

**MARKING SCHEME**  
**SAMPLE PAPER**  
**SET-3**  
**CLASS- 12<sup>TH</sup>, BUSINESS STUDIES**

1	(b)	1
2	(d)	1
3	(b)	1
4	(c)	1
5	(b)	1
6	(c)	1
7	(b)	1
8	(b)	1
9	(c)	1
10	(b)	1
11	(d)	1
12	(b)	1
13	(c)	1
14	(d)	1
15	(b)	1
16	(b)	1
17	(b)	1
18	(a)	1
19	(d)	1
20	(d)	1
21	<p><b>(a) Ashutosh Goenka was working at the top level of management.</b></p> <p><b>(b) The other functions performed by Ashutosh Goenka are:</b></p> <p>(i) Determining the objectives of the enterprise</p> <p>(ii) Organising activities to be performed</p> <p>(iii) Assembling the required resources</p>	3
22	<p>Primary and Secondary Market-</p> <p>1. Primary market deals new security while secondary deals existing securities.</p> <p>2. Primary market contribute direct capital while secondary indirect</p> <p>3. Primary having no fixed location while secondary having fixed geographical area and working hours. Any 3 correct differences carry one mark each .</p> <p style="text-align: center;">(OR)</p> <p>Capital market and money market.</p> <p>1. Capital market is for medium and long term fund while money market for short for</p>	3

	<p>one year only</p> <p>2. Financial institution , bank corporate entities and public participated while in money market RBI, Banks, financial institutions</p> <p>3. Capital market instruments are equity, bonds, debentures, preference share while treasury bills commercial papers, certificates of deposits of money markets.</p>	
23	<p><b>Apprenticeship programmes.</b> Apprenticeship programme is designed for higher levels of skill. It ensures on the job training and is explained with classroom instruction in a particular subject. The period of training usually ranges from two to five years. Apprenticeship training is offered to a wide range of jobs such as mechanics, electricians, and computer operators. Each apprentice is given a programme with a predetermined schedule which provides for efficient training and acquisition of trade skills.</p>	3
24	<p>The control process is made of three phases:</p> <ul style="list-style-type: none"> <li>• Determination of the planned performance.</li> <li>• Comparison of actual performance with planned performance.</li> <li>• Corrective action to be taken on the basis of analysis of the difference between actual and planned performance.</li> </ul> <p>Thus, control is in fact looking back to planned performance. In control it is seen that actual performance is in conformity with plans. We have to look back what was actually planned to be achieved and what is actually achieved.</p> <p style="text-align: center;">OR</p> <p>Planning and controlling are inseparable because:</p> <ol style="list-style-type: none"> <li>1. Controlling takes place on the basis of standard by planning.</li> <li>2. Planning without controlling is meaningless.</li> <li>3. Planning prescribe appropriate course of action.</li> <li>4. Planning and controlling both are forward looking.</li> </ol>	3
25	<p>(a)</p> <p><b>(i) Right to choose.</b> The right to choice deals with the issue of choosing between different alternatives. The right to choice can be defined as an assurance, whenever possible, of availability, ability and access to a variety of products and services at competitive prices.</p> <p><b>(ii) Right to be informed.</b> Consumers should have the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, so as to make the right decision and protect themselves against abusive practices.</p> <p>(b)</p> <p>Two responsibilities of a consumer that he should always kept in his mind while purchasing are:</p> <ol style="list-style-type: none"> <li>(i) A consumer should buy only standardised goods as they provide quality assurance.</li> <li>(ii) A consumer should ask for cash memo on purchase of any good or service.</li> </ol>	4
26	<p>Fixed capital refers to investment in fixed assets which remains in the business for more than one year, usually for much longer, e.g., plant and machinery, furniture and fixtures, land and building, vehicles, etc.</p> <p>Factors affecting fixed capital are:</p> <p><b>(a) Nature of business:</b> A manufacturing enterprise needs a huge investment in fixed assets (plant and machinery) as compared to a trading firm.</p> <p><b>(b) Scale of operations/size of business:</b> Higher investment in fixed assets is required in a large scale enterprise as compared to a small firm.</p> <p><b>(c) Choice of technique:</b> Higher investments in fixed assets is required for a company which employs capital intensive technique of production as compared to</p>	4

	<p>firms which use labour intensive techniques of production.</p> <p><b>(d) Technology upgradation:</b> Companies which use assets which are likely to become obsolete in the near future require high investment in fixed assets.</p> <p style="text-align: center;"><b>OR</b></p> <p>The factors determining working capital requirement are:</p> <p>a. During boom period high working capital required while in recession less capital needs.</p> <p>b. Manufacturing units needs more working capital while trading units needs less.</p> <p>c. Large operating units needs high working capital while small units needs small</p> <p>d. If operation is more to finish the product needs high working capital, if operation cycle is short needs less working capital. (or any other correct factor )</p>	
27	<p><b>Authoritative or Autocratic Leadership Style has been adopted Mr. Aarav.</b></p> <p><b>Authoritarian leaders</b>, also known as autocratic leaders, provide clear expectations for what needs to be done, when it should be done and how it should be done. There is also a clear division between the leader and the followers. Authoritarian leaders make decisions independently with little or no input from the rest of the group.</p> <p><b>Decision-making is less creative under authorisation leadership.</b></p> <p>Authoritarian leadership is best applied to situations where there is little time for group decision making or where the leader is the most knowledgeable member of the group.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>According to Maslow , motivation is a psychological phenomenon which arises from feeling and want</b></p> <p><b>Following five types of need which govern Motivation:</b></p> <p>a. Psychological needs</p> <p>b. Security or safety needs</p> <p>c. Social needs</p> <p>d. Esteem needs</p> <p>e. Self actualization ( explain any four briefly)</p>	4
28	<p><b>(a) The process of Financial Planning will help in estimating the fund requirement at the right time.</b></p> <p><b>(b) The company should raise funds through debt as:</b></p> <p>(i) Cash flows of the company were very stable.</p> <p>(ii) The economy is in a bearish phase.</p> <p>(iii) The management wants to retain control over the business.</p>	4
29	<p><b>Company will use external sources of recruitment.</b></p> <p><b>Advantages of external sources of recruitment are:</b></p> <p><b>(a) Fresh talent:</b> The entry of fresh talent into the organisation is encouraged. New employees bring new ideas to the organisation.</p> <p><b>(b) Wider choice:</b> External sources provide a wider choice of personnel to choose from.</p> <p><b>(c) Qualified personnel:</b> Requisite type of personnel having the required qualifications, training and skills are available for the external sources.</p> <p><b>(d) Competitive spirit:</b> The internal employees aspiring for higher positions prepare themselves for improving their performance to compete with the outsiders for higher jobs.</p>	4
30	<p>a) Semantic barrier      b) psychological barrier      c)organizational barrier</p> <p>d) personal barrier</p>	4
31	<p><b>a) Principle of Equity is violated.</b></p> <p><b>Advantage:</b> If Principle of Equity is observed then loyalty and devotion of employees is ensured.</p>	6

	<p><b>Principle of Order is violated.</b>  <b>Advantage:</b> It leads to increased production and efficiency.  <b>(b) Espirit de Corps.</b> The spirit of loyalty and devotion unites the members of the group. Team spirit helps in developing an atmosphere of mutual trust and understanding. It also minimises the need to use penalties for defaulting persons.</p> <p style="text-align: center;">OR</p> <p><b>a) Unity of command</b> – employees should receive orders from one and only one superior. This prevents confusion and fixes responsibility too.  <b>b) Order-</b> there must be a fixed place for every men and material in an organization to waste time and effort  <b>c) Equity-</b> show kindness and justice by manager to each and every employees in an organization  d) The sacrifice of personal interest in favour of organizational interest provides an automatic lubricant to the working of an organization .</p>	
32	<p><b>(a) Ferro Ltd. should formulate an appropriate strategy to counter the upcoming competition. The following derivative plans will be made:</b></p> <ul style="list-style-type: none"> <li>• To make agreement for importing latest technology at reasonable cost.</li> <li>• To allocate required resources to different departments.</li> <li>• To implement aggressive advertising and sales promotion activities.</li> </ul> <p><b>(b) The plan can face the following limitations:</b></p> <ul style="list-style-type: none"> <li>• Shortage of funds</li> <li>• Shortage of technical professionals</li> </ul> <p><b>(c) These limitations can be removed by:</b></p> <ul style="list-style-type: none"> <li>• Arranging funds in advance by adequate financial planning.</li> <li>• Effective recruitment of required personnel.</li> <li>• Involving middle and lower level of management in making derivative plans.</li> </ul>	6
33	<p><b>(a) Anjali should adopt delegation of authority in which authority can be transferred to subordinates.</b>  <b>(b) Yes, she will be accountable for the performance of the assigned tasks.</b>  <b>(c) Grant of authority:</b> Grant of authority implies giving the right to subordinates to decide and act, to use necessary resources and represent the superior.</p> <p>Every subordinate needs authority to carry out the tasks and perform the duties assigned to him. Managers at all levels derive authority granted by their superior. In turn, each manager confers a part of his authority to his subordinate.</p> <p>Creation of responsibility and accountability along with the tasks to be performed and grant of authority, the subordinates are entrusted with the responsibility or obligation to carry out the duties assigned. They are also to give an account of the results achieved in terms of the standards of performance laid down. The subordinates' responsibility to the superior is absolute. It cannot be delegated or shifted. Arising out of his responsibility, the subordinate is accountable or answerable for the performance of his tasks and duties.</p>	6
34	<p>The marketing concept implies that the firm can achieve its goals by identifying the need of customers in a chosen market.</p> <p>The following are the pillar of the marketing concept:</p> <ol style="list-style-type: none"> <li>a. Identification of market or customer</li> <li>b. Understanding need and want of customer</li> <li>c. Development of product</li> <li>d. Profit motive through customer satisfaction.</li> </ol> <p>Marketing concept helps in effective marketing of goods and services by providing several measures like production, pricing, designing etc.</p>	6

OR

Marketing mix is a set of marketing tools that a firm uses to pursue its marketing objectives in its market.

There are four P's of marketing

- a. Product mix- includes quality, features, varieties, size, brand, packing etc.
- b. Price mix – set a price of product to mix policy of objectives, demand of product, cost of product, external factors and discount policy.

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