

<b><u>MARKING SCHEME 2022 – 2023</u></b>		
<b><u>CLASS X</u></b>		
<b><u>ELEMENTS OF BUSINESS</u></b>		
Ans1.	(a) Joint stock company.	<b>(1)</b>
Ans2.	(c) Equity Shares	<b>(1)</b>
Ans3.	(b) Public Company	<b>(1)</b>
Ans4.	(c) Chain store or multiple shops	<b>(1)</b>
Ans5.	Automated telling machines.	<b>(1)</b>
Ans6.	(a) Departmental Store	<b>(1)</b>
Ans7.	(b) Mail order houses.	<b>(1)</b>
Ans8.	(a) electronic mail  OR (b) seller.	<b>(1)</b>
Ans9.	(c) Multiple shop  OR (d) is generally formed as a joint stock company	<b>(1)</b>
Ans10.	(a) Hire purchase system  OR (b) Installment payment system.	<b>(1)</b>
Ans11.	(c) Retained earnings  OR (a) Borrowed	<b>(1)</b>
Ans12.	(d) specializes in one line of product.  OR (b) Sampling	<b>(1)</b>
Ans13.	(b) Email  OR (a) Letter	<b>(1)</b>
Ans14.	(a) Books  OR (c) Central market	<b>(1)</b>
Ans15.	(c) Multiple shop  OR (a) Pre packed brands of low priced products	<b>(1)</b>
Ans16.	(c) Assertion (A) is true, but Reason (R) is false	<b>(1)</b>
Ans17.	(d) Assertion (A) is false, but Reason (R) is true	<b>(1)</b>
Ans18.	(a) Mail order house  OR (b) Encoding	<b>(1)</b>
Ans19.	Advertising refers to any paid form of non- personal presentation and promotion of goods and services by an identified sponsor (a) <b>IDENTIFIED SPONSOR:</b> 1. Advertising is undertaken by some identified individual or company, who makes the advertising efforts and also bears the cost of it. 2. It means that it is not a secret. (b) <b>IMPERSONALITY:</b> 1. It is a impersonal method as there is no direct face-to-face contact between the prospect (customer) and the advertiser.	<b>(1½)</b>         <b>(1½)</b>



	(b) Payment of dividend is not compulsory (c) Funds can be raised through equity's shares without crating charge on the assets of company. (d) It provides credit worthiness to the company.	(1) (1) (1)
Ans.25	(a) Video Conferencing (b) Saves money (c) Improves Communication (d) Saves time	(1) (1) (1) (1)
Ans.26	(a) Oral/Verbal communication: Communication with the help of words is known as oral/verbal communication. It may be in the form of lectures, meetings, group discussions, conferences, telephonic conversations, radio messages, etc, (b) Written communication: In written communication message is transmitted through written words in the form of letters, memos, circulars, notices, reports, manuals, handbooks, etc.  OR (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. (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.	(2) (2)  (2) (2)
Ans27.	(a) Quantity Gift (b) Product combination (c) Rebate (d) Instant draws (e) Visible benefit (f) Sampling	(1) (1) (1) (1) (1) (1)

Ans28.	<p>The importance of personal selling to a business organization may be described as follows:</p> <ol style="list-style-type: none"> <li><b>Effective Promotional Tool:</b> Personal selling is very effective promotional tool, which helps in influencing the prospects about the merits of a product and thereby increasing its sale. (2)</li> <li><b>Flexible Tool:</b> 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. (2)</li> <li><b>Minimizes Wastage of Efforts:</b> 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. (2)</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li><b>Mass Reach:</b> Advertising is a medium through which a large number of people can be reached over a vast geographical area. For example, an advertisement message placed in a national daily reaches lakhs of its subscribers. (2)</li> <li><b>Enhancing Customer Satisfaction and Confidence:</b> Advertising creates confidence amongst prospective buyers as they feel more comfortable and assured about the product quality and hence feel more satisfied. (2)</li> <li><b>Expressiveness:</b> With the developments in art, computer designs, and graphics, advertising has developed into one of the most forceful medium of communication. With the special effects that can be created, even simple products and messages can look very attractive. (2)</li> </ol>																							
Ans29.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Basis of difference</th> <th style="text-align: center;">Departmental store</th> <th style="text-align: center;">Chain store</th> </tr> </thead> <tbody> <tr> <td>a) Wide Range</td> <td>Departmental stores offer wide range of products for satisfying the need of different customer.</td> <td>Chain stores do not offer wide range of products. They are specialised In one line of product.</td> </tr> <tr> <td>b) Location</td> <td>Departmental stores are centrally located.</td> <td>Chain stores are located in different localities.</td> </tr> <tr> <td>c) Risk</td> <td>High degree of risk</td> <td>Risk gets spread all over the stores</td> </tr> <tr> <td>d) Pricing</td> <td>Not uniform</td> <td>Uniform pricing</td> </tr> <tr> <td>e) Services</td> <td>Departmental stores provide large number of services such as credit facility, discounts, free home delivery etc.</td> <td>Chain stores do not provide such services to their customers.</td> </tr> <tr> <td>f) flexibility</td> <td>It deals in a variety of product, they have certain flexibility in respect of the line of goods marketed.</td> <td>There is not much scope for flexibility in the chain store which deal only in limited line of products.</td> </tr> </tbody> </table>	Basis of difference	Departmental store	Chain store	a) Wide Range	Departmental stores offer wide range of products for satisfying the need of different customer.	Chain stores do not offer wide range of products. They are specialised In one line of product.	b) Location	Departmental stores are centrally located.	Chain stores are located in different localities.	c) Risk	High degree of risk	Risk gets spread all over the stores	d) Pricing	Not uniform	Uniform pricing	e) Services	Departmental stores provide large number of services such as credit facility, discounts, free home delivery etc.	Chain stores do not provide such services to their customers.	f) flexibility	It deals in a variety of product, they have certain flexibility in respect of the line of goods marketed.	There is not much scope for flexibility in the chain store which deal only in limited line of products.		
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Ans.30	<p>The two sources of finance she can use to expand her business are:</p> <ol style="list-style-type: none"> <li><b>Equity Shares:</b> Equity shares is the most important source of raising long term capital by a company. Equity shares represent the ownership of a company and thus the capital raised by issue of such shares is known as ownership capital or owner's funds. (2)</li> <li><b>Preference Shares:</b> The capital raised by issue of preference shares is called preference share capital. The preference shareholders enjoy a preferential position over equity shareholders in two ways: (i) receiving a fixed rate of dividend, out of the net profits of the</li> </ol>																							

	<p>company, before any dividend is declared for equity shareholders; and (ii) receiving their capital after the claims of the company's creditors have been settled, at the time of liquidation.</p> <p>Limitations of raising money through borrowed funds:</p> <ol style="list-style-type: none"> <li>1. As fixed charge instruments, borrowed funds put a permanent burden on the earnings of a company. There is a greater risk when earnings of the company fluctuate.</li> <li>2. Banks make detailed investigation of the company's affairs, financial structure etc., and may also ask for security of assets and personal sureties. This makes the procedure of obtaining funds slightly difficult.</li> </ol>	<p>(2)</p> <p>(2)</p> <p>(2)</p>
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