

Marking Scheme

Business Studies (054)

Class-XII

1. Effectiveness in management is concerned with doing the right task, completing activities and achieving goals. In other words, it is concerned with the end result. 1
2. Coordination acts as the binding force between departments & ensures that all actions are aimed at achieving the goals of the organization. 1
3. The Manager is required to make certain assumptions about the future, which are the base material upon which plans are to be drawn. These assumptions are called premises. 1
4. Decentralization 1
5. Debt 1
6. Less working capital is required as service industries which usually do not have to maintain inventory require less working capital. 1
7. Product. 1
8. Right to consumer education. 1
9. Advantage of functional structure (any three).
 - a) Functional structure leads to occupational specialization.
 - b) It promotes control and coordination within the department.
 - c) It helps in increasing managerial and operational efficiency and this results in an increase in profits.
 - d) It leads to minimal duplication of effort.
 - e) It makes training of employees easier.
 - f) It ensures that different functions get due attention. (1x3)
10. Factors affecting choice of channel of distribution. (any two)

- (i) Product related factors
- (ii) Company characteristics
- (iii) Competitive factors
- (iv) Market factors
- (v) Environmental factors

(1/2 mark for the heading and 1 mark for the explanation)

(1 ½ x2)

11.a) Staffing

b) Recruitment- It is defined as the process of researching for prospective employees and stimulating them to apply for jobs in the organization. (1+2)

12. A) De-materialization – It is a process where securities held by the investor in physical form are cancelled and the investor gives an electronic entry or number so that she/he can hold it as an electronic balance in an account (1X2)

Problems with dealing in physical form – (Any two)

- (i) Theft
- (ii) fake/forged transfers
- (iii) Transfer delays
- (iv) Paper work associated with share certificates or debentures held in physical form.

(1/2+1/2)

13. Measures to overcome barriers to communication (any three)

- a) Clarify the ideas before communication
- b) Communicate according to needs of receiver
- c) Be aware of languages, tone & content of message

d) Ensure proper feedback

e) Communicate for present as well as future

f) Be a good listener

(1x3)

(1/2 mark for heading+ ½ mark for explanation)

14. The term 'business environment' means the sum total of all individuals, institutions and other forces that are outside the control of a business enterprise but that may affect its performance (1)

Features of business environment (any 3)

(i) Totality of external forces

(ii) Specific & general forces

(iii) Inter relatedness

(iv) Uncertainty

(v) Complexity

(vi) Relativity

(vii) Dynamic Nature

(1x3)

15.a) "Comes to India to start a new business ----- launches a new product in e-learning for Senior secondary school students in Commerce stream it helps in"

1. Assisting in planning and policy formulation

2. It enables the firm to identify opportunities and getting the first mover advantage.

b) "His business starts flourishing in India"

3. It helps in improving performance

c) Now more Indian companies entered into the market with different subjects also

4. It helps the firm to identify threats & early warning signals.

(1x4)

16. (i) Concepts involved – Planning and Organising

Lines for planning–

‘one suggested.....unemployed youth’

‘on evaluation..... local residents’

‘campaign to create awareness.....surroundings’

Lines for organizing –

‘To achieve.....disposal of garbage etc.’

‘after identification of different activities..... different members’

(1+1)

(iii) Values :(Any two)

Respect for environment;

Team – work;

(1+1)

Fulfilling social responsibility.

(Or any other suitable value)

17. Training of employees

1

Benefits to the organization or employees: (any three)

(i) Avoid wastage of effort & money

(ii) Enhances employee productivity

(iii) Equips future managers

(iv) Increases employee morale & reduces absenteeism

(v) Obtaining effective response to fast changing environment

(vi). Improved skills and knowledge of the individual

(vii). Increased performance by the individual

(viii). Employee more efficient to handle machines (1x3)

18. Four functions of financial market are:-

(i) Mobilization of saving & channeling them into the most productive use

(ii) Facilitating price discovery

(iii) Providing liquidity to financial assets

(iv) Reducing the cost of transactions (1x4)

(1/2 mark for heading + ½ mark for explanation)

19. A) Public Relations 1

B) Role of Public Relations can be discussed with respect to the functions which the department performs (any two)

(i) Press Relations

(ii) Product Publicity

(iii) Corporate communication

(iv) Lobbying

(v) Counselling (1 ½ x2)

(1/2 marks for heading+ 1 mark for explanation)

20. (i) Introduction of informal organization (2)

(ii) Two benefits the firm will derive are: (1 ½ x2)

a) Faster spread of communication & quick feedback.

b) It helps to fulfill the social needs of the members and enhances their job satisfaction.

c) Fulfillment of organizational objectives.

21. Importance of directing

1. Directing helps to initiate action

2. Directing integrates employees efforts

3. Directing motivates & leads employees to fully realise their potential

4. Directing facilitates introduction of changes needed in the organization.

5. Directing helps to bring stability & balance in the organization by fostering cooperation & commitment among employees (1x5=5)

22 a) Controlling and directing (1+1)

b) Employee recognition programme (non – monetary incentive) 1

c) Value (any two)

Sensitivity to environment;

Good behavior towards employees

Team work with employees

(or any other suitable value) (1x2)

23. Unity of command (3)

There should be one & only one boss for every individual employee 1

If an employee gets orders from two supervisors at the same time, the principle is violated 1

Consequences of violation -authority is undermined, discipline is in jeopardy, order disturbed, stability threatened. 1

Order	(3)
People & materials must be in suitable places at appropriate time for maximum efficiency	1
A place for everything (everyone) & everything (everyone) in its (her/his) place i.e orderliness	1
Benefits of the principle – no hindrance in the activities of business, increased productivity and efficiency.	1
24. a) Name – Place/physical distribution	1
The physical handling and movement of goods from place of production to the place of distribution is referred to as physical distribution.	1
Elements of Physical distribution/ Place	4
1. Transportation	
2. Warehousing	
3. Inventory control	
4. Order Processing	
(½ m for heading + 1/2 m for explanation)	
25. Dividend decision	1
Factors affecting dividend decision (Any 5)	
1. Amount of earnings	
2. Stability of earnings	
3. Stability of dividend	
4. Growth opportunities	(1×5=5)

5. Cash flow position
6. Shareholders preference
7. Taxation policy
8. Stock market reaction
9. Access to capital market
10. Legal constraints
11. Contractual constraints

(1/2 m for heading + ½ m for explanation)