

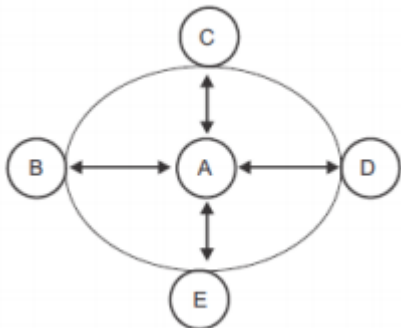
Business Studies Class 12

Solution 2017

S.No		Marks
1	Supervision means overseeing the employees at work to ensure optimum utilization of resources and achievements of work targets. OR Supervision means instructing, observing, monitoring, and guiding the efforts of the subordinates for the achievement of work targets in the desired manner.	1
2	In a formal organisation, communication takes place through the scalar chain while in an informal organisation flow of communication is not through a planned route. It can take place in any direction.	1
3	Aptitude test is conducted to measure an individual's potential for learning new skills.	1
4	Workforce analysis	1
5	Measurement of actual performance	1
6	The capital structure means the proportion of debt and equity used for financing the operations of a business.	1
7	Offer for Sale	1
8	Product Combination	1
9	Unity of Direction <ul style="list-style-type: none"> Unity of direction states that 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. Order <ul style="list-style-type: none"> It states that there should be a place for everything and everyone in an organization and that thing or a person should be found in its allotted place. People and materials must be in suitable places at appropriate times for maximum efficiency. 	3
10	Features of planning: (i) Focuses on achieving objectives It focuses on achieving organisational objectives as specific goals are set out in the plans along with the activities to be undertaken to achieve the goals.	3

	<p>(ii) Primary function of management It is the primary function of management as it lays down the basis for all other functions of management.</p> <p>(iii) Pervasive It is pervasive as it is required in all organisations, at all levels and in all departments.</p>	
11	<p>Semantic barriers to communication</p> <p>(a) Badly expressed message - Lack of clarity and precision in a message makes it badly expressed. When language of the message is vague, imprecise or there is use of wrong words or omission of needed words, then communication becomes ineffective as intended meaning is not conveyed.</p> <p>(b) Symbols with different meanings - The same word or symbol may carry different meanings to different people and convey different meanings under different circumstances.</p> <p>(c) Faulty translations - Sometimes messages are in a language, which may not be clearly understandable to the receiver in such cases, it becomes necessary to translate the message into a known language. If the translator is not proficient in translation, it may act as a barrier in communication.</p>	3
12	<p>Financial Planning Importance of Financial planning</p> <p>(a) It helps the company to prepare for the future by forecasting what may happen in the future under different business situations.</p> <p>(b) It helps in avoiding business shocks and surprises.</p>	3
13	<p>Various types of thinking that guided the marketing efforts were:</p> <p>Hemant Societal Marketing concept Feature of Societal marketing concept: (i) It takes care of the long term well being of the consumers as well as the society.</p> <p>Guddu Selling concept Feature of Selling concept: (i) It uses aggressive selling and promotional techniques like advertising, personal selling and sales promotion to achieve the objective.</p> <p>Toshita Marketing concept Feature of Marketing concept: (i) It involves development of products for satisfying needs of the target market better than the competitors.</p>	3
14	Middle level Management	4

	Functions required to be performed by Rishitosh Mukerjee: <ol style="list-style-type: none"> 1. To interpret the policies framed by the top management. 2. To ensure that their department has the necessary personnel. 3. To assign necessary duties and responsibilities to the employees of their respective departments for implementation of the plan. 	
15	Techniques of Scientific management used by Riya to solve the problem were: <p>(i) Motion Study</p> <ul style="list-style-type: none"> • Meaning: It is a technique to study the movements that are necessary for doing a well-defined job. • It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently. <p>(ii) Time Study</p> <ul style="list-style-type: none"> • Meaning: It is a technique to determine the standard time taken by a worker of reasonable skill and efficiency to perform a well-defined job. • It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs. 	4
16	<p>Strategy</p> <ul style="list-style-type: none"> • A strategy is a comprehensive plan for accomplishing an organisation's objectives taking the business environment into consideration. • It provides broad contours of an organization's business and refers to future decisions defining the organisation's direction and scope in the long run. <p>Rule</p> <ul style="list-style-type: none"> • A rule is a statement that specifies what is to be done or not to be done. It is a guide to behaviour. • A rule does not allow for any flexibility or discretion and prescribes a penalty for violation. 	4
17	<p>Casual callers</p> <ul style="list-style-type: none"> • It is an external source of recruitment in which a list of job seekers is prepared and screened to fill the vacancies as they arise, from the database of unsolicited applications kept in the office. • It reduces the cost of recruitment. <p>Labour Contractors</p> <ul style="list-style-type: none"> • It is an external source of recruitment in which a Labour Contractor maintains close contacts with labourers and provides the required number of unskilled workers at short notice. • Labour contractors who recruit the workers are employees of the organisation who recruit the workers. 	4
18	<p>(a) Mobilisation of savings and channeling them into the most productive uses/ Allocative function.</p>	4

	<p>(b) Money market is the other market form.</p> <p>Difference between Money Market and Capital Market:</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Money Market</th><th>Capital Market</th></tr> </thead> <tbody> <tr> <td>(i) Safety</td><td>Money market securities are comparatively safer.</td><td>Capital market securities are riskier than money market instruments.</td></tr> <tr> <td>(ii) Expected return</td><td>Money market securities yield comparatively less return.</td><td>Generally yield a higher return than money market instruments.</td></tr> <tr> <td>(iii) Participants</td><td>The participants are RBI, financial institutions, banks, corporates</td><td>The participants are financial institutions, banks, corporates, foreign investors and retail investors.</td></tr> </tbody> </table>	Basis	Money Market	Capital Market	(i) Safety	Money market securities are comparatively safer.	Capital market securities are riskier than money market instruments.	(ii) Expected return	Money market securities yield comparatively less return.	Generally yield a higher return than money market instruments.	(iii) Participants	The participants are RBI, financial institutions, banks, corporates	The participants are financial institutions, banks, corporates, foreign investors and retail investors.	
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19	<p>(a) Leadership Style- Democratic/ Participative/ group centered.</p>  <p>In the above diagram, A is the leader and B, C, D and E are subordinates.</p> <p>(b) Values highlighted by the behaviour of Avdhesh are:</p> <ol style="list-style-type: none"> Teamwork/ Team spirit Good behaviour in human interaction 	4												
20	<p>(a) Two major concepts related to government policy are:</p> <p>(i) Liberalisation Liberalisation means removal of unnecessary controls and restrictions on business.</p>	5												

	<p>(ii) Globalisation Globalisation means integrating the various economies of the world leading towards the emergence of a cohesive global economy.</p> <p>(b) Impact of these concepts on Indian business and Industry: (i) Increasing competition (ii) More demanding customers (iii) Rapidly changing technological environment</p>	
21	<p>Importance of controlling:</p> <p>(a) Accomplishing organisational goals It helps in accomplishing organisational goals by bringing to light, deviations if any and indicating corrective action.</p> <p>(b) Making efficient use of resources It helps in making efficient use of resources by ensuring that each activity is performed in accordance with predetermined standards.</p> <p>(c) Ensuring order and discipline It ensures order and discipline among employees by keeping a close check on their activities.</p> <p>(d) Improving employee motivation It improves employee motivation as the employees' know well in advance the standards of performance on the basis of which they will be appraised.</p> <p>(e) Judging accuracy of standards It helps in judging accuracy of standards in the light of changes taking place in the organisation and in the environment.</p>	5
22	<p>(a) Directions that might have been issued by the court: (i) To remove the deficiency in service. (ii) To refund the price paid for the service provided. (iii) To pay a reasonable amount of compensation for any loss suffered by the inmates of an old age home. (iv) To pay punitive damages. (v) To discontinue the unfair/ restrictive trade practice and not to repeat the same in future. (vi) To pay any amount (not less than 5% of the value of the service provided) to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner.</p> <p>(b) Values that are being communicated by RO Youth Club to the society are: (i) Sensitivity towards the environment. (ii) Respect for the elderly.</p>	5

23	<p>Delegation. Delegation is the transfer of authority from superior to subordinate, entrustment of responsibility and creation of accountability for performance which helps a manager to extend his area of operations. Importance of delegation:</p> <p>(i) Effective management By empowering the employees, the managers are able to function more efficiently as they get more time to concentrate on important matters.</p> <p>(ii) Employee development As a result of delegation, employees get more opportunities to utilise their talent. It also allows them to develop those skills which will enable them to perform complex tasks and assume those responsibilities which will improve their career prospects.</p> <p>(iii) Facilitating growth Delegation helps in the expansion of an organisation by providing a ready workforce to take up leading positions in new ventures.</p> <p>(iv) Basis of management hierarchy Delegation of authority establishes healthy superior-subordinate relationships, which are the basis of hierarchy of management. It is the degree and flow of authority which determines 'who is reported to whom'.</p>	6
24	<p>Working capital, also known as net working capital, is the difference between a company's current assets, like cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, like accounts payable. Factors affecting working capital requirement:</p> <p>1. Length of Operating Cycle: The amount of working capital directly depends upon the length of the operating cycle. Operating cycle refers to the time period involved in production. It starts right from acquisition of raw material and ends till payment is received after sale. The working capital is very important for the smooth flow of operating cycle. If the operating cycle is long then more working capital is required whereas for companies having a short operating cycle, the working capital requirement is less.</p> <p>2. Nature of Business: The type of business firm is involved in, is the next consideration while deciding the working capital. In case of trading concern or retail shop the requirement of working capital is less because length of operating cycle is small. The wholesalers as compared to retail shop require more working capital as they have to maintain large stock and generally sell goods on credit which increases the length of operating cycle. The manufacturing company requires a huge amount of working capital because they have to convert raw material into finished goods, sell on credit, maintain the inventory</p>	6

	<p>of raw material as well as finished goods.</p> <p>3. Scale of Operation: The firms operating at large scale need to maintain more inventory, debtors, etc. So they generally require large working capital whereas firms operating at small scale require less working capital.</p> <p>4. Business Cycle Fluctuation: During the boom period the market is flourishing so more demand, more production, more stock, and more debtors which mean more amount of working capital is required. Whereas during depression period low demand less inventories to be maintained, less debtors, so less working capital will be required.</p>	
25	<p>(a) Factors affecting choice of channels of distribution which were discussed in the meeting:</p> <ul style="list-style-type: none"> (i) Product related factors (ii) Company characteristics (iii) Market related factors <p>(b) Other considerations to be taken care of in each of the factors identified above are:</p> <ul style="list-style-type: none"> (i) Product related factors: <ul style="list-style-type: none"> • Nature of the product. • Perishability of Product. • Unit value of Product. (ii) Company characteristics: <ul style="list-style-type: none"> • Degree of control over channel members (iii) Market related factors: <ul style="list-style-type: none"> • Geographical concentration of potential buyers. • Size of the market. 	6