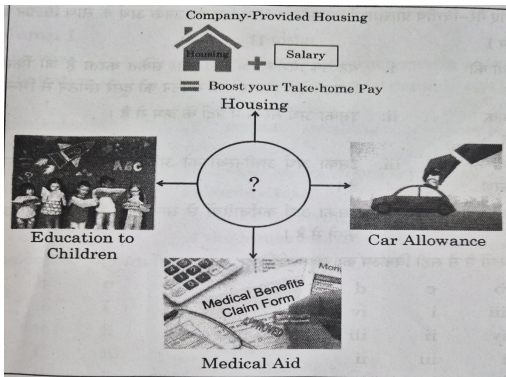


Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior Secondary School Examination, 2026 (XIIth)
BUSINESS STUDIES -66/2/1

General Instructions:

1	The CBSE has decided to introduce On Screen Marking (OSM) for the evaluation of Class XII answer Book with the 2026 Examination
2	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully
3	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, evaluation done and several other aspects. Its leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in Newspaper/Website, etc. may invite action under various rules of the Board and IPC”
4	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In Class-XII, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded
5	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
6	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
7	Evaluators will mark (✓) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct

	and no marks are awarded. This is most common mistake which evaluators are committing.
8	If a question has parts, please award marks on the right-hand side for each part in the OSM Portal. Marks awarded for different parts of the question will be totaled up by the OSM System.
9	If a question does not have any parts, marks must be awarded in the left-hand margin in the OSM Portal. This may also be followed strictly.
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of 80 marks has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
13	Ensure that you do not make the following common types of errors committed by the Examiner in the past :- <ul style="list-style-type: none"> • Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) • Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0) Marks
15	The Examiners should acquaint themselves with the guidelines given in the “ Guidelines for Spot Evaluation ” before starting the actual evaluation
16	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.
17	If a candidate attempts both alternatives/options in a question where only one option/ alternative is required to be attempted, the Evaluator shall award marks in both the options. The system will take the higher of two scores and disregard the other response.
18	In a question having two options/alternatives, if a candidate has attempted only one, then the evaluator shall mark “NA” (Not attempted) against the option that has not been attempted by the candidate

66 /2 /1	<p align="center">BUSINESS STUDIES</p> <p align="center">EXPECTED ANSWERS / VALUE POINTS</p>	Marks
	SECTION A	
1	<p>Q. Identify which of the following functions is Not performed by 'Top Level Management':</p> <p>(A) Cooperating with other departments for smooth functioning of the organisation.</p> <p>(B) Being responsible for the welfare and survival of the organization.</p> <p>(C) Analyzing the business environment and its implications for the survival of the firm.</p> <p>(D) Formulating overall organizational goals and strategies for their achievement.</p> <p>Ans. (A) Cooperating with other departments for smooth functioning of the organisation.</p>	1 mark
2	<p>The question mark in the picture given below represents a financial incentive. Identify the incentive:</p>  <p>(A) Pay and allowances</p> <p>(B) Retirement benefits</p> <p>(C) Productivity linked wage incentives</p> <p>(D) Perquisites</p> <p>Ans. (D) Perquisites</p> <p>For Visually Impaired Candidates:</p> <p>Authority, responsibility, rewards, perquisites and prestige of job etc. indicate which of the following non-financial incentives given to a person holding a managerial position?</p>	1 mark

	<p>(A) Job Enrichment (B) Job security (C) Status (D) Organisational climate</p> <p>Ans. (C) Status</p>																																				
3	<p>Q. The process by which a manager synchronizes the activities of different departments is known as: (A) Management (B) Planning (C) Organising (D) Co-ordination</p> <p>Ans. (D) Co-ordination</p>	1 mark																																			
4	<p>Q. Match the non-financial incentives given in Column I with their meaning given in Column II:</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>a. Employee participation</td><td>i. It indicates the characteristics which describe an organization and distinguish one organization from the other.</td></tr><tr><td>b. Organisational climate</td><td>ii. It means ranking of positions in the organisation.</td></tr><tr><td>c. Employee empowerment</td><td>iii. It means giving more autonomy and powers to subordinates.</td></tr><tr><td>d. Status</td><td>iv. It means involving employees in decision making of the issues related to them.</td></tr></table> <p>Choose the correct option from the options given below:</p> <table><tr><td></td><td>a</td><td>b</td><td>c</td><td>d</td></tr><tr><td>(A)</td><td>ii</td><td>iii</td><td>i</td><td>iv</td></tr><tr><td>(B)</td><td>i</td><td>iv</td><td>ii</td><td>iii</td></tr><tr><td>(C)</td><td>iv</td><td>i</td><td>iii</td><td>ii</td></tr><tr><td>(D)</td><td>iii</td><td>ii</td><td>iv</td><td>i</td></tr></table> <p>Ans. (C) iv i iii ii</p>	Column I	Column II	a. Employee participation	i. It indicates the characteristics which describe an organization and distinguish one organization from the other.	b. Organisational climate	ii. It means ranking of positions in the organisation.	c. Employee empowerment	iii. It means giving more autonomy and powers to subordinates.	d. Status	iv. It means involving employees in decision making of the issues related to them.		a	b	c	d	(A)	ii	iii	i	iv	(B)	i	iv	ii	iii	(C)	iv	i	iii	ii	(D)	iii	ii	iv	i	1 mark
Column I	Column II																																				
a. Employee participation	i. It indicates the characteristics which describe an organization and distinguish one organization from the other.																																				
b. Organisational climate	ii. It means ranking of positions in the organisation.																																				
c. Employee empowerment	iii. It means giving more autonomy and powers to subordinates.																																				
d. Status	iv. It means involving employees in decision making of the issues related to them.																																				
	a	b	c	d																																	
(A)	ii	iii	i	iv																																	
(B)	i	iv	ii	iii																																	
(C)	iv	i	iii	ii																																	
(D)	iii	ii	iv	i																																	
5	<p>Q. The process of estimating the fund requirements of a business and specifying the sources of funds is called _____. (A) Trading on Equity (B) Capital Budgeting decision (C) Financial Management (D) Financial Planning</p> <p>Ans. (D) Financial Planning</p>	1 mark																																			
6	<p>Q. 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to</p>																																				

	<p>comprehend at once what exactly constitutes a given environment.'</p> <p>The feature of business environment highlighted above is:</p> <p>(A) Relativity (B) Uncertainty (C) Complexity (D) Dynamic Nature</p> <p>Ans. (C) Complexity</p>	1 mark
7	<p>Q. Statement-I: Workforce analysis enables an assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organizational objectives.</p> <p>Statement-II: Workload analysis reveals the number and type of human resources available.</p> <p>Choose the correct option from the following:</p> <p>(A) Statement-I is true and Statement-II is false. (B) Statement-I is false and Statement-II is true. (C) Both Statement-I and Statement-II are true. (D) Both Statement-I and Statement-II are false.</p> <p>Ans. (D) Both Statement-I and Statement-II are false.</p>	1 mark
8	<p>Q. NV Electronics has an innovative range of smartphones, T.V's, home entertainment systems, kitchen appliances and air conditioners. Besides supplying quality products, their focus is also on handling customer complaints speedily, providing maintenance services, procuring credit services etc.</p> <p>The function of marketing discussed above is:</p> <p>(A) Branding (B) Marketing Planning (C) Product designing and development (D) Customer support services</p> <p>Ans. (D) Customer support services</p>	1 mark
9	<p>Q. Identify the incorrect statement with respect to 'Motion Study', as a technique of scientific management:</p> <p>(A) Unnecessary movements are sought to be eliminated so that it takes less time to complete the job efficiently. (B) It refers to the study of movements like lifting, putting objects, sitting and changing positions etc., which are undertaken while doing a typical job. (C) Through this technique, Taylor was able to design suitable equipment and tools to educate workers on their use. (D) This technique helps to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs.</p> <p>Ans. (D) This technique helps to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs.</p>	1 mark

10	<p>Q. In the 'Primary Market' prices of securities are determined by: (A) Management of the company (B) Demand and supply of the security (C) Employees of the company (D) Only demand for the security</p> <p>Ans. (A) Management of the company</p>	1 mark
11	<p>Q. Ramesh wanted to buy a room heater as it had become extremely cold. He went to the nearby market in search of a good room heater. He first visited a few big shops selling branded heaters and checked the design, quality and the price. Walking through the market he saw a road side shop displaying an attractive room heater. He walked into the shop to enquire about the room heater. The shopkeeper demonstrated how the heater worked and simultaneously explained its qualities like its rotating function, auto-cut etc. Ramesh asked about its price and decided to buy it, as in comparison to other room heaters, it was cheaper and had various additional features. However while focusing on the price and features, he did not check the ISI mark or the label which displayed the date of manufacturing, safety features, directions for use etc. The right exercised by Ramesh in the above case is: (A) Right to choose/be assured (B) Right to be heard (C) Right to consumer education (D) Right to safety</p> <p>Ans. (A) Right to choose/be assured</p>	1 mark
12	<p>Q. Statement-I: Capital market instruments are safer than money market instruments both with respect to returns and principal repayment. Statement-II: The capital market deals in medium and long-term securities such as equity shares and debentures etc. Choose the correct option from the following: (A) Statement I is true and Statement II is false. (B) Statement I is false and Statement II is true. (C) Both Statement I and Statement II are true. (D) Both Statement I and Statement II are false.</p> <p>Ans. (B) Statement I is false and Statement II is true.</p>	1 mark
13	<p>Q. There are two statements, Assertion (A) and Reason (R). Assertion (A): Controlling should not be misunderstood as the last function of management. Reason (R): Controlling is a function that brings the management cycle back to the planning function. Choose the correct alternative from those given below:</p>	

	<p>(A) Assertion (A) is false and Reason (R) is true. (B) Both Assertion (A) and Reason (R) are false. (C) Assertion (A) is true and Reason (R) is false. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p> <p>Ans. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p>	1 mark
14	<p>Q. 'Lima' is a global sportswear brand known for shoes, apparel and sports accessories. Customers can recognize Lima's shoes, t-shirts and bags just by seeing the tiger symbol imprinted on all Lima's products. Lima has legally registered both its name 'Lima' and its tiger symbol so that no other company can legally use the same or similar design in their sportswear. The tiger symbol is Lima's:</p> <p>(A) Brand name (B) Brand mark (C) Trade mark (D) Both Brand mark and Trade mark</p> <p>Ans. (D) Both Brand mark and Trade mark</p>	1 mark
15	<p>Q. There are two statements, Assertion (A) and Reason (R). Assertion (A): The dividend in growth companies is more than that in the non-growth companies. Reason (R) : Companies having good growth opportunities retain more money out of their earnings so as to finance the required investment. Choose the correct alternative from those given below:</p> <p>(A) Assertion (A) is false and Reason (R) is true. (B) Both Assertion (A) and Reason (R) are false. (C) Assertion (A) is true and Reason (R) is false. (D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>Ans. (A) Assertion (A) is false and Reason (R) is true.</p>	1 mark
16	<p>Q. Alka Motors is one of the leading automobile companies in India. Due to growing demand for electric vehicles, Alka Motors planned to expand its business and for this, it wanted to raise funds. The finance manager suggested that it should raise funds through equity as the market was bullish. As per the suggestion of finance manager, the company decided to raise ₹3,500 crore from equity for its expansion plan for electric vehicles. The factor that the finance manager took into consideration to raise funds through equity was:</p> <p>(A) Cash flow position (B) Flexibility</p>	

	<p>(C) Cost of debt (D) Stock-market conditions</p> <p>Ans. (D) Stock-market conditions</p>	1 mark
17	<p>Q. Green-Eats is a start-up offering plant based meal kits. It gained popularity as more young consumers were becoming health conscious and awareness about environmental issues was increasing day-by-day. To promote sustainable eating, they collaborated with schools and colleges and organized workshops for them. Identify the element of business environment highlighted in the above case:</p> <p>(A) Economic Environment (B) Social Environment (C) Political Environment (D) Technological Environment</p> <p>Ans. (B) Social Environment</p>	1 mark
18	<p>Q. Neha is working as a Manager at 'NutriBite', a company that makes protein rich snacks which are high in demand. She is responsible for implementing organisation's marketing plans, and ensuring that her department has necessary personnel to achieve goals as per company's policy. Identify the 'level' of management at which Neha is working:</p> <p>(A) Top level (B) Middle level (C) Operational level (D) Both Middle level and Operational level</p> <p>Ans. (B) Middle level</p>	1 mark
19	<p>Q. 'Taylor believed that industrial efficiency depends to a large extent on personnel competencies. He was of the view that the concern for efficiency could be built in right from the process of employee selection. Each person should be scientifically selected. The work assigned should suit her/his capabilities. To increase efficiency, they should be given the required training.' The principle of scientific management discussed above is:</p> <p>(A) Science, not Rule of Thumb (B) Harmony, Not Discord (C) Cooperation, Not Individualism (D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.</p> <p>Ans. (D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.</p>	1 mark
20	<p>Q. 'Stock Exchange is playing a vital role in ensuring wider share ownership by regulating new issues, better trading practices and taking effective steps in</p>	

	<p>educating the public about investments.'</p> <p>The above lines highlight which function of stock exchange from the following?</p> <p>(A) Providing Scope for Speculation</p> <p>(B) Spreading of Equity Cult</p> <p>(C) Safety of Transactions</p> <p>(D) Contributes to Economic Growth</p> <p>Ans. (B) Spreading of Equity Cult</p>	1 mark
21	<p>Q. (a) State any three features of Co-ordination.</p> <p>Ans. <u>Features of co-ordination</u>: (Any THREE)</p> <p>(i) Coordination integrates group efforts by unifying diverse interests into purposeful work activity</p> <p>(ii) Coordination ensures unity of action by acting as a binding force between departments and ensuring that all action is aimed at achieving the goals of the organisation</p> <p>(iii) Coordination is a continuous process as it starts at the planning stage and continues till controlling.</p> <p>(iv) Coordination is an all pervasive function as it is required at all levels of management and in all the departments of an organisation.</p> <p>(v) Coordination is the responsibility of all managers at the top, middle and operational level.</p> <p>(vi) Coordination is a deliberate function as every manager has to co-ordinate the efforts of different people in a conscious and deliberate manner.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p> <p style="text-align: center;">OR</p> <p>(b) State any three points of significance of Principles of Management.</p> <p>Ans. <u>Significance of Principles of Management</u>: (Any THREE)</p> <p>(i) Principles of management provide managers with useful insights into reality by enabling the managers to learn from past mistakes and conserving time by solving recurring problems quickly.</p> <p>(ii) They help in optimum utilisation of resources by equipping managers to foresee</p>	<p>1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p>

	<p>Ans. <u>Placement and Orientation</u></p> <ul style="list-style-type: none"> Placement refers to occupying of position by the employee for which he has been selected. Orientation refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation. <p><u>Performance Appraisal</u></p> <ul style="list-style-type: none"> Performance Appraisal means evaluating an employee's current and /or past performance as against certain predetermined standards. The performance appraisal process will include defining the job, appraising performance and providing feedback 	<p>1½</p> <p>1½</p> <p>= 3 marks</p>
23	<p>Identify and explain the external source of recruitment discussed in each of the following cases:</p> <p>(i) Veer Infrastructure Pvt. Ltd. was handling the construction of a government hospital building in Unedabad. During the monsoon season, the project was delayed and there was a sudden rush of work to meet the deadline. The site supervisor placed a notice at the entrance of the construction site stating "Daily wage labourers needed for 15 days. Report with Identity Proof on Monday at 9:00 A.M. Preference for workers with experience in masonry or carrying materials".</p> <p>(ii) Vista Bank planned to expand its retail banking operations in Tier-2 and Tier-3 cities. They needed to hire over 200 middle-level managers with experience in sales, customer service and operations. Vista Bank approached 'Avon Consultants', one of India's leading management consultancy firms. 'Avon Consultants' advertised positions on job portals under their own name and also accessed its database of experienced professionals across India. After extensive screening, they shortlisted and forwarded qualified candidates to Vista Bank.</p> <p>Ans. (i) <u>Direct recruitment</u></p> <ul style="list-style-type: none"> It is a source of recruitment, in which, a notice is placed on the notice board of the enterprise specifying the details of the jobs available. Job-seekers (unskilled or semi-skilled) assemble outside the premises of the organisation on the specified date and selection is done on the spot. <p>(ii) <u>Placement Agencies and Management Consultants</u></p>	<p>½</p> <p>1</p> <p>½</p>

	<ul style="list-style-type: none"> Placement agencies provide a nationwide service in matching demand and supply by compiling bio data of a large number of candidates and recommending suitable names to their clients. Management consultants help the organisations to recruit technical, professional and managerial personnel by maintaining a data bank of persons with different qualification and skills and even advertise the jobs on behalf of their clients. 	<p>1</p> <p>=</p> <p>3 marks</p>
24	<p>Q. Riya, a software engineer wanted to invest a part of her savings in the stock-market. Encouraged by some online discussions, she came across a company 'Smart-Tech Ltd.', whose stock price was rising very fast. News began to circulate that company had got a large government contract and she believed that its share price would double soon. Convinced by the positive claims, Riya also invested in the shares of this company. Over the next week, the shares continued to rise but suddenly, the price started crashing. Within days, her investment had lost more than 60% of its value.</p> <p>Riya started researching and discovered that the news about the government contract was false. Securities and Exchange Board of India (SEBI) also took immediate notice of the situation and called for detailed trading information and conducted enquiries and inspections. After examining trading information and conducting enquiries, SEBI found that a group of traders had spread false information to artificially boost the stock price. By taking action against the group of traders, SEBI made it clear that fraudulent and unfair trade practices are strictly prohibited.</p> <p>(i) Quote lines from the above to identify the two functions being performed by SEBI.</p> <p>(ii) Also state one more function of each category of the functions identified in (i) above.</p> <p>Ans. (i) <u>Two functions being performed by SEBI:</u></p> <p><i>'Securities and Exchange Board of India (SEBI) also took immediate notice of the situation and called for detailed trading information and conducted enquiries and inspections.'</i> - Regulatory Function</p> <p><i>'By taking action against the group of traders, SEBI made it clear that fraudulent and unfair trade practices are strictly prohibited.'</i> - Protective Function</p>	<p>(½ mark for quoting + ½ mark for identifying) = 1 x 2</p>

	<p><u>(ii) Regulatory function of Securities and Exchange Board of India: (Any ONE)</u></p> <ul style="list-style-type: none"> ▪ Registration of brokers and sub brokers and other players in the market. ▪ Registration of collective investment schemes and mutual funds. ▪ Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers. ▪ Regulation of takeover bids by companies. ▪ Levying fee or other charges for carrying out the purposes of the SEBI Act, 1992. ▪ Performing and exercising such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the Government of India. <p><u>Protective function of Securities and Exchange Board of India: (Any ONE)</u></p> <ul style="list-style-type: none"> ▪ Controlling insider trading and imposing penalties for such practices. ▪ Undertaking steps for investor protection. ▪ Promotion of fair practices and code of conduct in securities market. 	<p style="text-align: center;">½</p> <p style="text-align: center;">½</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
25	<p>Q. Meera purchased a mixer-grinder of a reputed brand from a well-known electronic store for ₹ 5,000. Within ten days, the mixer-grinder stopped working. Meera visited the shop for repair or replacement showing the cash memo and the warranty card but the shopkeeper refused to help her. Though the product was only for ₹5,000, she filed a complaint at the District Consumer Disputes Redressal Forum.</p> <p>The Forum ordered the store to replace the product within 30 days.</p> <p>They also added ₹1,000 as compensation for mental harassment and ₹800 for legal costs.</p> <p>State two responsibilities fulfilled by Meera and two reliefs which Meera got through Consumer Redressal Forum.</p> <p>Ans. <u>Responsibilities fulfilled by Meera:</u></p> <p>(i) Ask for a cash memo on purchase of goods or services.</p> <p>(ii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed.</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>

	<p><u>Reliefs which Meera got through Consumer Redressal Forum:</u></p> <p>(i) To replace the defective product with a new one, free from any defect.</p> <p>(ii) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.</p>	<p>1</p> <p>1</p> <p>=</p> <p>4 marks</p>
26	<p>Q. (a) State any four limitations of internal sources of recruitment.</p> <p>Ans. <u>Limitations of internal sources of recruitment:</u> (Any FOUR)</p> <p>(i) When vacancies are filled through internal promotions, the scope for induction of fresh talent is reduced.</p> <p>(ii) The employees may become lethargic if they are sure of time-bound promotions.</p> <p>(iii) A new enterprise cannot use internal sources of recruitment and no organisation can fill all its vacancies from internal sources.</p> <p>(iv) The spirit of competition among the employees may be hampered.</p> <p>(v) Frequent transfers of employees may often reduce the productivity of the organisation.</p> <p style="text-align: center;">OR</p> <p>Q. (b) State any four benefits of staffing to the organization.</p> <p>Ans. <u>Benefits of staffing to the organization:</u> (Any FOUR)</p> <p>(i) It helps in discovering and obtaining competent personnel for various jobs.</p> <p>(ii) It makes for higher performance by putting the right person on the right job.</p> <p>(iii) It ensures continuous survival and growth of the enterprise through succession planning for managers.</p> <p>(iv) It helps to ensure optimum utilisation of human resources by avoiding overmanning as well as shortages of personnel.</p> <p>(v) It improves job satisfaction and morale of employees</p>	<p>1 x 4</p> <p>=</p> <p>4 marks</p> <p>OR</p> <p>1 x 4</p> <p>=</p> <p>4 marks</p>

27	<p>Q. Fresh Foods Pvt. Ltd. manufactures and distributes organic packaged food products. It's operations are divided into five main departments- Production, Marketing, Finance, Human Resources and Research and Development. Each department has its own head and a team that focuses only on the work related to their department. This promotes efficiency in utilization of manpower as employees perform similar tasks within a department and are able to improve performance. This also helps in increasing managerial and operational efficiency and results in increased profit. Since each department handles a narrow range of tasks and focus is on a limited range of skills, it is easier to train new employees.</p> <p>(i) Identify the organization structure followed by Fresh Foods Pvt. Ltd.</p> <p>(ii) Also state three advantages of the structure identified in (i) above not discussed in the given case.</p> <p>Ans. (i) <u>Functional structure</u></p> <p>(ii) <u>Advantages of Functional structure not discussed in the given case are:</u></p> <ul style="list-style-type: none"> ▪ It promotes control and coordination within a department because of similarity in the tasks being performed. ▪ It leads to minimal duplication of effort which results in economies of scale and this lowers cost. ▪ It ensures that different functions get due attention. 	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>=</p> <p>4 marks</p>
28	<p>Aditya owned a skincare company named 'Nat-Ayur'. In July, 2025, he decided to launch a new herbal face cream in the market using traditional herbs like turmeric, sandalwood, neem, aloe vera, saffron etc.</p> <p>The total cost of producing, packaging, distributing and selling the cream came to ₹60 per tube. 'Nat-Ayur' decided that this would be the minimum price to cover the cost. They wanted to earn a fair margin of profit too. For this 'Nat-Ayur' conducted a survey and found that the expected demand would be high. Customers were ready to pay more for herbal and chemical free products. They also found that many face creams with similar features are available in the market priced between ₹80 to ₹120. To compete effectively, 'Nat-Ayur' decided to price the cream at ₹99 to attract the customers while offering better benefits.</p> <p>To add value to the product 'Nat-Ayur' invested in eco-friendly packaging, free home delivery and on-line advertisements. This uniqueness gives 'Nat-Ayur' a competitive freedom in fixing price of its cream.</p> <p>Identify and explain any two factors that were taken into consideration by 'Nat-</p>	

	<p>Ayur' for determining the price of their herbal face cream.</p> <p>Ans. <u>Factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream: (Any TWO)</u></p> <p>(i) Product Cost</p> <ul style="list-style-type: none"> Product cost includes the cost of producing, distributing and selling the product. It determines the minimum level or the floor price at which the product may be sold. Generally, all marketing firms strive to cover all their cost at least in the long run. In addition, they aim at earning a margin of profit over and above the cost. <p>(ii) The Utility and Demand</p> <ul style="list-style-type: none"> The utility provided by the product and the intensity of demand of the buyer set the upper limit of the price. The buyer may be ready to pay up to the point where the utility from the product is at least equal to the sacrifice made in terms of the price paid. However, the seller would, however, try to at least cover the costs. Consumer usually purchase more units at a low price than at a high price. <p>(iii) Extent of Competition in the Market</p> <ul style="list-style-type: none"> The price will tend to reach the upper limit in case there is lesser degree of competition while under conditions of free competition; the price will tend to be set at the lowest level. Competitors prices and their anticipated reactions must be considered before fixing the price of a product. Not only the price but the quality and the features of the competitive products must be examined carefully before fixing the price. <p>(iv) Marketing Methods Used</p> <ul style="list-style-type: none"> Price fixation process is affected by other elements of marketing such as distribution system, quality of salesmen employed, quality and amount of advertising, sales promotion efforts, the type of packaging, etc. Uniqueness of any of the above elements gives the company a competitive freedom in fixing prices of its products. 	<p>½ mark for the heading + 1½ marks for its explan ation = 2 +2 = 4 marks</p>
29	<p>Q. (a) Explain the following limitations of planning:</p> <p>(i) Planning leads to rigidity</p> <p>(ii) Planning may not work in a dynamic environment</p> <p>Ans.</p>	

	<p>(i) Planning leads to rigidity</p> <ul style="list-style-type: none"> ▪ In an organisation, a well-defined plan is drawn up with specific goals to be achieved within a specific time frame, these plans then decide the future course of action and managers may not be in a position to change it. ▪ This kind of rigidity in plans may create difficulty. Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisation's interest. <p>(ii) Planning may not work in a dynamic environment</p> <ul style="list-style-type: none"> ▪ The organisation has to constantly adapt itself to changes taking place in the business environment. ▪ It becomes difficult to accurately assess future trends in the environment. Planning cannot foresee everything and thus, there may be obstacles to effective planning. <p style="text-align: center;">OR</p> <p>Q. (b) Explain the following points of importance of Decentralisation:</p> <p>(i) Develops initiative among subordinates</p> <p>(ii) Develops managerial talent for the future.</p> <p>Ans.</p> <p>(i) Develops initiative among subordinates</p> <ul style="list-style-type: none"> ▪ It develops initiative amongst subordinates by promoting self-reliance and confidence among them. ▪ This is because when lower managerial levels are given freedom to take their own decisions they learn to depend on their own judgement. <p>(ii) Develops managerial talent for the future</p> <ul style="list-style-type: none"> ▪ It develops managerial talent for the future by giving experience to subordinates to handle assignments independently. ▪ It gives the subordinates a chance to prove their abilities and creates a reservoir of qualified manpower to fill up challenging positions through promotions 	<p style="text-align: center;">2</p> <p style="text-align: center;">2 = 4 marks</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">2</p> <p style="text-align: center;">2 = 4 Marks</p>
30	Q. Priya Motors', a motorbike manufacturing company, launched a new model of bike in the market named 'Moto Glide III'. The company planned carefully to	

	<p>make this bike appeal to young riders. The design team focused on making the bike attractive and stylish to the target customers, primarily the youth. They gave it a sleek body, sharp headlights and a digital speedometer. The design made the bike not just look good but also improved its aerodynamics and fuel efficiency. This helped the company stand out from other brands, thereby getting a competitive edge.</p> <p>The company followed strict quality standards in making each part of the bike which helped in achieving uniformity and consistency in output. 'Priya Motors' also offered different versions of bike with different prices based on features like Bluetooth connectivity, colour options etc.</p> <p>Identify and explain two functions of marketing discussed above.</p> <p>Ans. Functions of marketing discussed above are: (Any TWO)</p> <p>(i) Branding</p> <ul style="list-style-type: none"> ▪ A very important decision area for marketing is whether to sell the product in its generic name or to sell them in a brand name. Branding is the process of giving a name or a sign or a symbol etc., to a product. ▪ Brand name helps in creating product differentiation, i.e., providing basis for distinguishing the product of a firm with that of the competitor, which in turn, helps in building customer's loyalty and in promoting its sale. <p>(i) Product designing and development</p> <ul style="list-style-type: none"> ▪ The design of the product contributes to making the product attractive to the target customers. ▪ A good design can improve performance of a product and give it a competitive advantage in the market. <p>(ii) Standardisation and Grading</p> <ul style="list-style-type: none"> ▪ Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output. ▪ Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such a quality, size, etc. 	<p>½ mark for identifying the function</p> <p>+</p> <p>1½ marks for its explanation</p> <p>=</p> <p>2+2</p> <p>=</p> <p>4 marks</p>
31	Q. (a) Explain 'Science, not Rule of Thumb' as a principle of Scientific Management and 'Functional Foremanship' and 'Time study' as techniques of Scientific Management.	

	<p>(ii) <u>Esprit De Corps</u></p> <ul style="list-style-type: none"> ▪ The principle of Esprit De Corps states that the management should promote a team spirit of unity and harmony among employees, otherwise objectives would be difficult to realise. ▪ This will give rise to a spirit of mutual trust and belongingness among team members and will minimise the need for using penalties. <p>(iii) <u>Stability of Personnel</u></p> <ul style="list-style-type: none"> ▪ The principle of Stability of Personnel states that personnel should be selected and appointed after due and rigorous procedure but once selected, they should be kept at their post for a minimum fixed tenure and be given reasonable time to show results. ▪ It will help to minimize employee turnover and maintain organizational efficiency. 	<p>2</p> <p>2</p> <p>=</p> <p>6</p> <p>marks</p>
32	<p>Q. 'Freshju' is a trading company, selling bottled juices made by other manufacturers. Now, it planned to sell its juices across India. For this, 'Freshju' decided to enter into 'Juice manufacturing'. It also has ambitious plans to export its juices to other countries in the future. To meet anticipated higher demand in future, the company set-up a larger manufacturing unit. The Chief Executive Officer, Ravinder, ordered automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production. Since the investment was huge, instead of buying all new machinery 'Freshju' took some expensive machines on lease.</p> <p>They also collaborated with a nearby packaging unit to use their packing machines during peak-season. This helped 'Freshju' to manage seasonal surges in demand without investing in additional equipment that would remain underutilized during off season.</p> <p>Quoting lines from the above, identify and explain any four factors that will affect the fixed capital requirements of 'Freshju'</p> <p>Ans. <u>Factors that will affect the fixed capital requirements of 'Freshju':</u> (Any FOUR)</p> <p>(i) 'For this, 'Freshju' decided to enter into 'Juice manufacturing.'</p> <p>Nature of Business</p> <p>A trading concern needs lower investment in fixed assets compared with a manufacturing organization since it does not require to purchase plant and machinery etc.</p>	

<p>(ii) <i>'To meet anticipated higher demand in future, the company set-up a larger manufacturing unit.'</i></p> <p style="text-align: center;"><i>Or</i></p> <p><i>'It also has ambitious plans to export its juices to other countries in the future'</i></p> <p>Growth Prospects</p> <p>When a company expects higher growth in the future, it creates higher capacity in order to meet the anticipated higher demand quicker. This entails larger investment in fixed capital.</p> <p>(iii) <i>'To meet anticipated higher demand in future, the company set-up a larger manufacturing unit.'</i></p> <p>Scale of Operations</p> <p>A larger organisation operating at a higher scale needs bigger plant, more space etc. and therefore, requires higher investment in fixed assets when compared with the small organisation.</p> <p>(iv) <i>'The Chief Executive Officer, Ravinder, ordered automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production.'</i></p> <p>Choice of Technique</p> <p>A capital-intensive organisation requires higher investment in plant and machinery, thus higher fixed capital than a labour intensive organisation.</p> <p>(v) <i>'Since the investment was huge, instead of buying all new machinery 'Freshju' took some expensive machines on lease.'</i></p> <p>Financing Alternatives</p> <p>Availability of leasing facilities, may reduce the funds required to be invested in fixed assets, thereby reducing the fixed capital requirements.</p> <p>(vi) <i>'They also collaborated with a nearby packaging unit to use their packing machines during peak-season.'</i></p> <p>Level of Collaboration</p> <p>Collaboration reduces the level of investment in fixed assets when the organisations</p>	<p>$\frac{1}{2}$ mark for quoting + $\frac{1}{2}$ mark for identifying the factor + $\frac{1}{2}$ mark for its explanation = 1 $\frac{1}{2}$ x 4 = 6 marks</p>
---	---

	share each other's facilities in case the scale of operations of each one of them is not sufficient to make full use of the facility.	
33	<p>Greener Organic is a company producing eco-friendly fertilizers and soil boosters. With the growing interest in organic farming, the company is planning to expand its operations across India.</p> <p>Greener sets its target to increase its sales by 25% in the next year. This gave all departments- sales, production, marketing and logistics - a common target to work. To achieve this, Greener made a comprehensive plan to enter Tier-2 and Tier-3 cities by working with local farmer groups. They also plan to promote their brand through on-line campaigns focused on eco-friendly farming. The company also laid down broad parameters within which the managers could function. All raw materials used had to be certified organic and preferably sourced from local farmers. This would improve quality, support local people and build trust with customers. The company allocated ₹50 lakhs for marketing, which included funds for regional newspaper advertisements, digital marketing, promotional events and dealer incentives. By quantifying future facts and figures, the company planned to control costs and evaluate performance.</p> <p>Identify and explain any four type of plans discussed in the above case.</p> <p>Ans. Four types of plans discussed in the above case are:</p> <p>(i) Objective</p> <ul style="list-style-type: none"> Objectives are the ends, which the management seeks to achieve. They are usually set by top management of the organisation and focus on broad, general issues. Objectives need to be expressed in specific terms i.e. they should be measurable in quantitative terms and are to be achieved within a given time period. <p>(ii) Strategy</p> <ul style="list-style-type: none"> A strategy is a comprehensive plan for accomplishing organisation's objectives and involves determining long term objectives, adopting a particular course of action and allocating necessary resources. Whenever a strategy is formulated, the business environment needs to be taken into consideration. <p>(iii) Policy</p> <ul style="list-style-type: none"> Policy is a general statement that guides thinking and channelizes energies towards a particular direction. It defines the broad parameters within which a manager may function. He/ she may 	<p>½</p> <p>1</p> <p>½</p> <p>1</p> <p>½</p> <p>1</p>

	<p>use his/ her discretion to interpret or apply a policy.</p> <p>(iv) Budget</p> <ul style="list-style-type: none"> ▪ A budget is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures. ▪ Since budget represents all items in numbers, it becomes easier to compare actual figures with expected figures and take corrective action. 	<p>$\frac{1}{2}$</p> <p>1</p> <p>=</p> <p>6 marks</p>
34	<p>Q.(a) Explain any four semantic barriers to communication.</p> <p>Ans. <u>Semantic barriers to communication:</u> (Any FOUR)</p> <p>(i) Badly expressed message</p> <ul style="list-style-type: none"> ▪ Sometimes, intended meaning may not be conveyed by a manager to his subordinates. ▪ These may be an account of inadequate vocabulary, usage of wrong words, omission of needed words, etc. <p>(ii) Symbols with different meanings</p> <ul style="list-style-type: none"> ▪ A word may have several meanings. ▪ Receiver has to perceive one such meaning for the word used by communicator. <p>(iii) Faulty translations</p> <ul style="list-style-type: none"> ▪ Sometimes the communications originally drafted in one language need to be translated to the language understandable to workers. ▪ If the translator is not proficient with both the languages, mistakes may creep in causing different meanings to the communication. <p>(iv) Unclarified assumptions</p> <ul style="list-style-type: none"> ▪ Some communications may have certain assumptions which are subject to different interpretations. ▪ These unclarified assumptions act as a communication barrier. <p>(v) Technical jargon</p> <ul style="list-style-type: none"> ▪ It is usually found that specialists use technical jargon while explaining to persons who are not specialists in the concerned field. ▪ Therefore, they may not understand the actual meaning of many such words. 	<p>$\frac{1}{2}$ mark for the heading</p> <p>+</p> <p>1 mark for its explanation</p> <p>=</p> <p>$1\frac{1}{2} \times 4$</p> <p>=</p> <p>6 marks</p>

<p>(vi) Body language and gesture decoding</p> <ul style="list-style-type: none"> ▪ The body movement and gestures of communicator matters so much in conveying the message. ▪ If there is no match between what is said and what is expressed in body movements, communications may be wrongly perceived. <p style="text-align: center;">OR</p> <p>Q.(b) Explain any four points of importance of directing function of management.</p> <p>Ans. <u>Importance of directing function of management:</u> (Any FOUR)</p> <p>(i) Initiates action</p> <ul style="list-style-type: none"> ▪ Directing helps to initiate action by people in the organisation towards attainment of desired objectives ▪ A superior guides his subordinates and clarifies their doubts in performing a task and helps them to achieve work targets given to them. <p>(ii) Integrates employees- efforts</p> <ul style="list-style-type: none"> ▪ Directing integrates employees- efforts in the organisation in such a way that every individual effort contributes to the organisational performance ▪ It ensures that the individuals work for organisational goals <p>(iii) Guides employees to fully realise their potential and capabilities</p> <ul style="list-style-type: none"> ▪ Directing guides employees to fully realise their potential and capabilities by motivating and providing effective leadership ▪ A good leader identifies the potential of his employees and motivates them to extract work up to their full potential. <p>(iv) Facilitates introduction of needed changes</p> <ul style="list-style-type: none"> ▪ Generally people have a tendency to resist changes in the organisation. ▪ Effective directing through motivation, communication and leadership helps to reduce such resistance and develop required cooperation in introducing changes in the organisation. <p>(v) Helps to bring stability and balance in the organisation</p>	<p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ mark for the heading + 1 mark for its explan ation = $1\frac{1}{2} \times 4$ = 6 Marks</p>
---	--

	<ul style="list-style-type: none"> ▪ Effective directing helps to bring stability and balance in the organisation as it fosters cooperation and commitment among the people ▪ It helps to achieve balance among various groups, activities and the departments. 	
--	---	--