SECOND PRE-BOARD
Business Studies
CLASS XII
Marking Scheme

1. Coordination 1 mark
2. Centralization and decentralization 1 mark
3. Financing Decision 1 mark
4. Growth 1 mark
5. Right to make choices and right to information ½ + ½ mark
6. Financial Risk 1 mark
7. Grouping of jobs of similar nature under functional and organizing these major
   Functions as separate departments 1 mark
8. Personal selling 1 mark
9. Training
   It is any process by which the aptitudes, skills and abilities of employees to
   Perform specific jobs increased. It is a process of learning new skills and application
   of knowledge. 1+2 marks
10. Psychological barriers-Lack of attention
    Premature evaluation, Distrust, Loss of transmission 1+2 marks
11. Planning reduces the risk of uncertainty
    Planning is an activity which enables the manager to look ahead and anticipate
    Changes by deciding in advance the tasks to be performed. It shows the way to deal with
    changes and uncertain events. 2 marks
12. Any of the three:
   a) To remove the defect in goods or deficiency in service
   b) To replace the defective product with new one
   c) To refund the price paid for the product or the charges paid for the service.
   d) To pay punitive damages in appropriate circumstances
   e) To pay reasonable amount of compensation for compensation for any loss
      Or injury suffered by the consumer. 3 marks
13. a) Directing-Is the process of instructing and leading people in the organization
      to achieve its objectives. 1/2+1/2 mark
   b) Hard work, optimum utilization of resources 2 marks
14. a. Too much investment in working capital is bad because it contribute less to
    the profit and less investment in working capital may make it more difficult
    for an organization To meet its payment obligations. 1 mark
   b. Commercial bill 1 mark
   c. Nature of business, scale of operation, Business cycle, seasonal factors
      Production cycle, credit allowed, credit availed, operating efficiency
      Availability of raw materials. (ANY TWO) 2 marks
15. Plans are as follows:
   a. Strategy
   b. Strategy
   c. Budget
   d. Policy
   1 mark each (1x4=4)

16. Protective functions:
   a. Prohibition of fraudulent and unfair trade practices like making misleading statements, manipulations, price rigging.
   b. Controlling insider trading and imposing penalties for such practices.
   c. Undertaking steps for investor protection.
   d. Promotion of fair practices and code of conduct in securities market.
   1 mark each (1x4=4)

17. Controlling is both forward and backward looking. Both the managers are correct.
   Forward looking – As corrective action initiated by control function aims to improve future performance.
   Backward looking: Controlling is like a postmortem of past activities to find out deviations from the standard
   2 marks (2x2=4)

18. Harmony not discord
   Remuneration
   (2x2=4)

19. “Set up hotel at several places” – Enables to identify the opportunities and getting the first mover advantage.
   “The JHL established.....competition” – It helps in coping with rapid changes
   1 mark (1x2=2)

   Hardworking, responsibility, adaptive etc
   (1x2=2)

20. Answers are:
   a. Internal recruitment
   b. Informal, gossip
   c. Democratic leadership
   d. Authoritative, laissez-faire style
   1 mark
   1+1 mark
   1 mark
   ½ +1/2 mark

21. Easy to fix responsibility
   No ambiguity in the role that each member has to play
   Unity of command is maintained
   Effective accomplishment of goals
   Provides stability
   (1x5=5)
22. a. Social needs: “No one showed concern about her health.”
   Explain social needs                          (1+1)
   1 mark

b. Self esteem needs (identification and explanation ½ mark each)
   Self actualization (identification and explanation ½ mark each)
   1 mark

23. De mat account
   Selection of broker, opening demat account, placing the order, executing the order
   and settlement.                              (1x5=5)
   1 mark

24. Social environment —“society..................................quality of life”
   Technological environment —“Innovative..................................rates”
   Economical environment —“Income is rising”        (3x2=6)
   (1/2 mark for identification, ½ mark for quoting and 1 mark for explaining)

25. Product—“Their products include chips, biscuits, sweets and squashes.”
   Price—“it charges...........competitors” or “it offers regular..............retailers.”
   Place — “it has five of its own retail shops”
   Promotion—“it regularly.............sales”           (1.5 x4=6)
   (1/2 mark for identification of variable, 1/2 mark for quoting line, 1/2 mark for explanation)