measurement of Actual Performance – ‘It has been noticed that the average daily production per worker is in the range of 200-225 units.’</p> <p>Step 3: Comparing Actual Performance with Standards- ‘In the given case there is a deviation in output in the range of 25-50 units per worker.’</p>	4
26	<p>Dheeraj is working at the Middle Level of Management.</p> <p>The functions performed at this level are:</p> <ul style="list-style-type: none"> (i) interpret the policies framed by top management, (ii) ensure that their department has the necessary personnel, (iii) assign necessary duties and responsibilities to them, (iv) motivate them to achieve desired objectives, and (v) co-operate with other departments for smooth functioning of the organisation. <p>At the same time they are responsible for all the activities of first line managers. (Any three)</p>	4
27	(a) Campus Recruitment	4

	(b) Advantages of external sources of recruitment (i) Qualified Personnel (ii) Wider Choice (iii) Fresh Talent (iv) Competitive Spirit (Explain any three)	
28	Importance of Communication (i) Acts as basis of coordination (ii) Helps in smooth working of an enterprise (iii) Acts as basis of decision making (iv) Increases managerial efficiency (v) Promotes cooperation and industrial peace (vi) Establishes effective leadership (vii) Boosts morale and provides motivation: OR (a) Motivation - Motivation is the process of stimulating people to action to accomplish desired goals. (b) Leadership - Leadership is the activity of influencing people to strive willingly for group objectives.	4
29	Protective Functions of SEBI (i) Prohibition of fraudulent and unfair trade practices – misinformation, manipulation, price rigging etc. (ii) Controlling insider trading and imposing penalties (iii) undertaking steps for investor protection (iv) Promotion of fair practices and code of conduct in securities market. OR Methods of Flootation 1. Offer through Prospectus: 2. Offer for Sale: 3. Private Placement: 4. Rights Issue 5. e-IPOs: (Explain any four)	4
30	(a) Right to Safety: The consumer has a right to be protected against goods and services which are hazardous to life and health. For instance, electrical appliances which are manufactured with substandard products or do not conform to the safety norms might cause serious injury. (b) Right to be Heard: The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason that many enlightened business firms have set up their own consumer service and grievance cells.	4
31	(a) Unity of Command: According to Fayol there should be one and only one boss for every individual employee. If an employee gets orders from two superiors at the same time the principle of unity of command is violated. (b) Discipline: Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. (c) Scalar Chain: An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.	6
32	(a) Organizing function of management is being performed by Ishita. (b) The steps involved in the process of organizing are as follows: (i) Identification and Division of Work (ii) Departmentalization (iii) Assignment of Duties	6

	(iv) Establishing Reporting Relationship (Explain)															
33	<p>Factors affecting the Requirement of Fixed Capital</p> <p>1. Nature of Business</p> <p>2. Scale of Operations</p> <p>3. Choice of Technique</p> <p>4. Technology Upgradation</p> <p>5. Growth Prospects</p> <p>6. Diversification</p> <p>7. Financing Alternatives</p> <p>8. Level of Collaboration (Explain any four)</p> <p style="text-align: right;">OR</p> <p>Factors Affecting Financing Decision</p> <p>(a) Cost</p> <p>(b) Risk</p> <p>(c) Floatation Costs</p> <p>(d) Cash Flow Position of the Business</p> <p>(e) Level of Fixed Operating Costs</p> <p>(f) Control Considerations</p> <p>(g) State of Capital Markets (Explain any six)</p>	6														
34	<p>Differences between Advertising and Personal Selling.</p> <table><tr><th>Advertising</th><th>Personal Selling</th></tr><tr><td>Advertising is an impersonal form of communication.</td><td>Personal selling is a personal form of communication.</td></tr><tr><td>Advertising involves transmission of standardised messages, i.e., same message is sent to all the customers in a market segment.</td><td>In personal selling, the sales talk is adjusted keeping view customer’s background and needs.</td></tr><tr><td>Advertising is inflexible as the message can’t be adjusted to the needs of the buyer.</td><td>Personal selling is highly flexible. as the message can be adjusted.</td></tr><tr><td>It reaches masses, i.e., a large number of people can be approached.</td><td>Only a limited number of people can be contacted because of time and cost considerations.</td></tr><tr><td>In advertising the cost per person reached is very low.</td><td>The cost per person is quite high in the case of personal selling.</td></tr><tr><td>Advertising can cover the market in a short time.</td><td>Personal selling efforts take a lot of time to cover the entire market.</td></tr></table> <p style="text-align: right;">OR</p> <p>Factors affecting Price Determination of a Product</p> <p>1. Product Cost</p> <p>2. The Utility and Demand</p> <p>3. Extent of Competition in the Market</p> <p>4. Government and Legal Regulations</p> <p>5. Pricing Objectives</p> <p>6. Marketing Methods Used</p>	Advertising	Personal Selling	Advertising is an impersonal form of communication.	Personal selling is a personal form of communication.	Advertising involves transmission of standardised messages, i.e., same message is sent to all the customers in a market segment.	In personal selling, the sales talk is adjusted keeping view customer’s background and needs.	Advertising is inflexible as the message can’t be adjusted to the needs of the buyer.	Personal selling is highly flexible. as the message can be adjusted.	It reaches masses, i.e., a large number of people can be approached.	Only a limited number of people can be contacted because of time and cost considerations.	In advertising the cost per person reached is very low.	The cost per person is quite high in the case of personal selling.	Advertising can cover the market in a short time.	Personal selling efforts take a lot of time to cover the entire market.	6
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