

**ELEMENTS OF BUSINESS (154) 2020-21**

**CLASS X**

**MARKING SCHEME**

<b>Q.No</b>	<b>QUESTIONS</b>	<b>Marks</b>
1	c. Company	1
2	c. Equity Shares	1
3	d. Loan capital of the company	1
4	c. Retained earnings OR b. Equity shares	1 1
5	a. grapevine OR d. electronic mail	1 1
6	(B) (a)-(ii),(b)-(iii),(c)-(i)	1
7	c. Pay –in-slip	1
8	b. Seller	1
9	b. Payment is not made at the time of delivery, it is made later.	1
10	d. Sender → Message → Channel → Receiver → Feedback	1
11.	b. Written communication	1
12	b. Automatic Vending Machine	1
13	d. Departmental stores	1

14	a. Sales Promotions  OR  d. Mass communication	1												
15	c. publicity	1												
16	b. departmental store	1												
17	<p>Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.</p> <p>Features of personal selling:</p> <p>(i) Personal form : In personal selling a direct face to face dialogue takes place that involves an interactive relationship between the seller and the buyer.</p> <p>(ii) Development of Relationship: Personal selling allows a salesperson to develop relationship with prospective customers ,which may become important in making sale.</p>	<p>1</p> <p>1</p> <p>1</p>												
18	<table border="1"> <thead> <tr> <th>BASIS OF DIFFERENCE</th> <th>PUBLIC COMPANY</th> <th>PRIVATE COMPANY</th> </tr> </thead> <tbody> <tr> <td>NUMBER OF MEMBERS</td> <td>Has a minimum of 7 members and no limit on maximum members</td> <td>Has a minimum of 2 and a maximum of 200 members, excluding the present and past employees.</td> </tr> <tr> <td>RESTRICTION ON TRANSFER OF SECURITIES</td> <td>Has no restriction on transfer of securities</td> <td>Restricts the right of members to transfer its shares</td> </tr> <tr> <td>INVITING PUBLIC</td> <td>Is not prohibited from inviting the public to subscribe to its securities</td> <td>Does not invite public to subscribe to its securities</td> </tr> </tbody> </table>	BASIS OF DIFFERENCE	PUBLIC COMPANY	PRIVATE COMPANY	NUMBER OF MEMBERS	Has a minimum of 7 members and no limit on maximum members	Has a minimum of 2 and a maximum of 200 members, excluding the present and past employees.	RESTRICTION ON TRANSFER OF SECURITIES	Has no restriction on transfer of securities	Restricts the right of members to transfer its shares	INVITING PUBLIC	Is not prohibited from inviting the public to subscribe to its securities	Does not invite public to subscribe to its securities	3
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19	Advantages of an email as a means of business communication:-	3												

	<p>(a) It is a fast method of communication          (b) It is an expensive method of communication          (c) As compared to traditional method of communication there is little chance of loss in transmission</p> <p style="text-align: center;">OR</p> <p>Role of sender and receiver in communication process:          Sender : Sender plays a very important role in communication process. Sender is the person who has an idea, or message to communicate.          Receiver: The person who receives message of the sender is known as receiver.</p>	<p>1 1 1</p> <p>3</p>
20	<p>Contract involving transfer of the possession and ownership (title) of a good or property, or the entitlement to a service, in exchange for money or value is known as a sale .Essential elements that must be present in a valid sale are:</p> <p>(1) competence of both the buyer and seller to enter into a contract,          (2) mutual agreement on the terms of exchange,          (3) a thing capable of being transferred, and          (4) a consideration in money (or its equivalent) paid or promised.</p> <p style="text-align: center;">OR</p> <p>The difference between a cash sales &amp; and credit sales is the timing of the payment. A cash sales is a transaction where payment is settled immediately. On the other hand, payment for a credit sales is settled at a later date.</p> <p>For example, Ramesh buys grocery and makes payment immediately in cash it will be known as a cash sales. However, if he makes the payment on a later date it will be known as a credit sales.</p>	<p>3</p> <p>3</p>
21	<p>Following are the advantages of Automatic Vending Machine:</p> <ol style="list-style-type: none"> <li>1. Large scale retailing</li> <li>2. Round the clock buying is possible</li> <li>3. Uniform weight</li> </ol>	<p>1 1 1</p>

22	<p>Sources available with Sanyam limited :-</p> <p>(i) Debentures</p> <p>(ii) Equity Shares</p> <p>(iii) Preference shares (any other relevant point)</p>	<p>1</p> <p>1</p> <p>1</p>
23	<p>Equity Shares</p> <p>Features of Equity shares:</p> <p>(a) Equity share capital serves as permanent capital as it is to be repaid only at the time of liquidation.</p> <p>(b) Payment of dividend is not compulsory.</p> <p>(c) Funds can be raised through equity shares without creating charge on the assets of the company.</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p>
24	<p>Advantages of video conferencing are: ( any four)</p> <p>a) Saves time</p> <p>b) Saves cost</p> <p>c) Efforts minimisation</p> <p>d) Glocalization of transactions</p> <p>e) Rapid connect</p>	(1x4)
25	<p>Steps involved in selling procedure:-</p> <p>a) Enquiry from intending buyer</p> <p>b) Providing Quotation to the intending buyer</p> <p>c) Receipt of order from the buyer</p> <p>d) Execution of order and Invoicing</p> <p>e) Opening customer's account</p> <p>f) Dispatch of goods</p> <p>g) Delivery of goods to the buyer</p> <p>h) Receipt of payment and settlements of accounts</p>	<p><math>\frac{1}{2} \times 8</math> =4</p>

26	BASIS OF DIFFERENCE	DEPARTMENTAL STORES	MULTIPLE STORES	4
	Location	Centrally Located to attract large number of customers.	Established at number of places	
	Credit facilities	Departmental Stores provide credit facilities to regular and reputed customers.	Multiple shops sell goods only on cash basis.	
	Variety of Products	Different types of products are sold under one roof.	Specific Range of products are sold.s	
	Services offered	Departmental stores lay great emphasis on providing maximum service to their customers	Multiplestores provide very limited service confined to guarantees and repairs if the sold out turn out to be defective.	
OR				
Advantages of retailing through departmental stores:				
(i) Attract large number of customers: These stores are usually located at central places, they attract a large number of customers during the best part of the day.				2
(ii) Economy of large- scale operations: As these stores are organised at a very large scale, the benefits of large scale operations, particularly, in respect of purchase of goods are available to them.				2
27	a. Quantity gift b. Instant Draws c. Rebate d. Product combination e. Usable benefit			1x5
OR				
The importance of personal selling to a business organization may be				

	<p>described as follows:</p> <p>i) Effective Promotional Tool: Personal selling is very effective promotional tool, which helps in influencing the prospects about the merits of a product and thereby increasing its sale.</p> <p>(ii)Flexible Tool: Personal selling is more flexible than other tools of promotion such as advertising and sales promotion. It helps business persons in adopting their offer in varying purchase situations.</p> <p>(iii)Minimizes Wastage of Efforts: Compared with other tools of promotion, the possibility of wastage of efforts in personal selling is minimum. This helps the business persons in bringing economy in their efforts.</p> <p>(iv) Consumer Attention: There is an opportunity to detect the loss of consumer attention and interest in a personal selling situation. This helps a business person in successfully completing the sale.</p> <p>(v)Lasting Relationship: Personal selling helps to develop lasting relationship between the sales persons and the customers, which is very important for achieving the objectives of business.</p>	1x5
28	<p>(a) Advantages of letters as a method of business communication:-</p> <p>(i) It is suitable for long distance communication. 1</p> <p>(ii) It can be used as legal document. 1</p> <p>(iii) It can be sent to many persons at a time. 1</p> <p>(any other relevant point)</p> <p>(b) Limitation of Telephonic conversation:</p> <p>(i) Phone conversation is less personal in many ways and can lead to miscommunication and misunderstanding. 1</p> <p>(ii) It is more expensive as compared to other methods of communication . 1</p> <p>(any other relevant point)</p> <p style="text-align: center;">OR</p> <p>(a) Written communication:- A written communication means sending of messages, orders or instructions in writing through letters, circulars, manuals, reports, office memos etc. It is a formal method of communication and less flexible. It can also be used as a legal evidence. 2½</p> <p>(b) Verbal Communication:- Verbal communication is the use of words to share information with other people. The effectiveness of the verbal communication depends on the tone of the speaker, clarity of speech, volume, speed, body language and the quality of words used in the conversation. 2½</p>	

29	<p>A company is an association of persons formed for carrying out business activities and has a legal status independent of its members.</p> <p>Features of Joint stock company are:</p> <p>(a) Separate legal entity: From the day of its incorporation, a company acquires an identity, distinct from its members. Its assets and liabilities are separate from those of its owners.</p> <p>(b) Artificial person : A company is a creation of law and exists independent of its member. Like natural persons ,a company can own property ,incur debts, borrow money ,enter into contracts. It is, therefore, called an artificial person.</p>	<p>1</p> <p>2</p> <p>2</p>
30	<p>(a) The hire purchase system is essentially a contract for hiring of goods. The ownership rights remain with the seller and the customer exercises his option for purchasing the goods. The buyer can return the goods at any stage. The seller can also take back the goods in case of non-payment.</p> <p>(b) When goods are sold and payment is agreed to be made in instalments, it is known as instalment payment system. In this case if there is default in payment of any instalment by the buyer, the seller cannot ask for the goods to be returned as the ownership rights pass to be buyer when goods are sold and initial payment is made. The seller can only sue the buyer in a law court for payment of the balance due.</p>	<p>2 ½</p> <p>2 ½</p>