

**Marking Scheme**  
**Strictly Confidential**  
**(For Internal and Restricted use only)**  
**Senior Secondary School Examination, 2026 (XII<sup>th</sup>)**  
**BUSINESS STUDIES -66/2/2**

**General Instructions:**

<b>1</b>	The CBSE has decided to introduce On Screen Marking (OSM) for the evaluation of Class XII answer Book with the 2026 Examination
<b>2</b>	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
<b>3</b>	<b>“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”</b>
<b>4</b>	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. <b>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</b>
<b>5</b>	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.
<b>6</b>	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.
<b>7</b>	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

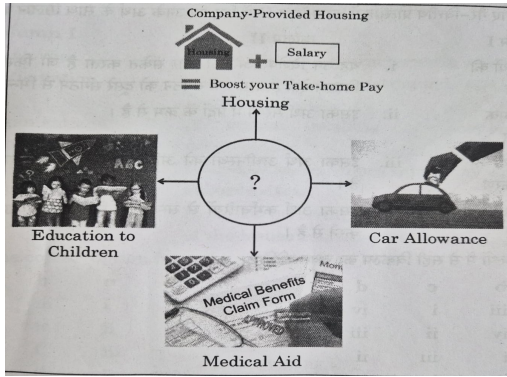
	and no marks are awarded. <b>This is most common mistake which evaluators are committing.</b>
<b>8</b>	If a question has parts, please award marks on the right-hand side for each part in the OSM Portal. Marks awarded for different parts of the question will be totaled up by the OSM System.
<b>9</b>	If 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.
<b>10</b>	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
<b>11</b>	A full scale of 80 marks has to be used. Please do not hesitate to award full marks if the answer deserves it.
<b>12</b>	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.
<b>13</b>	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"> <li>• 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.)</li> <li>• Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</li> </ul>
<b>14</b>	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
<b>15</b>	The Examiners should acquaint themselves with the guidelines given in the “ <b>Guidelines for Spot Evaluation</b> ” before starting the actual evaluation
<b>16</b>	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.
<b>17</b>	<b>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.</b>
<b>18</b>	<b>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</b>



	<p>(B) Flexibility (C) Cost of debt (D) Stock-market conditions</p> <p>Ans. (D) Stock-market conditions</p>	1 mark
5	<p><b>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:</b></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
6	<p><b>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:</b></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. (B) Statement I is false and Statement II is true.</p>	1 mark
7	<p><b>Q. In the 'Primary Market' prices of securities are determined by:</b></p> <p>(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
8	<p><b>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:</b></p> <p>(A) Science, not Rule of Thumb</p>	

	<p><b>(B) Harmony, Not Discord</b>  <b>(C) Cooperation, Not Individualism</b>  <b>(D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.</b></p> <p><b>Ans. (D) Development of Each and Every Person to His or Her Greatest Efficiency and Prosperity.</b></p>	<b>1 mark</b>
<b>9</b>	<p><b>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:</b>  <b>(A) Economic Environment</b>  <b>(B) Social Environment</b>  <b>(C) Political Environment</b>  <b>(D) Technological Environment</b></p> <p><b>Ans. (B) Social Environment</b></p>	<b>1 mark</b>
<b>10</b>	<p><b>Q. There are two statements, Assertion (A) and Reason (R).</b>  <b>Assertion (A): The dividend in growth companies is more than that in the non-growth companies.</b>  <b>Reason (R) : Companies having good growth opportunities retain more money out of their earnings so as to finance the required investment.</b>  <b>Choose the correct alternative from those given below:</b>  <b>(A) Assertion (A) is false and Reason (R) is true.</b>  <b>(B) Both Assertion (A) and Reason (R) are false.</b>  <b>(C) Assertion (A) is true and Reason (R) is false.</b>  <b>(D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</b></p> <p><b>Ans. (A) Assertion (A) is false and Reason (R) is true.</b></p>	<b>1 mark</b>
<b>11</b>	<p><b>Q. There are two statements, Assertion (A) and Reason (R).</b>  <b>Assertion (A): Controlling should not be misunderstood as the last function of management.</b>  <b>Reason (R): Controlling is a function that brings the management cycle back to the planning function.</b>  <b>Choose the correct alternative from those given below:</b>  <b>(A) Assertion (A) is false and Reason (R) is true.</b>  <b>(B) Both Assertion (A) and Reason (R) are false.</b>  <b>(C) Assertion (A) is true and Reason (R) is false.</b>  <b>(D) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</b></p>	

	<p><b>Ans. (D)</b> Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p>	<b>1 mark</b>
<b>12</b>	<p><b>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.</b></p> <p><b>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.</b></p> <p><b>The right exercised by Ramesh in the above case is:</b></p> <p><b>(A) Right to choose/be assured</b>  <b>(B) Right to be heard</b>  <b>(C) Right to consumer education</b>  <b>(D) Right to safety</b></p> <p><b>Ans. (A)</b> Right to choose/be assured</p>	<b>1 mark</b>
<b>13</b>	<p><b>Q. 'Since business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment.'</b></p> <p><b>The feature of business environment highlighted above is:</b></p> <p><b>(A) Relativity      (B) Uncertainty</b>  <b>(C) Complexity    (D) Dynamic Nature</b></p> <p><b>Ans. (C)</b> Complexity</p>	<b>1 mark</b>
<b>14</b>	<p><b>Q. The process of estimating the fund requirements of a business and specifying the sources of funds is called _____.</b></p> <p><b>(A) Trading on Equity      (B) Capital Budgeting decision</b>  <b>(C) Financial Management    (D) Financial Planning</b></p> <p><b>Ans. (D)</b> Financial Planning</p>	<b>1 mark</b>
<b>15</b>	<p><b>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.</b></p> <p><b>Statement-II: Workload analysis reveals the number and type of human resources available.</b></p> <p><b>Choose the correct option from the following:</b></p> <p><b>(A) Statement-I is true and Statement-II is false.</b></p>	

	<p>(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
16	<p><b>Q. Identify the incorrect statement with respect to 'Motion Study', as a technique of scientific management:</b></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
17	<p><b>The question mark in the picture given below represents a financial incentive. Identify the incentive:</b></p>  <p>(A) Pay and allowances  (B) Retirement benefits  (C) Productivity linked wage incentives  (D) Perquisites</p> <p>Ans. (D) Perquisites</p> <p><b>For Visually Impaired Candidates:</b></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><b>(A) Job Enrichment (B) Job security</b>  <b>(C) Status (D) Organisational climate</b></p> <p><b>Ans. (C) Status</b></p>																																				
18	<p><b>Q. Identify which of the following functions is Not performed by ‘Top Level Management’:</b>  <b>(A) Cooperating with other departments for smooth functioning of the organisation.</b>  <b>(B) Being responsible for the welfare and survival of the organization.</b>  <b>(C) Analyzing the business environment and its implications for the survival of the firm.</b>  <b>(D) Formulating overall organizational goals and strategies for their achievement.</b></p> <p><b>Ans. (A) Cooperating with other departments for smooth functioning of the organisation.</b></p>	1 mark																																			
19	<p><b>Q. Match the non-financial incentives given in Column I with their meaning given in Column II:</b></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><b>Choose the correct option from the options given below:</b></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><b>Ans. (C) iv i iii ii</b></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
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(D)	iii	ii	iv	i																																	
20	<p><b>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</b></p>																																				



	<p>speedily, providing maintenance services, procuring credit services etc.  <b>The function of marketing discussed above is:</b>  <b>(A) Branding</b>  <b>(B) Marketing Planning</b>  <b>(C) Product designing and development</b>  <b>(D) Customer support services</b></p> <p><b>Ans. (D) Customer support services</b></p>	<b>1 mark</b>
<b>21</b>	<p><b>Q. (a) State any three features of Management.</b></p> <p><b>Ans. <u>Features of Management:</u> (Any THREE)</b></p> <p>(i) Management is a <b>goal-oriented process</b> as it unites the efforts of different individuals in the organisation towards achieving these goals.</p> <p>(ii) Management is <b>all pervasive function</b> as its activities are common to all organisations whether economic, social or political.</p> <p>(iii) Management is <b>multidimensional</b> as it involves management of work, Management of people and Management of operations.</p> <p>(iv) The process of management is a series of <b>continuous</b>, composite but separate functions that are simultaneously performed by all the managers all the time.</p> <p>(v) Management is a <b>group activity</b> as it requires team work and coordination of individual efforts in a common direction towards fulfilling the common organisational goal.</p> <p>(vi) Management is a <b>dynamic function</b> and has to adapt itself to the changing environment.</p> <p>(vii) Management is an <b>intangible force</b> that cannot be seen but its presence can be felt in the way the organisation functions.</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;"><b>OR</b></p> <p><b>(b) State any three points of significance of Business Environment</b></p> <p><b>Ans. <u>Significance of Business Environment:</u> (Any THREE)</b></p> <p>(i) It enables the firm to <b>identify opportunities early and get the first mover advantage</b> and be the first to exploit them instead of losing them to competitors.</p>	<p><b>1 x 3 = 3 marks</b></p> <p style="text-align: center;"><b>OR</b></p>

	<p>(ii) Environmental awareness helps the firm to <b>identify threats and serve as early warning signals</b>.</p> <p>(iii) Understanding business environment enables the enterprise in <b>tapping useful resources</b> so that it can convert those resources into outputs that the environment desires.</p> <p>(iv) It helps the managers in <b>coping with rapid changes</b> by understanding and examining the dynamic environment and developing suitable courses of action.</p> <p>(v) It helps in <b>assisting in planning and policy formulation</b> by understanding and analysing the environment which becomes the basis for deciding the future course of action (planning) or framing guidelines for decision making (policy).</p> <p>(vi) It helps in <b>improving performance</b> in present and future as enterprises continuously monitor their environment and adopt suitable business practices.</p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p><b>1 x 3</b> = <b>3</b> <b>marks</b></p>
<b>22</b>	<p><b>Identify and explain the external source of recruitment discussed in each of the following cases:</b></p> <p><b>(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".</b></p> <p><b>(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.</b></p> <p><b>Ans. (i) <u>Direct recruitment</u></b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Job-seekers (unskilled or semi-skilled) assemble outside the premises of the</li> </ul>	<p>½</p> <p><b>1</b></p>

	<p>organisation on the specified date and selection is done on the spot.</p> <p><b>(ii) <u>Placement Agencies and Management Consultants</u></b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<p><math>\frac{1}{2}</math></p> <p><b>1</b></p> <p>=</p> <p><b>3 marks</b></p>
<b>23</b>	<p><b>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.</b></p> <p><b>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.</b></p> <p><b>(i) Quote lines from the above to identify the two functions being performed by SEBI.</b></p> <p><b>(ii) Also state one more function of each category of the functions identified in (i) above.</b></p> <p><b>Ans. (i) <u>Two functions being performed by SEBI:</u></b></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> - <b>Regulatory Function</b></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> - <b>Protective Function</b></p>	<p><b>(<math>\frac{1}{2}</math> mark for quoting + <math>\frac{1}{2}</math> mark for</b></p>

	<p><b>(ii) <u>Regulatory function of Securities and Exchange Board of India:</u> (Any ONE)</b></p> <ul style="list-style-type: none"> <li>▪ Registration of brokers and sub brokers and other players in the market.</li> <li>▪ Registration of collective investment schemes and mutual funds.</li> <li>▪ Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers.</li> <li>▪ Regulation of takeover bids by companies.</li> <li>▪ Levying fee or other charges for carrying out the purposes of the SEBI Act, 1992.</li> <li>▪ Performing and exercising such powers under Securities Contract (Regulation) Act 1956 as may be delegated by the Government of India.</li> </ul> <p><b><u>Protective function of Securities and Exchange Board of India:</u> (Any ONE)</b></p> <ul style="list-style-type: none"> <li>▪ Controlling insider trading and imposing penalties for such practices.</li> <li>▪ Undertaking steps for investor protection.</li> <li>▪ Promotion of fair practices and code of conduct in securities market.</li> </ul>	<p><b>identi- fying)</b> = <b>1 x 2</b></p> <p><math>\frac{1}{2}</math></p> <p><math>\frac{1}{2}</math></p> <p>= <b>3 marks</b></p>
24	<p><b>Q. (a) Explain “Transfers’ and ‘Promotions’ as internal sources of recruitment.</b></p> <p><b>Ans. <u>Transfers</u></b></p> <ul style="list-style-type: none"> <li>▪ Transfers involve shifting of an 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.</li> <li>▪ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary.</li> <li>▪ It is a horizontal movement of employees.</li> </ul> <p><b><u>Promotions</u></b></p> <ul style="list-style-type: none"> <li>▪ Promotions involve shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.</li> </ul>	<p><b>1½</b></p>

	<ul style="list-style-type: none"> <li>▪ This practice helps to improve the motivation and increases loyalty and satisfaction level of employees.</li> <li>▪ It is a vertical movement of employees.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Explain ‘Placement and Orientation’ and ‘Performance Appraisal’ as steps in the process of ‘Staffing’ function of management.</b></p> <p><b>Ans. <u>Placement and Orientation</u></b></p> <ul style="list-style-type: none"> <li>▪ Placement refers to occupying of position by the employee for which he has been selected.</li> <li>▪ Orientation refers to introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation.</li> </ul> <p><b><u>Performance Appraisal</u></b></p> <ul style="list-style-type: none"> <li>▪ Performance Appraisal means evaluating an employee’s current and /or past performance as against certain predetermined standards.</li> <li>▪ The performance appraisal process will include defining the job, appraising performance and providing feedback</li> </ul>	<p><b>1½</b></p> <p><b>=</b></p> <p><b>3 marks</b></p> <p><b>OR</b></p> <p><b>1½</b></p> <p><b>=</b></p> <p><b>3 marks</b></p>
<b>25</b>	<p><b>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.</b></p> <p><b>The Forum ordered the store to replace the product within 30 days.</b></p> <p><b>They also added ₹1,000 as compensation for mental harassment and ₹800 for legal costs.</b></p> <p><b>State two responsibilities fulfilled by Meera and two reliefs which Meera got through Consumer Redressal Forum.</b></p> <p><b>Ans. <u>Responsibilities fulfilled by Meera:</u></b></p> <p>(i) Ask for a cash memo on purchase of goods or services.</p>	<p><b>1</b></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><b><u>Reliefs which Meera got through Consumer Redressal Forum:</u></b></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><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>=</b></p> <p><b>4 marks</b></p>
<b>26</b>	<p><b>Q. (a) State any four merits of internal sources of recruitment.</b></p> <p><b>Ans. <u>Merits of internal sources of recruitment:</u> (Any FOUR)</b></p> <p>(i) <b>Employees are motivated to improve their performance</b> as promotion at a higher level may lead to a chain of promotions at lower levels in the organisation.</p> <p>(ii) Internal sources <b>simplify the process of selection</b> and placement as the candidates already working in the enterprise can be evaluated more accurately and economically making the source more reliable too.</p> <p>(iii) Transfer is a tool of training as people recruited from within the organisation <b>do not need induction training</b>.</p> <p>(iv) Transfer has the benefit of <b>shifting workforce</b> from the surplus departments to those where there is shortage of staff.</p> <p>(v) Filling of jobs internally is <b>cheaper</b> as compared to getting candidates from external sources.</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;"><b>OR</b></p> <p><b>Q. (b) State any four benefits of training to the organization.</b></p> <p><b>Ans. <u>Benefits of training to the organization:</u> (Any FOUR)</b></p> <p>(i) It <b>avoids wastage of efforts and money</b> as training is systematic learning, better than hit and trial methods.</p> <p>(ii) It <b>enhances employee productivity</b> both in terms of quantity and quality leading</p>	<p><b>1 x 4</b></p> <p><b>=</b></p> <p><b>4 marks</b></p> <p><b>OR</b></p> <p><b>1 x 4</b></p>

	<p>to higher profits.</p> <p>(iii) It <b>equips the future manager</b> to take over in an emergency.</p> <p>(iv) It <b>reduces employees' turnover</b> as it increases employee morale and reduces absenteeism.</p> <p>(v) It helps in <b>obtaining effective response in a fast changing environment</b></p> <p><i>(If an examinee has only listed the points, ½ mark for each point should be awarded)</i></p>	<p>=</p> <p><b>4 marks</b></p>
27	<p><b>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.</b></p> <p><b>(i) Identify the organization structure followed by Fresh Foods Pvt. Ltd.</b></p> <p><b>(ii) Also state three advantages of the structure identified in (i) above not discussed in the given case.</b></p> <p><b>Ans. (i) <u>Functional structure</u></b></p> <p><b>(ii) <u>Advantages of Functional structure not discussed in the given case are:</u></b></p> <ul style="list-style-type: none"> <li>▪ It promotes control and coordination within a department because of similarity in the tasks being performed.</li> <li>▪ It leads to minimal duplication of effort which results in economies of scale and this lowers cost.</li> <li>▪ It ensures that different functions get due attention.</li> </ul>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>=</p> <p><b>4 marks</b></p>
28	<p><b>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 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</b></p>	

	<p>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><b>(i) Branding</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> </ul> <p><b>(i) Product designing and development</b></p> <ul style="list-style-type: none"> <li>▪ The design of the product contributes to making the product attractive to the target customers.</li> <li>▪ A good design can improve performance of a product and give it a competitive advantage in the market.</li> </ul> <p><b>(ii) Standardisation and Grading</b></p> <ul style="list-style-type: none"> <li>▪ Standardisation refers to producing goods of predetermined specifications, which helps in achieving uniformity and consistency in the output.</li> <li>▪ Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc.</li> </ul>	<p>½ mark for identify ing the function</p> <p>+</p> <p>1½ marks for its explan ation = 2+2 = 4 marks</p>
29	<p><b>Q. (a) Explain the following limitations of planning:</b></p> <p><b>(i) Planning reduces creativity</b></p> <p><b>(ii) Planning involves huge costs</b></p> <p>Ans.</p> <p><b>(i) <u>Planning reduces creativity</u></b></p>	



	<ul style="list-style-type: none"> <li>Planning is an activity done by the top management. As a consequence, middle management and other decision makers are not allowed to deviate from the plans nor are they permitted to act on their own.</li> <li>As a result, initiative and creativity inherent in them gets lost or reduced.</li> </ul> <p><b>(ii) <u>Planning involves huge costs</u></b></p> <ul style="list-style-type: none"> <li>When plans are drawn up huge costs are involved in their formulation. These may be in terms of time and money for example, checking accuracy of facts may involve lot of time. Detailed plans require scientific calculations to ascertain facts and figures.</li> <li>The costs incurred sometimes may not justify the benefits derived from the plans.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. (b) Explain the following points of importance of Decentralisation:</b></p> <p><b>(i) Quick decision-making</b></p> <p><b>(ii) Relief to top management</b></p> <p><b>Ans. (i) <u>Quick decision-making</u></b></p> <ul style="list-style-type: none"> <li>In a decentralised organisation, since decisions are taken at levels which are nearest to the points of action and there is no requirement for approval from many levels, the decision making is quicker.</li> <li>There are also less chances of information getting distorted because it doesn't have to go through long channels.</li> </ul> <p><b>(ii) <u>Relief to top management</u></b></p> <ul style="list-style-type: none"> <li>Decentralisation diminishes the amount of direct supervision exercised by a superior over the activities of a subordinate because they are given the freedom to act and decide albeit within the limits set by the superior.</li> <li>Decentralisation also leaves the top management with more time which they can devote to important policy decisions rather than occupying their time with both policy as well as operational decisions.</li> </ul>	<p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>2</b> <b>=</b> <b>4</b> <b>Marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>2</b> <b>=</b> <b>4 marks</b></p>
<b>30</b>	<p><b>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.</b></p> <p><b>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</b></p>	

<p>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><b>Identify and explain any two factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream.</b></p> <p><u>Ans. Factors that were taken into consideration by 'Nat-Ayur' for determining the price of their herbal face cream: (Any TWO)</u></p> <p><b>(i) Product Cost</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> <p><b>(ii) The Utility and Demand</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Consumer usually purchase more units at a low price than at a high price.</li> </ul> <p><b>(iii) Extent of Competition in the Market</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> <p><b>(iv) Marketing Methods Used</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p><math>\frac{1}{2}</math> mark for the heading + 1½ marks for its explan ation = 2 + 2 = 4 marks</p>
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	<ul style="list-style-type: none"> <li>▪ Uniqueness of any of the above elements gives the company a competitive freedom in fixing prices of its products.</li> </ul>	
31	<p><b>Q. (a) Explain ‘Harmony, Not Discord’ as a principle of Scientific Management and ‘Method Study’ and ‘Standardization and Simplification of Work’ as techniques of Scientific Management.</b></p> <p><b>Ans. (a) Harmony, Not Discord</b></p> <ul style="list-style-type: none"> <li>▪ This principle emphasizes that there should be complete harmony between management and workers. This requires ‘Mental revolution’ on the part of both management and workers. It means that both management and the workers should transform their thinking.</li> <li>▪ Management should share gains of the company, if any, with the workers and workers should work hard and be willing to embrace change for the good of the company</li> </ul> <p><b>Method Study</b></p> <ul style="list-style-type: none"> <li>▪ Method study is a technique to find out the one best way of doing the job. Right from procurement of raw materials till the final product is delivered to the customer every activity is part of method study</li> <li>▪ The objective of method study is to minimise the cost of production and maximise the quality and satisfaction of the customer.</li> </ul> <p><b>Standardization and Simplification of Work</b></p> <ul style="list-style-type: none"> <li>▪ Standardisation refers to the process of setting standards for every business activity. It can be standardisation of process, raw material, time, product, machinery, methods or working conditions, which should be followed throughout the organisation.</li> <li>▪ Simplification aims at eliminating superfluous varieties, sizes and dimensions. It results in savings of cost of labour, machines and tools. It implies reduced inventories, fuller utilisation of equipment and increasing turnover.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. (b) Explain the following principles of General Management:</b>  <b>(i) Division of work</b>  <b>(ii) Discipline</b>  <b>(iii) Equity</b></p> <p><b>Ans.</b></p>	<p style="text-align: center;">2</p> <p style="text-align: center;">2</p> <p style="text-align: center;">2</p> <p style="text-align: center;">=</p> <p style="text-align: center;"><b>6 marks</b></p> <p style="text-align: center;"><b>OR</b></p>

	<p><b>(i) Division of work</b></p> <ul style="list-style-type: none"> <li>▪ The principle of Division of work suggests that work can be performed more efficiently if it is divided into specialised tasks. The intent of division of work is to produce more and better work for the same effort.</li> <li>▪ A trained specialist who is competent, is required to perform each job leading to specialization which results in efficient and effective output.</li> </ul> <p><b>(ii) Discipline</b></p> <ul style="list-style-type: none"> <li>▪ Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation.</li> <li>▪ Discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties.</li> </ul> <p><b>(iii) Equity</b></p> <ul style="list-style-type: none"> <li>▪ The principle of Equity states that there should be no discrimination against anyone on account of gender, religion, language, caste, belief, nationality etc.</li> <li>▪ This principle emphasises kindness and justice in the behaviour of managers towards the workers to ensure loyalty and devotion.</li> </ul>	<p>2</p> <p>2</p> <p>2 = 6 marks</p>
32	<p><b>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.</b></p> <p><b>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.</b></p> <p><b>Identify and explain any four type of plans discussed in the above case.</b></p>	

	<p><b>Ans. Four types of plans discussed in the above case are:</b></p> <p><b>(i) Objective</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> </ul> <p><b>(ii) Strategy</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Whenever a strategy is formulated, the business environment needs to be taken into consideration.</li> </ul> <p><b>(iii) Policy</b></p> <ul style="list-style-type: none"> <li>▪ Policy is a general statement that guides thinking and channelizes energies towards a particular direction.</li> <li>▪ It defines the broad parameters within which a manager may function. He/ she may use his/ her discretion to interpret or apply a policy.</li> </ul> <p><b>(iv) Budget</b></p> <ul style="list-style-type: none"> <li>▪ A budget is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures.</li> <li>▪ Since budget represents all items in numbers, it becomes easier to compare actual figures with expected figures and take corrective action.</li> </ul>	<p>½</p> <p>1</p> <p>½</p> <p>1</p> <p>½</p> <p>1</p> <p>½</p> <p>1</p> <p>=</p> <p><b>6 marks</b></p>
33	<p><b>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.</b></p>	

	<p><b>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.</b></p> <p><b>Quoting lines from the above, identify and explain any four factors that will affect the fixed capital requirements of 'Freshju'</b></p> <p><b>Ans. <u>Factors that will affect the fixed capital requirements of 'Freshju':</u> (Any FOUR)</b></p> <p><b>(i) 'For this, 'Freshju' decided to enter into 'Juice manufacturing.'</b></p> <p><b>Nature of Business</b></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><b>(ii) 'To meet anticipated higher demand in future, the company set-up a larger manufacturing unit.'</b></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><b>Growth Prospects</b></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><b>(iii) 'To meet anticipated higher demand in future, the company set-up a larger manufacturing unit.'</b></p> <p><b>Scale of Operations</b></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><b>(iv) 'The Chief Executive Officer, Ravinder, ordered automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production.'</b></p> <p><b>Choice of Technique</b></p>	<p style="text-align: center;"> <math>\frac{1}{2}</math>  <b>mark</b>  <b>for</b>  <b>quoting</b>  <math>+</math>  <math>\frac{1}{2}</math> <b>mark</b>  <b>for identi</b>  <b>fying the</b>  <b>factor</b>  <math>+</math>  <math>\frac{1}{2}</math>  <b>mark</b>  <b>for its</b>  <b>explan</b>  <b>ation</b>    <math>=</math>  <math>1 \frac{1}{2} \times 4</math>  <math>=</math>  <b>6 marks</b> </p>
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	<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><b>Financing Alternatives</b></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><b>Level of Collaboration</b></p> <p>Collaboration reduces the level of investment in fixed assets when the organisations 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.</p>	
34	<p><b>Q.(a) Explain any four personal barriers to communication.</b></p> <p><b>Ans. <u>Personal barriers to communication:</u></b></p> <p><b>(i) Fear of challenge to authority</b></p> <p>If a superior perceives that a particular communication may adversely affect his authority, he or she may withhold or suppress such communication.</p> <p><b>(ii) Lack of confidence of superior on his subordinates</b></p> <p>If superiors do not have confidence on the competency of their subordinates, they may not seek their advice or opinions.</p> <p><b>(iii) Unwillingness to communicate</b></p> <p>Sometimes, subordinates may not be prepared to communicate with their superiors, if they perceive that it may adversely affect their interests.</p> <p><b>(iv) Lack of proper incentives</b></p> <p>If there is no motivation or incentive for communication, subordinates may not take initiative to communicate.</p>	<p>½ mark for the heading + 1 mark for its explan ation = 1½ x 4 = 6 marks</p>

	OR	OR
	<p><b>Q.(b) Explain any four points of importance of controlling function of management.</b></p> <p><b>Ans. <u>Importance of controlling</u> (Any four):</b></p> <p><b>(i) Accomplishing organisational goals</b></p> <p>The controlling function measures progress towards the organisational goals and brings to the light the deviations, if any and indicates corrective action. It, thus, guides the organisation and keeps it on the right track so that organisational goals might be achieved.</p> <p><b>(ii) Judging accuracy of standards</b></p> <p>A good control system enables management to verify whether the standards set are accurate and objective. It keeps a careful check on the changes taking place in the organisation and in the environment and helps to review and revise the standards in light of such changes.</p> <p><b>(iii) Making efficient use of resources</b></p> <p>By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with predetermined standards and norms.</p> <p><b>(iv) Improving employee motivation</b></p> <p>A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised. It, thus, motivates them and helps them to give better performance.</p> <p><b>(v) Ensuring order and discipline</b></p> <p>Controlling creates an atmosphere of order and discipline in the organisation. It helps to minimise dishonest behaviour on the part of the employees by keeping a close check on their activities.</p> <p><b>(vi) Facilitating coordination in action</b></p> <p>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. This ensures that overall organisational objectives are accomplished</p>	<p><b>½ mark for the heading + 1 mark for its explan ation = 1½ x 4 = 6 marks</b></p>



