

**ST. JOSEPH PUBLIC SCHOOL**

Kota Barrage Road, Kota-6 (Raj.)

C.B.S.E. New Delhi, **BUSINESS STUDIES****SOLUTIONS**Class: **XII****2025-26**MM: **80****MARKING SCHEME SET-2**

Q1	(B) Nikita is effective but Rini is efficient.	1
Q2	(D) Identification and division of work → Departmentalisation → Assignment of duties → Establishing authority and reporting relationships	1
Q3	(D) Promotions	1
Q4	(C) Both the Statements are true	1
Q5	(A) Consumers have the right to know about the product's ingredients, origin, and manufacturer.	1
Q6	(C) Sales Promotion	1
Q7	(D) Taking corrective action	1
Q8	B. (a)-(ii), (b)-(i), (c)-(iv), (d)-(iii)	1
Q 9	(B) It enables the firm to identify opportunities and getting the first mover advantage.	1
Q 10	(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
Q 11	(D) Contract of Employment	1
Q 12	(C) Both the Statements are true.	1
Q 13	(D) Diversification	1
Q 14	(D) All of these	1
Q 15	(D) Job enrichment	1
Q 16	(B) ISI Mark	1
Q 17	(C) Assert yourself to ensure that you get a fair deal	1
Q 18	(B) Financial planning	1
Q 19	(B) Financial risk	1
Q 20	(A) -2	1
Q 21	Three leadership styles are 1) Democratic 2) Autocratic 3) laissez fair OR Psychological barriers to communication (any two with explanation) 1) Premature evaluation 2) Lack of attention	$\frac{1}{2}$ marks for heading + $\frac{1}{2}$ marks for explanation of each point Or $1.5+1.5=3$

	3) Loss by transmission and poor retention 4) Distrust	
or	Option A is better than Option B for the company to finance its future fixed capital needs. Reason: In Option A, Rate of return on investment (10–12%) > Rate of interest on borrowings (9%) Concept used: Trading on equity	1+1+1=3
Q 23	(i) Social Environment: Social Environment includes social forces like custom and traditions, values, social trends and society's expectation from business. (ii) Technological environment Technological Environment of business includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.	1/2 mark for identification of each dimension + 1 mark for its explanation = 1.5 + 1.5 = 3 marks
Q 24	Any two points why planning is important in an organization: (i) Planning provides directions (ii) Planning reduces risks of uncertainty, (iii) Planning reduces overlapping and wasteful activities, (iv) Planning promotes innovative ideas, (v) Planning facilitates decision making, (vi) Planning establishes standards for controlling. OR Explanation of the following: (I) Planning reduces creativity (II) Planning leads to rigidity.	$\frac{1}{2}$ marks for heading + 1 marks for explanation of each point OR $1 \frac{1}{2}$ marks for explanation of each point
Q 25	Different types of plane discussed in the para are :(any four) (a) Objectives : “One of his objective was to earn 10% profit on the amount invested in the first year.” (b) Policies : “It was decided that raw materials like vegetables, fruit, spices etc., will be purchased on three months credit period from farmers cultivating organic crops only.” (c) Procedures : “She also decided to follow the steps required for marketing of the product through her own outlets.” Or “She appointed Mohan as Production Manager who decides the exact manner in which the production activities are to be carried out.” (d) Budget : “Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year.” Or	$\frac{1}{2}$ marks for naming the plan and $\frac{1}{2}$ marks for quoting the text (1x4=4)

	<p>“Madhu informed Mohan about her sales target for different products, area wise for the forthcoming quarter.”</p> <p>(e) Rules: “While working on the production table a penalty of ₹ 100 per day for not wearing the caps, gloves and apron was announced.”</p>	
Q 26	<p>Reasons that Praveen might have given:</p> <p>(i) Restricted Entry: There is no restriction on anyone being appointed as manager in any business enterprise, irrespective of the educational qualifications possessed as compared to other professions like a doctor, a lawyer, etc</p> <p>(ii) Professional Association: There are several associations of practicing managers in India, like the AIMA (All India Management Association), however, there is no compulsion for managers to be members of such an association nor does it have any statutory backing unlike other professions.</p> <p>(iii) Ethical code of conduct: All professionals are bound by a code of conduct which guides the behaviour of its members, which may not be followed by manager though AIMA that has laid down a code of conduct to regulate the activities of their members.</p> <p>iv) Service Motive: The basic motive of a profession is to serve clients by rendering dedicated and committed service as the basic aim of management is to maximise the profit for a business .</p>	1 marks for each correct point (1x4=4)
Q 27	<p>Benefits of ‘staffing’ function of management to the organisation (any four):</p> <p>(i) It helps in discovering and obtaining competent personnel for various jobs.</p> <p>(ii) It makes for higher performance by putting right person on the right job.</p> <p>(iii) It ensures continuous survival and growth of the enterprise through the succession planning for managers.</p> <p>(iv) It helps to ensure optimum utilisation of human resources by avoiding overmanning and under-utilisation of personnel.</p> <p>(v) It improves job satisfaction and morale of employees through objective assessment and fair rewarding of their contribution.</p> <p style="text-align: center;">OR</p> <p>Benefits of training to employees:</p> <p>(i) Improved skills and knowledge due to training lead to better career of the individual.</p> <p>(ii) Increased performance by the individual help him to earn more.</p> <p>(iii) Training makes the employee more efficient to handle machines, making them, less prone to accidents.</p> <p>(iv) Training increases the satisfaction and morale of employees.</p>	1 x 4 = 4
Q 28	<p>(a) Incentive Provided: The incentive provided by Goodcare Hospitals is a non-financial incentive in</p>	2+2 = 4

	<p>the form of recognition. The two trophies, 'Healthcare Achievers Trophy' and 'Beti Bachao Trophy', acknowledge the contributions and outstanding performance of the doctors, motivating them to continue excelling in their work.</p> <p>(b) Need Satisfied: The need satisfied through this incentive is esteem needs, as per Maslow's Hierarchy of Needs.</p> <p>Explanation: Esteem needs include recognition, respect, and appreciation from others, which enhance the self-worth and morale of individuals. By awarding these trophies, the doctors feel valued for their efforts, fulfilling their need for recognition and achievement.</p>	
Q 29	<p>Physical distribution of goods is concerned with making the goods and services available at the right place, so that people can purchase the same. Components of physical distribution of goods are: (Any three)</p> <p>(i) Order processing (ii) Transportation (iii) Warehousing (iv) Inventory control</p>	1 + 3 =4
Q 30	<p>Importance of 'Controlling' function of management with correct explanation:</p> <p>(a) Accomplishes organizational goals (b) Judges the accuracy of standards</p> <p style="text-align: center;">OR</p> <p>Relationship between 'Planning' and 'Controlling'</p> <p>(i) Controlling takes place on the basis of standards developed by planning because if the standards are not set in advance, managers have nothing to control.</p> <p>(ii) Planning without controlling is meaningless because once a plan becomes operational, controlling ensures that events conform to the plans.</p> <p>(iii) Planning is prescriptive whereas controlling is evaluative because planning prescribes an appropriate course of action while controlling evaluates whether decisions have been translated into desired actions.</p> <p>(iv) Planning and controlling both are forward looking and looking back. They are forward looking because while plans are prepared for the future, controlling seeks to improve the future on the basis of the past experience. They both are looking back because as while planning is guided by past experiences, controlling compares the actual performance with the standards set in the past.</p>	$= 2 \times 2 = 4$ <p>marks</p> $1 \times 4 = 4$
Q 31	<p>Functions of stock exchange (Any four)</p> <ol style="list-style-type: none"> 1. Providing Liquidity and Marketability to Existing Securities 2. Pricing of Securities 3. Safety of Transaction 4. Contributes to Economic Growth 5. Spreading of Equity Cult 6. Providing Scope for Speculation 	$\frac{1}{2} \text{ marks for heading} + 1 \text{ marks for explanation of each point}$ $1 \frac{1}{2} \times 4 = 6$

Q 32	<p>(a) Principles that may be useful in resolving confusion and communication gaps:</p> <p>Unity of Direction (ensuring all employees work towards common objectives) and Discipline (clear rules and expectations for behavior).</p> <p>(b) To apply the Unity of Command, each employee should receive orders from only one superior to avoid confusion about who is in charge of their tasks.</p> <p>(c) To improve Coordination, Mr. Arvind could implement Esprit de Corps (promoting team spirit and collaboration) or Order (ensuring systematic organization of resources).</p>	2x3=6
Q 33	<p>Besides Effective management' and 'Employee development' delegation helps the organisation in different ways are</p> <p>(i) Motivation of employees (ii) Facilitation of growth (iii) Basis of management hierarchy (iv) Better coordination</p> <p>OR</p> <p>Any four points of importance of decentralisation.</p> <p>(i) Develops initiative among subordinates (ii) Develops managerial talent for the future: (iii) Quick decision making (iv) Relief to top management (v) Facilitates growth (vi) Better control</p>	$\frac{1}{2}$ marks for heading + 1 marks for explanation of each point
Q 34	<p>(a) Explain the following functions of marketing:</p> <p>(i) Customer support services (ii) Product Design and Development (iii) Standardisation and Grading</p> <p>OR</p> <p>(b) Any four factors which affect the fixation of price of a product.</p> <p>1. Product Cost 2. The Utility and Demand 3. Extent of Competition in the Market: Market 4. Government and Legal Regulations 5. Pricing Objectives</p>	$2 \times 3 = 6$ OR $\frac{1}{2}$ marks for heading + 1 marks for explanation of each point $(1 \frac{1}{2} \times 4 = 6)$

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