**KENDRIYA VIDYALAYA SANGATAHAN, LUCKNOW REGION**

**PRE BOARD-I (2025-26)**

**CLASS XII**

**Subject: Business Studies (054)**

# MARKING SCHEME

| S.No. | Answers | Marks |
|---|---|---|
| 1 | c). Pricing Decision | 1 |
| 2 | a) Better control | 1 |
| 3 | a) ISI mark | 1 |
| 4 | a) It helps the firm to identify opportunity and take first mover advantage | 1 |
| 5 | c) Motion study | 1 |
| 6 | c) Interest Coverage Ratio | 1 |
| 7 | c) Personal objective | 1 |
| 8 | b) Controlling | 1 |
| 9 | d) District commission | 1 |
| 10 | b) Strategy | 1 |
| 11 | d ) Motivation | 1 |
| 12 | d). Assertion(A) is False but Reason(R) is True. | 1 |
| 13 | a) Competitive spirit among the existing staff | 1 |
| 14 | c) Buy only standardised products | 1 |
| 15 | a) Both the statements are true. | 1 |
| 16 | a) Right to be informed | 1 |
| 17 | c) Personality test | 1 |
| 18 | (d) Both (b) and (c) | 1 |
| 19 | c) (iii);(ii);(iv);(i) | 1 |
| 20 | a) Describing the product and specifying its contents | 1 |
| 21 | Dimensions of business environment highlighted above are:<br>a. Political dimension: 'The government of India announced Demonetization of ₹ 500 and ₹ 1,000 currency notes with effect from the midnight of November 8, 2016. '<br>b. Legal dimension: 'As a result, the existing ₹ 500 and ₹ 1,000 currency notes ceased to be legal tender from that date.'<br>c. Technological dimension: 'The step resulted in a substantial increases in the awareness about and use of Point of Sale machines, e-wallets, digital cash and other modes of cashless transactions.' | 1x3=3 |
| 22 | Calculation of Return on Investment(ROI) | 1 ½ x2=3 |

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| | **ROI**= $\frac{\text{Earnings before interest and tax}}{\text{Total Investment}}$ X 100<br><br>= $\frac{1500000}{3000000}$ X 100 = 50%<br><br>**Calculation of Interest Coverage Ratio (ICR)**<br><br>**ICR=** $\frac{\text{Earning before interest and tax}}{\text{Interest}}$ = $\frac{1500000}{120000}$ = 12.5 times | |
| **23** | **(a) Autocratic leadership**<br>**(b) Democratic leadership**<br>**(c ) Laissez-faire leadership**<br>**OR**<br>**a. Labour Contractors (1 mark for correct answer)**<br>**b. Frequent hire and fire, High turnover (or any other suitable answer) (1 mark for correctanswer)**<br>**c. Security needs (1 mark for correct answer)** | **1x3=3** |
| **24** | **a. Planning leads to rigidity. Because of the firm's advance planning it could not suddenly bring changes in its plans as the whole organisation had started implementing the decided plan.**<br>**b. Planning may not work in a dynamic environment. However, the firm knows that the external environment is changeable and continues to vary in a fast manner.**<br>**c. Planning involves huge costs. It has decided to allocate a portion of its budget specifically for proper planning as it knows that there are going to be expenses like Expert's fee, survey charges, etc.**<br>**OR**<br>**a. Planning establishes standards for controlling. The manufacturing department has decided to manufacture 2.5 million units of the product and has decided to monitor the performance so as to control it accordingly.**<br>**b. Planning facilitates decision making. The Company in its research during the last three months generated various options and decided to follow the best one.**<br>**c. Planning reduces the risk of uncertainty. The HR head revealed that there can be shortage of MBA pass outs which can reduce the quality of manpower in the near future so it has decided to arrange HR workshops in different colleges to get the best candidates.** | **1x3=3** |
| **25** | **1. The step of staffing process which has not been performed properly is: Estimation of manpower requirements: It is the first step in the staffing process and is carried out with the help of workload analysis (assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organisational objectives) and work force analysis (assessment of the number and type available).**<br>**2. The next two stages immediately following the step Estimation of manpower requirement are as follows:**<br>**o Recruitment: Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.**<br>**o Selection: Selection is the process of choosing the best candidate from a pool of applicants**<br>**OR** | **2+2=4** |

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| | Training should be provided to the employees to develop their skills and abilities for producing quality products by using these hi-tech machines.<br>The benefits of imparting training to the employee are as follows:<br>1. **Better career:** Training leads to better career opportunities for the employees as it helps to improve their skills and knowledge of doing the job.<br>2. **Increased earnings:** Training leads to increased performance by the employees thereby helping them to earn more.<br>3. **Increased efficiency:** Training makes the employees more efficient in handling machines and less prone to accidents.<br>4. **Improved motivation:** Training increases the satisfaction and morale of employees thereby motivating them to work with greater enthusiasm. | **1x4=4** |
| **26** | **(I) Management is an intangible force:** Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable in an organisation where targets are met according to plans, employees are happy and satisfied, and there is orderliness instead of chaos.<br>**(II) Importance of management: (Any three)**<br>• **Management helps in achieving group goals:** Management is required not for itself but for achieving the goals of the organisation. The task of a manager is to give a common direction to the individual effort in achieving the overall goal of the organisation.<br>• **Management increases efficiency:** The aim of a manager is to reduce costs and increase productivity through better planning, organising, directing, staffing and controlling the activities of the organisation.<br>• **Management creates a dynamic organisation:** All organisations have to function in an environment which is constantly changing. It is generally seen that individuals in an organisation resist change as it often means moving from a familiar, secure environment into a newer and more challenging one. Management helps people adapt to these changes so that the organisation is able to maintain its competitive edge.<br>• **Management helps in achieving personal objectives:** A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective.<br>• **Management helps in the development of society:** An organisation has multiple objectives to serve the purpose of the different groups that constitute it. In the process of fulfilling all these, management helps in the development of the organisation and through that it helpsin the development of society. | **1+1x3=4** |
| **27** | **Planning is the function of management which is being described in the above paragraph.**<br>**The various steps involved in the planning process are explained below:**<br>**Setting objectives:** The planning process is initiated by setting the objectives in clear, specific and measurable terms.<br>**Developing Premises:** Planning process is carried out keeping in view the assumptions related to the future, which is uncertain.<br>**Identifying alternative courses of action:** The next step in the planning process involves identification of the various ways in which the goals can be achieved.<br>**Evaluating alternative courses:** In order to select the best option, the relative positive and negative aspects of each alternative should be evaluated in the light of their feasibility and consequences.<br>**Selecting an alternative:** The best plan is adopted to achieve the desired goals.<br>**Implement the plan:** This step is concerned with putting plans into action.<br>**Follow up action:** Monitoring of plans is equally important to ensure that objectives are achieved efficiently and effectively. | **1+3=4** |
| **28** | **The various functions of packaging are:**<br>**(a) Product protection. The content of product is protected against spoilage, breakage, leakage, damage, climatic effects, etc. due to proper packaging. This protection** | **1x4=4** |

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| | **facilitates its storage, distribution and transportation.**<br>**(b) Product identification. Packaging becomes a mean of product differentiation and ide**<br>**(c) Facilitating use of the product. Packaging makes itconvenient for the consumers to open, handle anduse the product.**<br>**(d) Product promotion. Packaging has become a way of promoting the product. With rising standard of health and hygiene, people are asking for packed products instead of loose ones. Further, innovative packs are increasing the scope of marketing of product.ntification for some brands.** | |
| **29** | **Plans are prepared for the future and are based on forecasts about future conditions. Therefore, planning involves looking ahead and is called a forward-looking function. On the contrary, controlling is like a postmortem of past activities to find out deviations from the standards. In that sense, controlling is a backward looking function. However, planning is guided by past experiences and the corrective action initiated by the control function aims to improve future performance. Thus, planning and controlling are both backward-looking as well as a forward-looking function.**<br>**OR**<br>● **Measurement of Actual Performance: Once performance standards are set, the next step is measurement of actual performance. Performance should be measured in an objective and reliable manner. There are several techniques for measurement of performance. These include personal observation, sample checking, performance reports.**<br>● **Comparing Actual Performance with Standards: This step involves comparison of actual performance with the standard. Such comparison will reveal the deviation between actual and desired results. Comparison becomes easier when standards are set in quantitative terms.**<br>● **Analysing Deviations**<br>● **Taking Corrective Action** | **4**<br><br>**1x4=4** |
| **30** | **a) Lack of recognition (or any other correct answer)**<br>**b) Organisational Barrier**<br>**c) Two measures to overcome barrier**<br>**(i) Introduce appreciation and reward systems**<br>**(ii) Encourage open communication by conducting regular feedback sessions**<br>**(or any other correct answer)** | **1+1+2=4** |
| **31** | *a)* **Principle of Equity: Equity means that managers should be kind, fair, and just towards employees.** *"The company has a culture of open communication and people of various nationalities work together in a discrimination free environment."*<br>*b)* **Principle of Esprit de Corps (Team Spirit): Esprit de Corps means "union is strength." Managers should promote team spirit, harmony, and unity among employees to ensure better coordination and results***. "It also promotes mutual trust and belongingness among team members."*<br>**c) Principle of Remuneration: According to Henri Fayol, remuneration refers to fair and adequate payment to employees for the work they perform.** *"It provides good remuneration to its people."* | **2x3=6** |
| **32** | | **1 ½ x4=6** |

| **Basis of Difference** | **Functional Structure** | **Divisional Structure** |
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| **Basis of Formation** | Formed on the basis of **functions** (e.g., production, marketing, finance, HR). | Formed on the basis of **products, geographical areas, or customers.** |
| **Specialization** | Specialization is based on **functional areas** — employees specialize in their specific functions. | Specialization is based on **products or divisions** — each division focuses on a specific product line or market. |
| **Responsibility** | Functional heads are responsible for the **performance of their functions** only. | Divisional heads are responsible for the **profits and performance of their entire division.** |
| **Cost and Duplication of Efforts** | It is **economical**, as there is no duplication of resources or activities. | It is **costlier**, as each division has its **own set of departments** and resources (duplication). |

**OR**

| **Basis of Difference** | **Formal Organisation** | **Informal Organisation** |
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| **Meaning** | **It is the officially designed structure of roles and responsibilities created by management to achieve organizational goals.** | **It is the network of personal and social relationships that naturally develop among people within the organization.** |
| **Nature of Formation** | **Deliberately created by the management.** | **Spontaneously formed by employees based on friendship and common interests.** |
| **Purpose** | **To achieve organizational objectives efficiently.** | **To satisfy social and emotional needs of members.** |
| **Authority** | **Authority flows through official hierarchy as per organizational structure.** | **Authority arises from personal acceptance, trust, and influence among group members.** |

**33** — **1 ½ x4=6**

a) **Gathering and Analysing Market Information:This function involves collecting and studying information about consumers' needs, preferences, and market trends.**
b) **Product Designing and Development: It refers to designing and developing a product that satisfies customer needs. It includes decisions about quality, design, features, brand name, and packaging.**
c) **Branding: Branding means giving a unique name, symbol, or identity to a product to differentiate it from competitors' products.**
d) **Standardisation and Grading: Standardisation ensures uniformity in the quality o**

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| | a product, and grading involves classifying products into different categories based on quality or size.<br>**OR**<br>ANY FOUR<br>1. Production Concept:The production concept assumes that customers prefer products that are available and affordable.Hence, businesses focus on large-scale production to reduce costs and increase availability.<br>2. Product Concept:The product concept assumes that consumers favor products that offer the best quality, performance, and features.<br>Therefore, companies focus on continuous improvement and innovation.<br>3. Selling Concept:The selling concept assumes that consumers will not buy enough of a firm's products unless the firm undertakes aggressive selling and promotional efforts.<br>4. Marketing Concept:The marketing concept focuses on identifying and satisfying the needs and wants of target customers better than competitors.<br>Customer satisfaction is the key to achieving business goals.<br>5. Societal Marketing Concept:The societal marketing concept extends the marketing concept by emphasizing social welfare.It focuses on customer satisfaction while also considering society's long-term interests (like environmental protection and sustainability). | |
| 34 | (I) Two Regulatory Functions of SEBI<br>Regulatory functions are those that help regulate and control the functioning of the securities market and intermediaries to ensure transparency and fair practices.<br>a. Registration and Regulation of Market Intermediaries.<br>b. Regulation of Takeovers and Mergers.<br>(II) Two Protective Functions of SEBI<br>Protective functions are meant to protect the interests of investors and ensure fair dealings in the securities market.<br>a. Prohibition of Insider Trading.<br>b. Prohibition of Unfair Trade Practices:<br>(III) Two Developmental Functions of SEBI<br>Developmental functions aim at promoting and developing the securities market and making it more efficient and investor-friendly.<br>a. Investor Education and Awareness.<br>b. Promotion of Fair Practices and Code of Conduct. | 2X3=6 |