

	BUSINESS STUDIES (054) CLASS XII (2025-26) MARKING SCHEME	Marks
1	b) Management is a continuous process	1
2	d) Formed by practice and experimentation	1
3	d) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion.	1
4	d) Statement II is true, Statement I is false	1
5	c) Time based pay plus incentives	1
6	d) 2,3,4	1
7	c) product	1
8	b) Deviations should be analysed to find out the causes.	1
9	c) Such employees are not likely to be good employees as their background is not sufficiently known.	1
10	b) iii,ii,vii,i,iv,v,vi	1
11	c) Depository is like a bank and keeps securities in electronic form on behalf of investors.	1
12	b) Customer value	1

13	c) Aiv, B iii,Ci ,Dii	1
14	b) Planning does not work in a dynamic environment.	1
15	c) Training and development	1
16	a) Long term investment decision	1
17	c) Risk consideration	1
18	c) Capital Market	1
19	d) Contractual constraints	1
20	b) Both the statements are false.	1

22	<p>a) The Marketing Management philosophy followed by Anabel Creation is the Selling concept..</p> <p>This business philosophy assumes that the customers would not buy, or not buy enough, unless they are adequately convinced and motivated to do so. Therefore, firms must undertake aggressive selling and promotional efforts to make customers buy their products. The use of promotional techniques such as advertising, personal selling and sales promotion are considered essential for selling of products.</p> <p>b)The Production Concept- The focus of business activities is on production of goods. It is believed that profits can be maximised by producing at large scale, thereby reducing the average cost of production. Consumers would favour those products which are widely available at an affordable price. Thus, availability and affordability of the products are considered to be the key to the success of a firm.</p> <p>The Product Concept- products. The focus of business activity is on bringing continuous improvement in the quality, incorporating new features etc. Thus, product improvement became the key to profit maximisation of a firm, under the concept of product orientation.</p> <p>The Marketing Concept- It assumes that in the long run an organisation can achieve its objective of maximisation of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way. All the decisions in a firm are taken from the point of view of the customers. Customer's satisfaction becomes the focal point of all decision making in the organisation.</p> <p>The Societal Marketing Concept- The business orientation should not be short-sighted to serve only consumers' needs. It should also consider large issues of long-term social welfare. The societal marketing concept holds that the task of any organisation is to identify the needs and wants of the target market and deliver the desired satisfaction in an effective and efficient manner so that the long-term well-being of the consumers and the society is taken care of.</p>	<p>1+2=3 (any 2)</p>
----	--	--------------------------

23	<p>(i) Participants: The participants in the capital market are financial institutions, banks, corporate entities, foreign investors and ordinary retail investors from members of the public. Participation in the money market is by and large undertaken by institutional participants such as the RBI, banks, financial institutions and finance companies.</p> <p>(ii) Instruments: The main instruments traded in the capital market are – equity shares, debentures, bonds, preference shares etc. The main instruments traded in the money market are short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit.</p> <p>(iii) Investment Outlay: Investment in the capital market i.e. securities does not necessarily require a huge financial outlay. The value of units of securities is generally low i.e. Rs 10, Rs 100 and so is the case with a minimum trading lot of shares which is kept small i.e. 5, 50, 100 or so. This helps individuals with small savings to subscribe to these securities. In the money market, transactions entail huge sums of money as the instruments are quite expensive.</p> <p>(iv) Duration: The capital market deals in medium and long term securities such as equity shares and debentures. Money market instruments have a maximum tenure of one year, and may even be issued for a single day.</p> <p>(v) Liquidity: Capital market securities are considered liquid investments because they are marketable on the stock exchanges. However, a share may not be actively traded, i.e. it may not easily find a buyer. Money market instruments on the other hand, enjoy a higher degree of liquidity as there is formal arrangement for this. The Discount Finance House of India (DFHI) has been established for the specific objective of providing a ready market for money market instruments.</p> <p>(vi) Safety: Capital market instruments are riskier both with respect to returns and principal repayment. But the money market is generally much safer with a minimum risk of default. This is due to the shorter duration of investing and also to financial soundness of the issuers, which primarily are the government, banks and highly rated companies.</p> <p>(vii) Expected return: The investment in capital markets generally yield a higher return for investors than the money markets. The possibility of earnings is higher if the securities are held for a longer duration.</p> <p style="text-align: center;">OR</p> <p>B) Protective functions performed by Securities and Exchange Board of India:</p>	<p>1X3=3 (Any3)</p> <p>1×3=3 Any 3</p>
----	---	--

	<p>1. Prohibition of fraudulent and unfair trade practices like making mis- leading statements, manipulations, price rigging etc.</p> <p>2. Controlling insider trading and imposing penalties for such practices.</p> <p>3. Undertaking steps for investor protection.</p> <p>4. Promotion of fair practices and code of conduct in the securities market.</p>	
24	<p>The level at which necessary workforce would be appointed for implementing and controlling the plans and strategies is Middle Level. He is required to do the following to carry out the main task at the Middle Level :(any two)</p> <p>(i) interpret the policies framed by top management,</p> <p>(ii) ensure that their department has the necessary personnel,</p> <p>(iii) assign necessary duties and responsibilities to them,</p> <p>(iv) motivate them to achieve desired objectives</p> <p>(v) co- operate with other departments for smooth functioning of the organisation. At the same time they are responsible for all the activities of first line managers.</p>	<p>a)1 mark for identification</p> <p>b)1x2=2</p> <p>(Any2)</p>

25	<p>A) a) Customer support services- Customer support services such as after sales services, handling customer complaints and adjustments, procuring credit services, maintenance services, technical services and consumer information aim at providing maximum satisfaction to the customers, which is the key to marketing success. They are very effective in bringing repeat sales from the customers and developing brand loyalty for a product.</p> <p>b) Packaging refers to designing and developing the package for the products. Labelling refers to designing and developing the label to be put on the package. The label may vary from a simple tag to complex graphics. Packaging and labelling have become so important in modern day marketing that these are considered as the pillars of marketing. Packaging is important not only for protection of the products but also serves as a promotional tool.</p> <p style="text-align: center;">OR</p> <p>B) a) Personal selling- Features</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:</p> <p>Personal selling allows a salesperson to develop personal relationships with the prospective customers, which may become important in making sales.</p> <p>b) Advertising-</p> <p>Features (any two)</p> <p>(i) Paid Form: Advertising is a paid form of communication. That is, the sponsor has to bear the cost of communicating with the prospects.</p> <p>(ii) Impersonality: There is no direct face-to-face contact between the prospect and the advertiser. It is therefore referred to as an impersonal method of promotion. Advertising creates a monologue and not a dialogue.</p> <p>(iii) Identified Sponsor: Advertising is undertaken by some identified individual or company, who makes the advertising efforts and also bears the cost of it.</p>	<p>2×2=4</p> <p>2×2=4</p>
----	---	---------------------------

27	<p>a) The feature of the business environment highlighted is Inter relatedness. Different elements or parts of the business environment are closely inter- related. For example, increased life expectancy of people and increased awareness for health care have increased the demand for many health products and services like soft drinks, fat-free cooking oil, and health resorts. New health products and services have, in turn, changed people’s lifestyles.</p> <p>b) Any two other features :</p> <p>(i) Totality of external forces:</p> <p>Business environment is the sum total of all things external to business firms and, as such, is aggregative in nature.</p> <p>(ii) Specific and general forces: Business environment includes both specific and general forces. Specific forces (such as investors,customers, competitors and suppliers) affect individual enterprises directly and immediately in their day-to-day working. General forces (such as social, political, legal and technological conditions) have an impact on all business enterprises and thus may affect an individual firm indirectly.</p> <p>(iii) Relativity: Business environment is a relative concept since it differs from country to country and even region to region. Political conditions in the USA, for instance, differ from those in China or Pakistan. Similarly, demand for sarees may be fairly high in India whereas it may be almost non-existent in France.</p> <p>(iv) Dynamic nature: Business environment is dynamic in that it keeps on changing whether in terms of technological improvement, shifts in consumer preferences or entry of new competition in the market.</p> <p>(v) Uncertainty: Business environment is largely uncertain as it is very difficult to predict future happenings, especially when environment changes are taking place too frequently as in the case of information technology or fashion industries.</p> <p>(vi) Complexity: Since a business environment consists of numerous interrelated and dynamic conditions or forces which arise from different sources, it becomes difficult to comprehend at once what exactly constitutes a given environment. It is a complex phenomenon that is relatively easier to understand in parts but difficult to grasp in its totality.</p>	<p>a) 1 mark for identification +1 mark for stating +</p> <p>b)1 mark each for explanation</p> <p>Any 2</p>
----	---	---

28	<p>A good control system helps the organisation in the following ways:</p> <p>(i) Accomplishing organisational goals: The controlling function measures progress towards the organisational goals and brings to light the deviations, if any, and indicates corrective action. It, thus, guides the organisation and keeps it on the right track so that organisational goals might be achieved.</p> <p>(ii) Judging accuracy of standards: A good control system enables management to verify whether the standards set are accurate and objective. An efficient control system keeps a careful check on the changes taking place in the organisation and in the environment and helps to review and revise the standards in light of such changes.</p> <p>(iii) Making efficient use of resources: By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with predetermined standards and norms. This ensures that resources are used in the most effective and efficient manner.</p> <p>(iv) Improving employee motivation: A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised. It, thus, motivates them and helps them to give better performance.</p> <p>(v) Ensuring order and discipline: Controlling creates an atmosphere of order and discipline in the organisation. It helps to minimise dishonest behaviour on the part of the employees by keeping a close check on their activities.</p> <p>(vi) Facilitating coordination in action: Controlling provides direction to all activities and efforts for achieving organisational goals. Each department and employee is governed by predetermined standards which are well coordinated with one another. This ensures that overall organisational objectives are accomplished.</p>	<p>1x4=4</p> <p>(Any4)</p>
----	--	----------------------------

29

Functional Foremanship: Taylor advocates separation of planning and execution functions. This concept is extended to the lowest level of the shop floor. Under the factory manager there is a planning incharge and a production incharge. Under planning incharge four personnel namely instruction card clerk, route clerk, time and cost clerk and a disciplinarian work. These four personnel would draft instructions for the workers, specify the route of production, prepare time and cost sheet and ensure discipline respectively. Under Production incharge, personnel who work are speed boss, gang boss, repair boss, and inspector. These respectively are responsible for timely and accurate completion of jobs, keeping machines and tools etc., ready for operation by workers, ensure proper working condition of machines and tools and check the quality of work. Each worker has to take orders from these eight foremen.

1+3=4

30	<p>The remaining steps in selection process are:</p> <p>(i) Selection Decision: The final decision has to be made from among the candidates who pass the tests, interviews and reference checks. The views of the concerned manager will be generally considered in the final selection because it is he/she who is responsible for the performance of the new employee.</p> <p>(ii) Medical Examination: After the selection decision and before the job offer is made, the candidate is required to undergo a medical fitness test. The job offer is given to the candidate being declared fit after the medical examination.</p> <p>(iii) Job Offer: The next step in the selection process is job offer to those applicants who have passed all the previous hurdles. Job offer is made through a letter of appointment/confirm his acceptance. The appointee must be given reasonable time for reporting.</p> <p>(iv) Contract of Employment: After the job offer has been made and the candidate accepts the offer, certain documents need to be executed by the employer and the candidate like the attestation form. This form contains certain vital details about the candidate, which are authenticated and attested by him or her. Attestation form will be a valid record for future reference. Basic information that should be included in a written contract of employment are: Job Title, Duties, Responsibilities, Date when continuous employment starts and the basis for calculating service, rates of pay, allowances, hours of work, leave rules, sickness, grievance procedure, disciplinary procedure, work rules, termination of employment.</p>	1x4=4
----	--	-------

31	<p>a)The concept of Financial Management discussed is Working Capital Decision.</p> <p>Working capital decisions are concerned with the decisions about the levels of cash, inventory and receivables. These decisions affect the day-to-day working of a business.</p> <p>b) The factors that will affect the choice of Working capital are:</p> <p>1.Credit Allowed: Different firms allow different credit terms to their customers. These depend upon the level of competition that a firm faces as well as the credit worthiness of their clientele. A liberal credit policy results in a higher amount of debtors, increasing the requirement of working capital.</p> <p>2. Availability of Raw Material: if the raw materials and other required materials are available freely and continuously, lower stock levels may suffice. The time lag between the placement of order and the actual receipt of the materials (also called lead time) is also relevant. Larger the lead time, larger the quantity of material to be stored and larger shall be the amount of working capital required.</p>	<p>a)1 mark for identification+1 mark for stating</p> <p>+</p> <p>b)2x2=4</p> <p>=6</p>
----	---	---

32	<p>a) Leadership- Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.</p> <p>b) Any four features:</p> <p>(i) Leadership indicates the ability of an individual to influence others.</p> <p>(ii) Leadership tries to bring change in the behaviour of others.</p> <p>(iii) Leadership indicates interpersonal relations between leaders and followers.</p> <p>(iv) Leadership is exercised to achieve common goals of the organisation.</p> <p>(v) Leadership is a continuous process.</p>	<p>(1+1=2)</p> <p>+</p> <p>(1x4=4)</p> <p>=6</p>															
33	<p>a) The types of framework highlighted are Functional Structure and Divisional Structure.</p> <p>a. Distinction between Functional Structure and Divisional Structure:</p> <p style="text-align: center;">(any four)</p> <table border="1" data-bbox="280 1211 1131 1962"> <thead> <tr> <th data-bbox="280 1211 491 1373">Basis</th> <th data-bbox="491 1211 767 1373">Functional Structure</th> <th data-bbox="767 1211 1131 1373">Divisional Structure</th> </tr> </thead> <tbody> <tr> <td data-bbox="280 1373 491 1503">Formation</td> <td data-bbox="491 1373 767 1503">Formation is based on functions</td> <td data-bbox="767 1373 1131 1503">Formation is based on product lines and is supported by functions.</td> </tr> <tr> <td data-bbox="280 1503 491 1601">Specialisation</td> <td data-bbox="491 1503 767 1601">Functional specialisation.</td> <td data-bbox="767 1503 1131 1601">Product specialisation.</td> </tr> <tr> <td data-bbox="280 1601 491 1731">Responsibility</td> <td data-bbox="491 1601 767 1731">Difficult to fix on a department.</td> <td data-bbox="767 1601 1131 1731">Easy to fix responsibility for performance.</td> </tr> <tr> <td data-bbox="280 1731 491 1962">Managerial Development</td> <td data-bbox="491 1731 767 1962">Difficult, as each functional manager has to report to the top management</td> <td data-bbox="767 1731 1131 1962">Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.</td> </tr> </tbody> </table>	Basis	Functional Structure	Divisional Structure	Formation	Formation is based on functions	Formation is based on product lines and is supported by functions.	Specialisation	Functional specialisation.	Product specialisation.	Responsibility	Difficult to fix on a department.	Easy to fix responsibility for performance.	Managerial Development	Difficult, as each functional manager has to report to the top management	Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.	<p>(1+1=2)</p> <p>+</p> <p>(1x4=4)</p> <p>=6</p>
Basis	Functional Structure	Divisional Structure															
Formation	Formation is based on functions	Formation is based on product lines and is supported by functions.															
Specialisation	Functional specialisation.	Product specialisation.															
Responsibility	Difficult to fix on a department.	Easy to fix responsibility for performance.															
Managerial Development	Difficult, as each functional manager has to report to the top management	Easier, autonomy as well as the chance to perform multiple functions helps in managerial development.															

	Cost	Functions are not duplicated hence economical.	Duplication of resources in various departments, hence costly.	1X6=6
	Coordination	Difficult for a multi-product company.	Easy, because all functions related to a particular product are integrated in one department.	
34.	<p>A) Reliefs available to a consumer under Consumer Protection Act, 2019(any six):</p> <p>(i) To remove the defect in goods or deficiency in service.</p> <p>(ii) To replace the defective product with a new one, free from any defect.</p> <p>(iii) To refund the price paid for the product, or the charges paid for the service.</p> <p>(iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.</p> <p>(v) To pay punitive damages in appropriate circumstances.</p> <p>(vi) To discontinue the unfair/ restrictive trade practice and not to repeat it in the future.</p> <p>(vii) Not to offer hazardous goods for sale.</p> <p>(viii) To withdraw the hazardous goods from sale.</p> <p>(ix) To cease manufacture of hazardous goods and to desist from offering hazardous services.</p> <p>(x) To pay any amount (not less than 5% of the value of the defective goods or deficient services provided), to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner.</p>			1x6=6

	<p>(xi) To issue corrective advertisement to neutralise the effect of a misleading advertisement.</p> <p>(xii) To pay adequate costs to the appropriate party.</p> <p style="text-align: center;">OR</p> <p>B)1. Right to Safety: The consumer has a right to be protected against goods and services which are hazardous to life and health. For instance, electrical appliances which are manufactured with substandard products or do not conform to the safety norms might cause serious injury. Thus, consumers are educated that they should use electrical appliances which are ISI marked as this would be an assurance of such products meeting quality specifications.</p> <p>2. 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.</p> <p>3. Right to Choose: The consumer has the freedom to choose from a variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc. and allow the consumer to make a choice from amongst these.</p> <p>4. Right to be Heard: The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason that many enlightened business firms have set up their own consumer service and grievance cells. Many consumer organisations are also working towards this direction and helping consumers in redressal of their grievances.</p> <p>5. Right to seek Redressal: The consumer has a right to get relief in case the product or service falls short of his expectations. The Consumer Protection Act provides a number of reliefs to the consumers including replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer, etc.</p> <p>6. Right to Consumer Education: The consumer has a right to acquire knowledge and to be a well informed consumer throughout life. He should be aware about his rights and the reliefs available to him in case of a product or service.</p>	1x6=6
--	---	-------