

MARKING SCHEME

PRE BOARD (SEMESTER-2) 2022 SET - B BUSINESS STUDIES (054)

CLASS: XII
Time: 2 Hours.

MM: 40
No. of Pages: 5

- A 1. **Ans Placement agencies and management consultants (0.5 +1.5=2)**
They provide a nationwide service in matching personal demand and supply. They compile bio data of a large number of candidates and recommend suitable names to their clients. Such agencies charge fees for their services and are useful for extensive screening. Management consultants help the organisation to recruit technical professional and managerial personnel they specialise in middle level and top level executives placements. 2
- A 2. **Ans a) Pay in day 11th December Wednesday** -cash will be paid by Sanjana to her broker and the seller will deliver the securities to his/her broker.
Pay out day 12th December Thursday- the exchange will deliver the shares to Sumit and make payment to the broker of the seller who will pay his/her client and Sumit will deliver the shares to Sanjana. (1+1=2 marks) 2
- A 3. **Ans Manpower planning**- includes workforce and work load analysis-to estimate the no. of people required in future-so as to be optimally staffed. Overstaffed means removal and understaffed requires recruitment. But before that job description and job specification needs to be prepared. (suitable explanation) 2
- A 4. **Ans: Critical point control and Management by exception**
Critical point control: control should focus on key result areas which are critical to the success of the organisation - if anything goes wrong at the critical points the entire organisation suffers
Management by exception - Only significant deviations which go beyond the permissible limit should be brought to the notice of management. Thus a deviation beyond the permissible limit in KRA should be focused on immediately. 2
- A5. **Ans: (a) satisfied needs are esteem needs and self actualisation (0.5+0.5=1 mark)**
(b) Any two other non-financial incentives with suitable explanation- status, career advancement opportunity, organisational climate, , job enrichment, employee recognition programmes, job security, employee participation, employee empowerment.(1 X 2=2 mks) 3
- A 6. **Ans: Any three features of directing: (1 X 3= 3 marks)**
Directing initiate action -a manager has to perform this function along with planning organising staffing and controlling while discharging his duties in the organisation. While other functions prepare a setting for action, directing initiates action in the organisation.
Directing takes place at every level of management- Every manager from top executive to supervisor performs the function of directing. It takes place where ever superior subordinate relation exists.
Directing is a continuous process- it takes place throughout the life of the organisation irrespective of people occupying managerial positions.

P.T.O.

Directing flows from top to bottom- directing is first initiated at the top level and flows to the bottom through organisational hierarchy. Every manager can direct his immediate subordinate and take instructions from his immediate boss.

OR

Democratic Style of leadership-

- A democratic leader develops action plans and makes decisions in consultation with his subordinates. He encourages them to participate in decision-making.
- He recognises that people perform best if they have set their own objectives and respect the others opinion and support subordinates to perform their duties and accomplish organisational objectives.
- They exercise more control by using forces within the group.

3

A 7. **Ans: Importance of financial planning- Any 3 points (1 X 3= 3 marks)**

- It helps in forecasting what may happen in future under different business situations. By doing so it helps the firm to face the eventual situations in a better way by preparing alternate financial plans to meet different situations.
- It helps in avoiding business shocks and surprises and helps the company in preparing for the future.
- It helps in coordinating various business functions by providing clear policies and procedures.
- Detailed plans of actions prepared under financial planning reduce waste duplication of effort and gaps in planning.
- It tries to link the present with the future.
- It provides a link between investment and financing decisions on a continuous basis.
- By spelling of detailed objectives for various business segments it makes evaluation of actual performance easier.

3

A 8. **Ans: Any 3 points of importance of controlling 1 X 3=3 marks) –**

Accomplishing organisational goals: The controlling function measures progress towards the organisational goals and brings to light the deviations, if any, and indicates corrective action.

Helps in judging accuracy of standards: a good control system enables management to verify whether the standards set an accurate and objective and helps to review and revise them by keeping a careful check on the changes in the organisation and in the environment.

Making efficient use of resources: each activity is performed in accordance with predetermined standards and norms. This ensures that resources are used in the most effective and efficient manner.

Facilitating coordination in action: Controlling provides direction to all activities and efforts for achieving organisational goals. Each department and employee is governed by predetermined standards which are well coordinated with one another.

3

A 9. **Ans: Responsibilities of a Consumer under the Consumer Protection Act, 2019 (Any 5):** 1. Be aware of various goods and services available in the market so that an intelligent

and wise choice can be made.

2. Buy only standardised goods as they provide quality assurance.
3. Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely.
4. Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc.
5. Assert yourself to ensure that you get a fair deal.
6. Be honest in your dealings. Choose only from legal goods and services and discourage unscrupulous practices.
7. Ask for a cash memo on purchase of goods or services.
8. File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed.
9. Form consumer societies which would play an active part in educating consumers and safeguarding their interests.
10. Respect the environment.

OR

Ans: Reliefs available (any five) -

- (i) To remove the defect in goods or deficiency in service.
- (ii) To replace the defective product with a new one, free from any defect.
- (iii) To refund the price paid for the product, or the charges paid for the service.
- (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.
- (v) To pay punitive damages in appropriate circumstances.
- (vi) To discontinue the unfair/ restrictive trade practice and not to repeat it in the future.
- (vii) Not to offer hazardous goods for sale.
- (viii) To withdraw the hazardous goods from sale.
- (ix) To cease manufacture of hazardous goods and to desist from offering hazardous services.
- (x) Compensate for any loss or injury suffered by consumer under product liability action and withdraw hazardous products from being offered for sale etc. 5

A10 **Ans (a)** Money market instruments enjoy a higher degree of liquidity as there is a formal arrangement with the Discount Finance House of India (DFHI) which has been established with the objective of providing a ready market for money market instruments **(1mk)**

b) (i) Certificate of deposit – these are unsecured, negotiable, short-term instruments in better form, issued by commercial banks and development financial institutions. They can be issued to individuals, corporations and companies during periods of tight liquidity when the deposit growth for bank is slow but the demand for credit is high. They had to mobilize a large amount of money for short periods. **(2mks)**

b) (ii) Commercial paper- Short-term, unsecured, promissory note, negotiable and transferable by endorsement, delivery with a fixed maturity period. Issued by large and credit worthy companies to raise short-term funds. Issued at lower rate of interest than market rates. Maturity period of 15 days to one year. It is an alternate to bank borrowing for large companies which are financially strong

It is sold at a discount and redeemed at par.

Provide short-term funds for seasonal and working capital needs and for bridge financing.

(2mks)

5

A11 **Ans: (a) The two types of training required are: 3 marks**

Vestibule training- employees learn their jobs on the hi-tech equipment they will be using but the training is conducted away from the actual work floor.

Actual work environments are created in a classroom and employees use the same materials files and equipment. (0.5 mk for naming and 1mk for explanation=1.5 marks)

Orientation / induction- the employee is given a brief presentation about the company and is introduced to his superior subordinates and colleagues.

He is taken around the workplace and made familiar with the rules and policies of the organisation. (0.5 mk for naming and 1mk for explanation =1.5 marks)

b) Transfer – it involves shifting employee from one job to another one department to another or from one shift to another without a substantive change in the responsibilities and status of the employee.

It may lead to changes in duties and responsibilities working conditions etc. but not necessarily salary.

It helps to fill vacancies from over staffed departments to under staffed departments and is a horizontal movement of employees to departments which are facing shortage. It helps to avoid termination and in removing individual problems and grievances.

(0.5 mk for naming and 1.5 mk for explanation) = **2 marks**

5

A12 **Ans: (0.5 marks for quoting and identifying and 0.5 marks for explanation)**

Factors affecting fixed Capital	Quote	Explanation
Nature of business	“ manufacturing toys”	Manufacturing units require to purchase plant and machinery so more fixed capital required.
Growth prospects	Due to the increasing demand of its toys in the international market it decided to set up a manufacturing unit in Japan also.	Higher growth prospects – higher investment in fixed assets for higher capacity.
Level of collaboration	To start with, they had two options i.e. to enter into a joint venture with an existing toy company in Japan or to install their own plant.	When business organizations use each other’s facilities or establish joint facilities then less fixed capital required.
Financing alternatives	It also tried to find out different financing options available to them and getting the plant on lease was one of them.	When available on lease then pay lease rental and use it so decreases fund requirements in fixed assets.
Choice of technology	Since they decided that they would work on automated machines, their requirement of labor would be less too.	If capital intensive technology used then higher investment in P and M and less on labour. Labour intensive than less fixed capita

OR

ROI =15% so EBIT is 15% of 30,00,000=4,50,000 before expansion
 15% of 36,00,000= 5,40,000 After expansion **(0.5+0.5 for calculation of correct EBIT + 1 mark)**

EBIT-EPS analysis

	Before expansion	After expansion
Debt@10%	12,00,000	18,00,000
Equity Shares @ Rs.10	18,00,000	18,00,000
Total capital	30,00,000	36,00,000
EBIT (ROI is 15%)	4,50,000	5,40,000
Less interest	1,20,000	1,80,000
EBT	3,30,000	3,60,000
Less tax @ 50%	1,65,000	1,80,000
EAT	1,65,000	1,80,000
EPS	.92	1.00

As the EPS has increased after expansion with the use of debt, which is available at a rate less than the ROI, it is a correct decision

((0.5+0.5 for calculation of correct EBIT = 1 mark +3 marks for the calculation of EPS + 1 mark for the conclusion =5 mks)