

**INDIAN SCHOOL MUSCAT****FINAL EXAMINATION****APRIL 2021****CLASS XII****SET B****Marking Scheme – BUSINESS STUDIES**

Q.NO.	Answers	Marks (with split up)
1.	(c) Standardisation and Simplification of Work	1
2.	(c) A dynamic function OR (a) Coordination is a continuous process	1
3.	(d) Mainly behavioural	1
4.	(b) Planning is a mental exercise.	1
5.	(c) Planning establishes standards for controlling.	1
6.	(a) Setting objectives, Developing premises, Identifying alternative course of actions, Evaluating alternative courses	1
7.	(a) Trade Test	1
8.	(b) Decreases	1
9.	(c) It ensures that different products get due attention.	1
10	(d) iii, i, ii	1
11	(a) Democratic Leader	1
12	(b) Communication	1
13	(c) Directing guides employees to fully realise their potential.	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	(a) Securities and Exchange Board of India	1
17	(c) Depository Participant	1
18	(d) The investor then places order with the broker to buy or sell shares.	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	Off the Job Methods of Training (i) Class room Lectures/ Conferences (ii) Films (iii) Case Study	3

	(iv) Computer Modelling (v) Vestibule Training (vi) Programmed Instruction (Explain any two)	
23	(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.  OR (a) Secondary packaging and Transportation packaging.  (b) The functions of packaging in the marketing of goods and services is explained below: (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. <b>(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.</b>	3
24	Importance of Planning: (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)  OR Limitations of Planning (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
25	Controlling The steps in the Controlling Process is: 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.’ 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.’ 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.’	4
26	Sridhar’s father is working at the Lower Level of Management. The functions performed at this level are: (i) Supervisors directly oversee the efforts of the workforce. (ii) Supervisory management plays a very important role in the organisation since they interact with the actual work force and pass on instructions of the middle management to the workers. (iii) Through their efforts quality of output is maintained, wastage of materials is minimised and safety	4

	standards are maintained. (Any three)	
27	(a) Campus Recruitment (b) Advantages of external sources of recruitment (i) Qualified Personnel (ii) Wider Choice (iii) Fresh Talent (iv) Competitive Spirit (Explain any three)	4
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 Floatation 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 Choose - The consumer has the freedom to choose from a variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc. and allow the consumer to make a choice from amongst these.  (b) Right to Consumer Education - The consumer has a right to acquire knowledge and to be a well informed consumer throughout life. He should be aware about his rights and the reliefs available to him in case of a product or service falling short of his expectations.	4
31	(i) Division of Work: Work is divided into small tasks/jobs. A trained specialist who is competent is required to perform each job. Thus, division of work leads to specialisation. According to Fayol, (ii) Equity: Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible,” (iii) ) Stability of Personnel: “Employee turnover should be minimised to maintain organisational efficiency”, according to Fayol	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	6

	(ii) Departmentalization (iii) Assignment of Duties (iv) Establishing Reporting Relationship (Explain)															
33	Factors affecting the Requirement of Fixed Capital 1. Nature of Business 2. Scale of Operations 3. Choice of Technique 4. Technology Upgradation 5. Growth Prospects 6. Diversification 7. Financing Alternatives 8. Level of Collaboration (Explain any four) <div>OR</div> Factors Affecting Financing Decision (a) Cost (b) Risk (c) Floatation Costs (d) Cash Flow Position of the Business (e) Level of Fixed Operating Costs (f) Control Considerations (g) State of Capital Markets (Explain any six)	6														
34	Differences between Advertising and Personal Selling. <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> <div>OR</div> Factors affecting Price Determination of a Product 1. Product Cost 2. The Utility and Demand 3. Extent of Competition in the Market 4. Government and Legal Regulations 5. Pricing Objectives 6. Marketing Methods Used	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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