

Roll No.

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Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains **10** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer book by the candidate.
- Please check that this question paper contains 34 questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 07.10 a.m. From 07:15 a.m. to 07.30 a.m., the students will read the question paper only and will not write any answer on the answer book during this period.

BUSINESS STUDIES

*Time allowed: 3 hours**Date: /01/2025**Maximum Marks:80*


MARKING SCHEME

Instructions:

- This question paper contains 34 questions.
- Marks are indicated against each question.
- Answers should be brief and to the point.
- Answers to the questions carrying 3 marks may be from 50 to 75 words.
- Answers to the questions carrying 4 marks may be about 150 words.
- Answers to the questions carrying 6 marks may be about 200 words.

PART A

Q. No.	QUESTION	Marks												
1.	<p>Silicon Ltd offers IT services to clients across the country. During Covid 19, to accommodate changes taking place in the business environment, it suitably modified its organisation structure in a way that work from home became the new way of working for all employees bringing cost benefits and flexibility in the organisation. The point of importance of organising discussed above is:</p> <p>(A) Benefits of Specialisation. (B) Development of Personnel. (C) Adaptation to change. (D) Clarity in working relationships.</p>	1												
2.	<p>The Trend of Yoga as a result of COVID-19 relates to:</p> <p>(A) Social (B) Political (C) Technological (D) Legal</p>	1												
3.	<p>Match the columns on the basis of "Type of Plan" given in column ii by using the options given:</p> <table><tr><th>COLUMN-I</th><th>COLUMN-II</th></tr><tr><td>1. Detailed statement</td><td>a. Budget</td></tr><tr><td>2. Prescribed Manner</td><td>b. Methods</td></tr><tr><td>3. Comprehensive Plan</td><td>c. Programmes</td></tr><tr><td>4. Measurable Results</td><td>d. Objective</td></tr><tr><td></td><td>e. Strategy</td></tr></table> <p>Choose the correct option: (A) 1-c, 2-b, 3-d, 4-e (B) 1-c, 2-d, 3-a, 4-b (C) 1-b, 2-e, 3-d, 4-c (D) 1-c, 2-b, 3-e, 4-d</p>	COLUMN-I	COLUMN-II	1. Detailed statement	a. Budget	2. Prescribed Manner	b. Methods	3. Comprehensive Plan	c. Programmes	4. Measurable Results	d. Objective		e. Strategy	1
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4.	<p>Which of the following belongs to middle level management?</p> <p>(A) chief operating officer (B) factory head (C) factory supervisor (D) none of the above</p>	1												
5.	<p>Assertion (A): Delegation is a pre-requisite to the efficient functioning of an organisation. Reason (R): Delegation exercise less control over executives hence greater freedom of action.</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (R) (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (R) (C) Assertion (A) is true but Reason (R) is false.</p>	1												

	(D) Assertion (A) is false but Reason (R) is true.	
6.	<p>Read the following statements carefully: Statement I: Coordination is considered the essence of management. Statement II: Coordination is required only at the top level of management. In light of the given statements, choose the correct alternative: (A) Both statements are true. (B) Both statements are false. (C) Statement I is true, Statement II is false. (D) Statement II is true, Statement I is false.</p>	1
7.	<p>Which of the following statements is/are NOT correct regarding delegation? 1 Delegation involves assigning responsibility to subordinates. 2 Delegation includes granting authority to perform tasks. 3 Delegation removes accountability from managers permanently. 4 Delegation helps in employee development and empowerment. Which of the following statements is/are NOT correct? (A) 1 only (B) 3 only (C) 2 and 4 only (D) All are correct.</p>	1
8.	<p>Identify the right of consumers being promoted in the given picture.</p> 	1

	(A) Right to be heard (B) Right to be informed (C) Right to seek redressal (D) Right to consumer education.	
9.	Abhichand is working as CEO of Logistics Ltd. He introduced appropriate skill development programmes and sound promotion policy for the employees of the company to motivate and to include greater variety of work content. Identify the type of incentives introduced by Abhichand to motivate the Employees. (A) Career advancement, Job enrichment (B) Status and Job enrichment (C) Career advancement, Employee recognition (D) Status, Career advancement, job enrichment	1
10.	Om Prakash has set up a small business unit for the manufacturing of detergent. In order to market the detergent in the local residential areas, he has appointed a team of ten salesmen. Each salesman is expected to sell at least 200 units of the detergent within a week's time. Identify the point of importance of controlling being highlighted in the above case. (A) Controlling helps in judging accuracy of standards. (B) It ensures efficient use of resources. (C) It helps in improving employee motivation. (D) It facilitates co-ordination in action.	1
11.	Vikrant joins his father's business of Organic masalas near Kotgarh in Himachal after completing his MBA. In order to capture a major share of the market, he by using the latest packaging technology decided to sell the products in attractive packages. His father suggested to hire financial consultants to estimate the amount of funds that would be required for the purpose and timings when it would be required. The concept being discussed by Vikran's father, links which financial decision with the investment decision? (A) Dividend decision (B) Financial planning (C) Capital structure decision (D) Financing decision	1
12.	"Changes and events cannot be eliminated but can be anticipated and managerial response to them can be developed". Which importance of planning is highlighted in the above statement. (A) Planning provides direction (B) Planning reduces overlapping and wasteful activities (C) Planning reduces the risk of uncertainty (D) It facilitates decision making	1
13.	Identify type of barrier mentioned in the following statement: A worried person cannot communicate properly. (A) Semantic Barrier	1

	<p>(B) Psychological Barrier</p> <p>(C) Personal barrier</p> <p>(D) Organisational Barrier</p>	
14.	<p>Concerning the factors affecting the requirements of fixed and working capital, identify the correct statements.</p> <p>1 Business expansion increases the need for fixed capital.</p> <p>2 High inventory levels reduce working capital requirements.</p> <p>3. Technological advancements can influence fixed capital needs.</p> <p>4. Seasonal variations affect working capital requirements.</p> <p>Which of the following is/are correct?</p> <p>(A) 1 and 3</p> <p>(B) 1, 3, and 4</p> <p>(C) 2 and 4</p> <p>(D) All are correct</p>	1
15.	<p>Joining a job marks the beginning of socialisation of the employee at the workplace. The employee is given a brief presentation about the company and is introduced to his superiors, subordinates and the colleagues. He is taken around the workplace and given the change of the job for which he has been selected. This process of familiarization is very crucial and may have a lasting impact on his decision to stay and on his job performance. Identify the two concepts of one functions of management highlighted above</p> <p>(A) placement and orientation</p> <p>(B) Training and Development</p> <p>(C) Performance Appraisal and Compensation</p> <p>(D) Promotion and Career Planning</p>	1
16.	<p>_____ functions as a bank, storing securities in electronic form on behalf of investors-</p> <p>(a) Depository participant</p> <p>(b) Depository</p> <p>(c) Stock exchange</p> <p>(d) None of the above</p>	1
17.	<p>Read the following statements carefully:</p> <p>Statement I: Branding helps in product differentiation.</p> <p>Statement II: Packaging has no role in promoting a product. In light of the given statements, choose the correct alternative:</p> <p>(A) Both statements are true.</p> <p>(B) Both statements are false.</p> <p>(C) Statement I is true, Statement II is false.</p> <p>(D) Statement II is true, Statement I is false.</p>	1
18	<p>Ankita is a company secretary in XYZ Ltd. From inside the company, she came to know that the company is going to acquire the business of some other companies. Ankita thinks that, due to the acquisition process, market price of the share may rise. Considering this, Ankita</p>	1

	<p>bought large number of shares of XYZ Ltd. This acquisition news was unknown to the public. Identify the malpractice used by Ankita.</p> <p>(A) unfair Trade practise (B) Price Rigging (C) Insider Trading (D) All the above</p>	
19.	<p>Which of the following is not a factor affecting capital structure of a company?</p> <p>(A) Cost of Debt (B) Growth Opportunities (C) Cash Flow Position (D) Interest Coverage Ratio.</p>	1
20.	<p>XYZ Ltd., a manufacturing company, faced a significant increase in raw material costs due to inflation. To maintain profitability, they adjusted their product prices, but customers started looking for cheaper alternatives. The company also implemented cost-cutting measures, including reducing employee bonuses and cutting operational costs. What was the primary factor in XYZ Ltd.'s decision to raise product prices?</p> <p>(A) Social factors (B) Political factors (C) Economic factors (D) Legal factors</p>	1
21 A.	<p>Neeraj, a sales representative of 'Omida Ltd' has changed seven jobs in the last one year. He is a hard working person but is not able to finalise deals with the customer due to his inadequate vocabulary and omission of needed words. Sometimes he uses wrong words because of which intended meaning is not conveyed. All this created a mis-understanding between him and his clients.</p> <p>1. Identify the communication barrier discussed above. 2. State the category of this communication barrier. 3. Explain any other communication barrier of the same category.</p> <p>1. Badly expressed message 2. Semantic barrier, which arises from problems and obstructions in the process of encoding and decoding of message into words or impressions. 3. Technical jargon; Specialists use technical language or jargon while explaining to the workings, e.g., tariff, quotas, etc. therefore, they may not understand the actual meaning of many such words.</p> <p>Each bit carries 1M</p> <p style="text-align: center;">(OR)</p>	3
21 B.	<p>Explain any three features of 'Directing' function of management.</p> <p>Features of 'Directing' function of management:</p> <p>(a) Initiates action (b) Takes place at every level of management</p>	

	(c) Continuous process (d) Flows from top to bottom	
22 A	<p>A construction company got a contract for constructing a foot-over bridge. It appointed an engineer to take charge of the same. The engineer was instructed that the work should be completed within a period of two months with the maximum cost of ` 5,00,000. Any negative variation in the cost beyond 5% should be brought to the notice of authorities immediately. He was also asked to keep a special check on the supply of construction material as if it is not supplied in time then, the entire project would get delayed. Which concept(s) is/are being referred to in the given case? Discuss in detail</p> <p>The following concepts of controlling are being discussed in this case:</p> <ol style="list-style-type: none"> 1. Management by exception: It states that only significant deviations which go beyond the permissible limit needs to be brought to the notice of management 2. Critical point control Method: It state that an organization should identify the KRAs and the control should focus on these areas as they are the critical points for the success of the organization <p>½ M for title point of each concept and 1 mark for its explanation</p> <p style="text-align: center;">(OR)</p>	3
22 B	<p>'A.S. Ltd.' is a large company engaged in assembly of air-conditioners. Recently the company had conducted the 'Time' and 'Motion' study and concluded that on an average a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembly of air-conditioners per day is 800 units only. To find out the reason the company compared actual performance of each worker and observed through C.C.T.V. that some of the workers were busy in gossiping.</p> <ol style="list-style-type: none"> 1. Identify the function of management discussed above. 2. State those steps in the process of the function identified which are discussed in the above paragraph <p>1. Function of management – Controlling.</p> <p>2.Following steps of controlling are identified in the given para:</p> <ol style="list-style-type: none"> 1. Setting performance standards which are the criteria against which the actual performance would be measured. '.... and concluded that on an average a worker can assemble ten air-conditioners in a day.' 	

	<p>2. Measurement of actual performance with the standards in an objective and reliable manner. 'Even then the assembly of air-conditioners per day is 800 units only.'</p> <p>3. Comparing actual performance with standards to find out any deviations. '.... the company compared actual performance of each worker and observed through C.C.T.V'</p> <p>For identification-1M</p> <p>Any two steps of the case-2M(each step carries 1M)</p>	
23	<p>Mr. Agrawala bought a branded shaving razor from a Departmental Store and took the cash memo of ` 400 which he had paid to them. Later on, he found that the MRP of the perfume was ` 370 only, but the shopkeeper had put a sticker of ` 400 on the original price.</p> <p>(1) Do you think that the consumer right is violated here? If yes, then name the right and explain it.</p> <p>(2) State any two responsibilities of a consumer other than that referred here.</p> <p>1. Right to be informed: The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc. It is because of this reason that the legal framework in India requires the manufactures to provide such information on the package and label of the product</p> <p>(2) The two responsibilities of consumers could be:</p> <p>1. File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.</p> <p>2. Be honest in your dealings. Choose only from legal goods and services and discourage unscrupulous practices like black-marketing, hoarding, etc.</p> <p>1. 1/2M for identification and 1/2M for explanation 2.1M for each responsibility (1+1)</p>	3
24	<p>Dominos offered 'Vrat Special Menu' during Navratras to attract the Indian customers with vegetarian pizza made of water-chestnut flour (singhada atta), and white millet flour (Samak ke chawal ka atta). It was topped with fresh mozzarella cheese with rock salt, tomatoes, paneer and crunchy sabudana. The tomato sauce was made without onions and garlic and used rock salt rather than common salt.</p> <p>(1)State and explain the feature of management which is highlighted in the above case.</p> <p>(2)Identify and explain the force which binds all the other functions of management.</p>	3

	<p>1. Management is a dynamic function: Management is a dynamic function and has to adapt itself to the changing environment. An organisation interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organisation must change itself and its goals according to the needs of the environment. You probably know that McDonalds, the fast food giant made major changes in its menu to be able to survive in the Indian market.</p> <p>2. Coordination- The process by which a manager synchronises the activities of different departments is known as coordination. Coordination is the force that binds all the other functions of management. It is the common thread that runs through all activities such as purchase, production, sales and finance to ensure continuity in the working of the organisation. Coordination is sometimes considered a separate function of management. It is however, the essence of management, for achieving harmony among individual efforts towards the accomplishment of group goals. Each managerial function is an exercise contributing individually to coordination. Coordination is implicit and inherent in all functions of an organisation.</p> <p>1. 1/2M for title point and 1M for explanation 2. 1/2 M for identification and 1M for its explanation</p>	
25	<p>Mr. Harsith, a social activist, was concerned with the pollution caused by the use of polythene bags. These bags are non-biodegradable and are a great threat for the water bodies and also adversely affect the quality of soil. To ban the use of these bags, he filed a writ petition in the court. The court also identified the threats caused by these bags and passed an order banning the use of these bags as these bags are creating many environmental problems which affect the life of people in general and society in general is more concerned about quality of life. The government decided to give subsidy to jute industry to promote this business and innovative techniques are being developed to manufacture jute bags at low rates with more innovation and better technology, GDP of country is expected to rise.</p> <p>Identify the different dimensions of business environment by quoting the lines from the above particulars.</p> <p>1. Legal- "The court passed an order banning the polythene bags 2. Political- " The government decided to give subsidy to jute industry to promote this business 3. Economic- to manufacture jute bags at low rates with more innovation and better technology, GDP of country is expected to rise 4. Technological- innovative techniques are being developed to manufacture jute bags 5. Social- These bags are creating many environmental problems which affect the life of people in general and society in general is more concerned about quality of life</p>	4

	<p>Any four 1/2M for identification of dimension and 1/2M for quoting its lines for each dimension $(1/2 + 1/2) \times 4$</p>	
26 A	<p>Goodmoon School believes in all round development of children, focusing both on academics and on sports and extra-curricular activities. Many students of this school have secured ranks at the state level in the board exams and also some of the students have excelled at the state and national games.</p> <p>One of the key reasons for such excellent performance of the students is that the school hires highly qualified teachers and pays them well. The school has presently vacancies for middle level classes. The internal sources have been exhausted. Explain any four sources of recruitment that the school can use for filling up these vacancies.</p> <p>External recruitment provides wide choice and brings new blood in the organisation. The commonly used external sources of recruitment are discussed below</p> <p>External recruitment provides wide choice and brings new blood in the organisation. The commonly used external sources of recruitment are discussed below</p> <ul style="list-style-type: none"> (i) Direct Recruitment: Under the direct recruitment, a notice is placed on the noticeboard of the enterprise specifying the details of the jobs available. Job seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot. (ii) Casual Callers: Many reputed business organisations keep a database of unsolicited applicants in their offices. Such jobseekers can be a valuable source of man power. A list of such jobseekers can be prepared and can be screened to fill the vacancies as they arise (iii) Advertisement: Advertisement in newspapers or trade and professional journals is generally used when a wider choice is required. Most of the senior positions of industry as well as commerce are filled by this method. (iv) Employment Exchange: Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled and skilled operative jobs. (v) Management consultant and private agencies (vi) Campus recruitment (vii) Recommendations from the employees (viii) Labour contractors (ix) Advertisements on televisions (x) Web publishing <p>Or any four external sources of recruitment (1M for each source)</p> <p style="text-align: center;">(OR)</p>	4
26 B	<p>Nithya is running a Diagnostic Centre in Raipur. She has recently taken the franchise of a famous brand in order to expand her business. In</p>	

	<p>order to meet the increased demand for manpower she had placed an advertisement in the local newspaper and also short listed some candidates after conducting a selection test. Identify the function of management and the remaining steps that she needs to follow in the related process and briefly explain any two steps.</p> <p>She is conducting staffing process</p> <p>The remaining steps are: Placement and Orientation Training and Development Performance appraisal Promotion and career planning Compensation</p> <p>1M for Identification, 1M for naming the steps</p> <p>1M for explaining each step(1*2=2M)</p>	
27	<p>State any two importance and two limitations of Planning</p> <p>Importance of Planning</p> <p>(i) Planning Provides Directions Planning provides the directions to the efforts of employees. Planning makes clear what employees have to do, how to do etc.</p> <p>(ii) Planning Reduces the Risk Uncertainty Planning helps the manager to face the uncertainty because planners try to force the future by making some assumptions. The plans are made to overcome uncertainties.</p> <p>(iii) Planning Reduces Over Lapping and Wasteful Activities Planning evaluates the alternatives uses of the available and prospective resources of the business and makes there must appropriate use.</p> <p>(iv) Planning Promotes Innovative Ideas Planning requires high thinking and it is an intellectual process. So it makes the managers innovative and creative.</p> <p>(v) Planning Facilitates Decision Making Planning helps the managers to look into the future and make a choice from amongst various alternative courses of action.</p> <p>(vi) Planning Establishes Standards for Controlling It has predetermined goal with which the actual performances are compared to find out deviation and suggest remedial measures.</p> <p>Limitations of Planning</p> <p>(i) Planning Leads to Rigidity Once plans are made to decide the future course of action the manager may not be in a position to change them.</p> <p>(ii) Planning May Not Work in a Dynamic Environment Business environment is very dynamic as there are continuously changes. It becomes very difficult to forecast these future changes. Plans may fail if the changes are very frequent.</p> <p>(iii) Planning Reduces Creativity With the planning the managers of the organisation start working rigidly and they become the blind followers of the plan only.</p> <p>(iv) Planning Involves Huge Costs Planning process involves lot of cost because it is an intellectual process and companies need to hire</p>	4

	<p>the professional experts to carry on this process.</p> <p>(v) Planning is a Time-Consuming Lot of time is needed in developing planning premises.</p> <p>(vi) Planning does not Guarantee Success Planning only provides a base for analysing future. It is not a solution for future course of action.</p> <p>Each importance/Limitation carries 1M</p> <p>1M*2=2+2</p>	
28 A	<p>'Health Relax Ltd.' is one of India's leading consumer healthcare brands in diagnostic services. It has an integrated nationwide network of diagnostic centers. The company was exploring new avenues for its expansion. The top level managers analysed the business environment and found that since the year 2023 was the International Year of Millets, it was expected that the global demand for millets will grow by around 5% annually. India being one of the leading producer and exporter of millets, it was realised that there was a great business opportunity in the millet industry. The Board of Directors approved the idea of venturing into the business of selling bread, noodles and dosa mix made of millets. The company had to restructure itself. It diversified into varied product categories and created a structure comprising of separate business units. Each unit had a manager responsible for performance who had authority over the unit. Manpower was grouped on the basis of different products manufactured.</p> <p>(1) Identify and explain the type of organizational structure of Health Relax Ltd. after restructuring</p> <p>(2) Explain any two advantages and two disadvantages of the type of organisational structure identified in the above case.</p> <p>(i) Divisional structure</p> <p>Divisional structure is an organisation structure which comprises of separate business units or divisions when the organisation has more than one category of products to offer.</p> <p>(ii) Advantages of Divisional structure: (any two)</p> <p>(a) Product specialization helps in the development of varied skills in the divisional heads and prepares him for higher positions.</p> <p>(b) It helps in fixation of responsibility as divisional heads are accountable for profits, as revenues and costs related to different departments can be easily identified and assigned to them.</p> <p>(c) It promotes flexibility and initiative because each division functions as an autonomous unit which leads to faster decision making.</p> <p>(d) It facilitates expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.</p> <p>Disadvantages of Divisional structure: (any two)</p>	4

28 B	<p>a) Conflicts may arise among different divisions with reference to allocation of funds.</p> <p>b) It may increase the cost of operations Since there may be duplication of activities across products.</p> <p>c) Organizational interest may be ignored by different divisional heads as they may gain power and in a bid to assert their independence may ignore organizational interests.</p> <p>(A) 1M for identification and 1M for explanation(1+1=2M)</p> <p>(B) each advantage/disadvantage 1/2M(1/2*4=2M)</p> <p>(OR)</p> <p>Differentiate between Delegation and Decentralisation.</p> <table border="1" data-bbox="248 636 1333 1257"> <thead> <tr> <th>Basis</th><th>Delegation</th><th>Decentralisation</th></tr> </thead> <tbody> <tr> <td>Nature</td><td>Delegation is a compulsory act because no individual can perform all tasks on his own.</td><td>Decentralisation is an optional policy decision. It is done at the discretion of the top management.</td></tr> <tr> <td>Freedom of action</td><td>More control by superiors hence less freedom to take own decisions.</td><td>Less control over executives hence greater freedom of action.</td></tr> <tr> <td>Status</td><td>It is a process followed to share tasks.</td><td>It is the result of the policy decision of the top management.</td></tr> <tr> <td>Scope</td><td>It has narrow scope as it is limited to superior and his immediate subordinate.</td><td>It has wide scope as it implies extension of delegation to the lowest level of management.</td></tr> <tr> <td>Purpose</td><td>To lessen the burden of the manager.</td><td>To increase the role of the subordinates in the organisation by giving them more autonomy.</td></tr> </tbody> </table>	Basis	Delegation	Decentralisation	Nature	Delegation is a compulsory act because no individual can perform all tasks on his own.	Decentralisation is an optional policy decision. It is done at the discretion of the top management.	Freedom of action	More control by superiors hence less freedom to take own decisions.	Less control over executives hence greater freedom of action.	Status	It is a process followed to share tasks.	It is the result of the policy decision of the top management.	Scope	It has narrow scope as it is limited to superior and his immediate subordinate.	It has wide scope as it implies extension of delegation to the lowest level of management.	Purpose	To lessen the burden of the manager.	To increase the role of the subordinates in the organisation by giving them more autonomy.	
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29	<p>Remo was a pen manufacturer. He used to make ball point pens in a small factory in the basement of his house. Daily he would go to the market place and distribute pens to the retailers. Some of the pens were sold by him of his own by meeting persons on road. He had not kept any name for his pens. They were just blue, black and red pens. One of his friends suggested him to keep a good name of his pens. He kept his own name and started selling pens with the name of Remo Pens. Then there were three categories of pens – Remo Red, Remo blue and Remo black. Gradually his business started to pick up even more and he made good revenue.</p> <p>(1) Which function of marketing is highlighted in the above case?</p> <p>(2) Which element of promotion mix has been highlighted in the above case?</p> <p>(3) What are the two types of names do you see in the above case?</p> <p>(4) Which of the above two identified names was better? Why?</p>	4																		

	<p>1. The function of marketing highlighted in the above case Is Branding (One of his friends suggested him to keep a good name for his pens).</p> <p>2. The element of promotion mix which has been highlighted in the above case is Personal Selling (Daily he would go to the market place and distribute pens to the retailers. Some of the pens were sold by him on his own by meeting persons on road).</p> <p>3. The two types of names you see in the above case are— Generic name and Brand name</p> <p>4. Brand name was better. The reason being that people can identify products.</p> <p>Each question carries 1M(1*4=4M)</p>	
30	<p>Explain the objectives and functions of SEBI</p> <p>Following are the objectives of SEBI :</p> <p>1. To regulate stock exchanges and the securities industry to promote their orderly functioning</p> <p>2. To protect the rights and interests of investors, particularly individual investors and to guide and educate them.</p> <p>3. To prevent trading malpractices and achieve a balance between self regulation by the securities industry and its statutory regulation.</p> <p>4. To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional. (any two)</p> <p>Following are the functions of stock exchange:</p> <p>(i) Providing liquidity and marketability to existing securities.</p> <p>(ii) Pricing of securities on the stock exchange is determined by the forces of demand and supply.</p> <p>(iii) Safety of transaction is ensured as membership of a stock exchange is well regulated and its dealings are well defined.</p> <p>(iv) Contributes to economic growth through the process of disinvestment and reinvestment. (v) Spreading of equity cult by ensuring wider ownership by way of regulating new issues.</p> <p>(vi) Providing scope for speculation by ensuring speculative activity within the provisions of law for it to take place in a restricted and controlled manner. (any two)</p>	4
31	<p>Y Ltd. Is a bank functioning in India. It is planning to diversify into insurance business. Lately, the government of India has allowed the private sector to gain entry in the insurance business. Previously, it</p>	6

	<p>was the prerogative of LIC and GIC to do insurance business. But now with liberalization of the economy and to make the field competitive other companies have been given licences to start insurance business under the regulation of 'Insurance regulatory and development Authority'. Y Ltd. Plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.</p> <ol style="list-style-type: none"> 1. Identify how the company can supervise its employees and agents effectively. 2. What financial and non-financial incentives can the company use for employees and agents separately to motivate them? 3. How can the company ensure that higher order needs i.e., esteem and self actualization as specified by Maslow are met? 4. How can the company follow formal communication system? 5. How can informal communication help to supplement formal communication? <p>1.The company will appoint supervisors who will provide on the job training to the employees and agents. They will maintain group unity and ensure that the company gets enough insurance business.</p> <p>2. To the employees, the company can give pay and allowances, bonus, retirement benefits, perquisites (e.g., car allowance),recognition, promotion, job security etc. to motivate them for higher performance.</p> <p>To the agents, the company can give the following incentives: 1. Profit sharing 2. Stock option (i.e., giving company's share at a price less than market price) 3. Productivity linked salary (i.e., higher salary for getting more insurance business) 4. Participation in decision – making.</p> <p>3. By giving recognition, autonomy status, etc. and providing growth and self-fulfillment opportunities, the company ensures that higher order needs-esteem and self actualization needs are met.</p> <p>4. The company can follow formal communication system by ensuring that all communication flows through official channels designed in the organization chart (i.e., through Scalar chain).</p> <p>5. Information communication network (i.e., grapevine) can be used by the company to transmit information to know he reactions of the employees and agents to the company's decisions and policies. Grapevine channels can carry insurance market information rapidly.</p> <p>1,3,4 and 5 bits carry 1M each 2 bit carries 2M(1M for employee and 1M for agents)</p>	
32 A	<ol style="list-style-type: none"> 1.Explain any two techniques of Scientific Management from the following: <ol style="list-style-type: none"> a) Method study b) Motion study c) Time study 2) Differentiate between Unity of Command and Unity of Direction on any three basis. <p>1.a) Method Study: The objective of method study is to find out one best way of doing the job. There are various methods of doing the job.</p>	6

To determine the best way there are several parameters. Right from procurement of raw materials till the final product is delivered to the customer every activity is part of method study. The objective of the whole exercise is to minimise the cost of production and maximise the quality and satisfaction of the customer. For this purpose, many techniques like process charts and operations research etc., are used.

b) Motion Study: Motion study refers to the study of movements like lifting, putting objects, sitting and changing positions etc., which are undertaken while doing a typical job. Unnecessary movements are sought to be eliminated so that it takes less time to complete the job efficiently. On close examination of body motions, for example, it is possible to find out: (i) Motions which are productive (ii) Motions which are incidental (e.g., going to stores) (iii) Motions which are unproductive.

c) Time Study: It determines the standard time taken to perform a well-defined job. Time measuring devices are used for each element of task. The standard time is fixed for the whole of the task by taking several readings. The method of time study will depend upon volume and frequency of the task, the cycle time of the operation and time measurement costs. The objective of time study is to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.

2.

Basis	Unity of Command	Unity of Direction
1. Meaning	One subordinate should receive orders from and should be responsible to only one superior.	Each group of activities having same objective must have one head and one plan.
2. Aim	It prevents dual subordination.	It prevents overlapping of activities.
3. Implications	It affects an individual employee.	It affects the entire organisation.

1. Each bit carry 1M (1m*3=3M)

2. Each difference carry 1M (1/2M for title point and half for explanation) (1*3=3M)

(OR)

32B

1) Explain any two principles of Fayol from the following:

a) Discipline b) Order c) Scalar chain

2) Differentiate between contributions made by F.W. Taylor and Henry Fayol on any three basis.

1. a. **Discipline:** Discipline is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. According to Fayol, discipline requires good superiors at

all levels, clear and fair agreements and judicious application of penalties.

b. Order: According to Fayol, "People and materials must be in suitable places at appropriate time for maximum efficiency." The principle of order states that 'A place for everything (everyone) and everything (everyone) in its (her/his) place'. If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. This will lead to increased productivity and efficiency.

c. scalar chain: The formal lines of authority, i.e., a chain of authority and communication that runs from top to bottom is known as scalar chain. The scalar chain should not be violated in the normal course of formal communication. However, if there is an emergency, a shorter route known as Gang Plank may be used so that communication may not be delayed.

2.

Sl. No.	Basis of difference	Henri Fayol	F. W. Taylor
1.	Perspective	Top level of management	Shop floor level of a factory
2.	Unity of Command	Staunch Proponent	Did not feel that it is important as under functional foremanship a worker received orders from eight specialists.
3.	Applicability	Applicable universally	Applicable to specialised situations
4.	Basis of formation	Personal experience	Observations and experimentation
5.	Focus	Improving overall administration	Increasing Productivity
6.	Personality	Practitioner	Scientist
7.	Expression	General Theory of Administration	Scientific Management

1.1M for each principle (1*3=3)

2. 1M for each difference (1*3=3M)

33

'Maharana' is a famous take-away food outlet in Meerut. It is quite popular among local people and travellers on the national highway. It offers a wide variety of 'paranthas' and 'sandwiches' packed in special containers which are designed and developed by them to keep the food hot and fresh. Considering the tough competition in the nearby area,

6

	<p>the prices have been set reasonably low. The owner Nirmal Singh spends huge sums of money to put large hoardings and kiosks in the vicinity, to inform the people about the outlet's location and the special items on its menu. The firm is performing various marketing functions to achieve its marketing objectives.</p> <p>(1) On the basis of the information given in the above case identify and explain any three marketing functions.</p> <p>ANS: Marketing Functions (any three):</p> <p>(i) Branding- Branding is the process of giving a name or sign or a symbol to a product which helps in identifying and distinguishing it from the competitor's products.</p> <p>(ii) Packaging – Packaging refers to designing and developing the package for the products. It is important not only for protection of the products but also serves as a promotional tool. (iii) Pricing of Product – Price of product refers to the amount of money customers have to pay to obtain a product. Generally, lower the price, higher would be demand for the product and vice versa.</p> <p>(iv) Promotion – Promotion of products involves informing the customers about the firm's product, its features, etc. and persuading them to purchase these products. The methods of promotion include advertising, personal selling, public relations and sales promotion.</p> <p>1M for naming each function and 1M for its explanation (2M*3=6M)</p>	
34 A	<p>JAY Cloths Limited is a company manufacturing textiles. It has a share capital of 60 lakh. In the previous year, its earning per share was 0.50. For diversification, the company requires additional capital of 40 lakh. The company raised funds by issuing 10% debentures for the same. During the year, the company earned profit of 8 lakh on capital employed. It paid tax @ 40%.</p> <p>(1) State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.</p> <p>(2) Also, state any three factors that favour the issue of debentures by the company as part of its capital structure.</p>	6
34 B	<p>(OR)</p> <p>Dharma Production House is a company engaged in the production and distribution of films. The company is an established name in Bollywood. Now the company wants to enter in the regional cinemas also and for this, they are now targeting the South Indian Film Industry. They have launched three films in South with leading actors and actresses and even managed to sign Rajnikanth. To fund its projects, the management takes a decision to raise money for long-term capital needs of business from certain sources.</p> <p>(2) State the different sources of long-term capital.</p> <p>(B) Decision to raise money for long-term capital needs is affected by several factors. Discuss any five such factors.</p>	

34A

(i) Calculation of Earning per Share

Particulars	Amount (₹)
Profit before Interest and Tax	8,00,000
(-) Debentures Interest $\left(40,00,000 \times \frac{10}{100}\right)$	(4,00,000)
Profit after Interest	4,00,000
(-) Tax $\left(4,00,000 \times \frac{40}{100}\right)$	(1,60,000)
Profit after Tax	2,40,000
Earning per Share	$\frac{\text{Profit after Tax}}{\text{Number of Shares}}$ $= \frac{2,40,000}{6,00,000} = 0.40$

Since, earning per share has fallen from 0.50 to 0.40, therefore the shareholders stand to lose on diversification.

Note In the absence of any information, shares are assumed to be of ₹ 10 each.

So,

$$\begin{aligned} \text{Number of Shares} &= \frac{\text{Share Capital}}{\text{Face Value Per Share}} \\ &= \frac{60,00,000}{10} = 6,00,000 \text{ Shares} \end{aligned}$$

(ii) Three factors that favour issue of debentures by the company as part of its capital structure are

- Debenture interest payable is a charge to the profits. Hence, a company stands to gain in terms of tax benefits.
- Issue of debentures help the shareholders of the company to gain through 'Trading on Equity'.
- Debenture is a cheaper source of finance as compared to equity.

34B.	<p>3M for calculations and 3M for factors favouring the issue of debentures.</p> <p style="text-align: center;">(OR)</p> <p>1. Sources of long-term capital are as follows</p> <ol style="list-style-type: none"> (a) Equity shares (b) Preference shares (c) Debentures (d) Long-term loans and advances (e) Retained earnings <p>2.</p> <p>(ii) The following factors affect the financing decision</p> <ol style="list-style-type: none"> (a) Cost The cost of all the sources of finance is different. The rate of interest on debt, fixed rate of dividend to be paid on preference share capital and the expectations of the shareholders on the equity share capital are in the form of costs. If the situations happen to be favourable, the benefit of cheap finance can be availed of by choosing debt capital. (b) Risk Debt capital is most risky and from the point of view of risk, it should not be used. (c) Floatation Cost From the point of view of floating costs, retained profit is the most appropriate source. Therefore, its use should be made. (d) Cash Flow Position If the cash flow position of the company is good, the payment of interest on the debt and the refund of capital can be easily made. Therefore, in order to take advantage of cheap finance, debt can be given priority. (e) Level of Fixed Operating Costs In 	
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	<p>business, there are mainly two types of costs which are as follows</p> <p>Fixed Operating Cost e.g. Rent of the building, payment of salary, insurance premium, etc.</p> <p>Fixed Financial Cost e.g. Interest on debt, etc.</p> <p>If the level of fixed operating costs is in excess, it is better to keep the fixed financial costs at the minimum. Therefore, debt capital should not be used. On the contrary, if the level of fixed operating cost is low, the use of debt capital is more profitable.</p>	
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