

**Answer Key**  
**SECOND YEAR HIGHER SECONDARY EXAM**  
**SAY / IMPROVEMENT JULY 2022**

**Part III**      **Subject: BUSINESS STUDIES – FM**  
**Score: 80**

**Code No. SAY - 748**  
**Time: 2 ½ Hours**

<b>PART - I</b>			Score
<b>A. Answer any 4 questions from 1 to 6 - 1 Score each (4 x 1 = 4)</b>			
1	c) Lower Level		1
2	c) Social		1
3	Political Environment		1
4	b) Planning		1
5	a) Transfer		1
6	a) Sundry Debtors		1
<b>B. Answer all questions from 7 to 10 - 1 Score each (4 x 1 = 4)</b>			
7	b) Controlling		1
8	d) All of these		1
9	d) Planning		1
10	a) Employment interview		1
<b>PART - II</b>			
<b>A. Answer any 3 questions from 11 to 15 - 2 Score each (3 x 2 = 6)</b>			
11	Any 2 features of management as an art: 1) Existence of theoretical knowledge, 2) Personalised application, 3) Based on practice and creativity      (any 2 - points only)	1 Score Each	2
12	<b>Delegation</b> means assigning work to others and giving them authority to do it. In other words, it is the downward transfer of authority from a superior to the subordinate. It enables the managers to distribute their workload to others.  <p style="text-align: right;">(any meaningful explanation)</p>		2
13	<b>Functions of stock exchanges:</b> 1. Liquidity and marketability to investment 2. Pricing of securities 3. Safety of transactions 4. Contributes to economic growth 5. Spreading of equity cult 6. Providing scope for speculation 7. Economic barometer      (any 2 – points only)	1 Score Each	2

14	<b>Differences between Money market and Capital market</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Money Market</th> <th style="width: 50%; text-align: center;">Capital Market</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">           1. It is a market for short term instruments having a maturity period of less than one year.            2. It helps to meet the working capital needs.         </td> <td style="vertical-align: top;">           1. It is for medium and long term instruments having maturity period of more than one year.            2. It helps in meeting fixed capital needs.         </td> </tr> <tr> <td colspan="2" style="text-align: center;">(any other 2 differences may be considered)</td> </tr> </tbody> </table>	Money Market	Capital Market	1. It is a market for short term instruments having a maturity period of less than one year. 2. It helps to meet the working capital needs.	1. It is for medium and long term instruments having maturity period of more than one year. 2. It helps in meeting fixed capital needs.	(any other 2 differences may be considered)		1 Score Each	2
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(any other 2 differences may be considered)									
15	<b>Consumer Rights:</b> <ol style="list-style-type: none"> <li>1. Right to safety</li> <li>2. Right to be informed</li> <li>3. Right to choose</li> <li>4. Right to be heard</li> <li>5. Right to seek redressal</li> <li>6. Right to consumer education</li> </ol> <p style="text-align: right;">(any 2 – points only)</p>	1 Score Each	2						
<b>B. Answer any 2 questions from 16 to 18 - 2 Score each (2 x 2 = 4)</b>									
16	<b>Impact of changes in government policy on business and industry:</b> <ol style="list-style-type: none"> <li>1. Increasing competition</li> <li>2. More demanding customers</li> <li>3. Rapidly changing technological environment</li> <li>4. Necessity for change</li> <li>5. Need for developing human resource</li> <li>6. Market orientation</li> <li>7. Loss of budgetary support to the public sector</li> </ol> <p style="text-align: right;">(any 2 – points only)</p>	1 Score Each	2						
17	<b>Benefits of training to the business:</b> <ol style="list-style-type: none"> <li>1. Reduce wastages</li> <li>2. Enhance productivity</li> <li>3. Equips the future managers</li> <li>4. Reduces absenteeism and employee turnover</li> <li>5. Effective response towards changing environment</li> </ol> <p style="text-align: right;">(any 2 – points only)</p>	1 Score Each	2						
18	<b>Non-financial Incentives</b> <ol style="list-style-type: none"> <li>1. Status</li> <li>2. Organizational climate</li> <li>3. Career advancement</li> <li>4. Job enrichment</li> <li>5. Employee recognition</li> <li>6. Job security</li> <li>7. Employee participation</li> <li>8. Employee empowerment</li> </ol> <p style="text-align: right;">(any 2 – points only)</p>	1 Score Each	2						
<b>PART - III</b>									
<b>A. Answer any 3 questions from 19 to 23 - 4 Score each (3 x 4 = 12)</b>									
19	Match the following: a) Change in the life style of people – Social Environment b) Companies Act – Legal Environment c) Change in tax rate – Economic Environment d) Ideology of government – Political Environment	1 Score Each	4						

20	<p><b>Differences between on the job training and off the job training:</b></p> <ol style="list-style-type: none"> <li><b>On the job Training</b> – Under this method training is imparted among the employees while they are engaged in their work. Here the employees learn by doing. It includes job rotation, apprenticeship, coaching, committee assignments etc.</li> <li><b>Off the Job Training</b> – This is concerned with imparting training to employees outside the actual work place. The methods adopted include class room lectures, conferences, case study methods, films, TV shows, etc. The employees can concentrate on training alone since they are away from the work place.</li> </ol> <p style="text-align: right;">(or any meaningful differences)</p>		4
21	<p><b>Qualities of a Good Leader:</b></p> <ol style="list-style-type: none"> <li>Physical features</li> <li>Knowledge</li> <li>Integrity</li> <li>Initiative</li> <li>Communication Skill</li> <li>Motivation skills</li> <li>Self confidence</li> <li>Decisiveness</li> <li>Social skills</li> </ol> <p style="text-align: right;">(any 4 with brief explanation – points only 1/2 score each, maximum 2 Score)</p>	1 Score Each	4
22	<p><b>Traditional Techniques of managerial control:</b></p> <ol style="list-style-type: none"> <li>Personal observation</li> <li>Statistical reports</li> <li>Break-even analysis</li> <li>Budgetary control</li> </ol> <p style="text-align: right;">(any 2 with brief explanation – points only 1 score each, maximum 2 score)</p>	2 Score Each	4
23	<p><b>4 P's in Marketing:</b> Product, Price, Place and Promotion (Explain each point – points only 1/2 score each)</p>	1Score Each	4
<b>B. Answer any 1 question from 24 to 25 - 4 Score (1 x 4 = 4)</b>			
24	<p><b>Features of Coordination:</b></p> <ol style="list-style-type: none"> <li>Integration</li> <li>Unity of action</li> <li>Continuous process</li> <li>It is an all pervasive function</li> <li>It is the responsibility of all managers</li> <li>It is a deliberate function</li> </ol> <p style="text-align: right;">(Explain any 4 – points only 1/2 score each, maximum 2 score)</p>	1Score Each	4
25	<p><b>Limitations of Planning</b></p> <ol style="list-style-type: none"> <li>Rigidity</li> <li>Planning may not work in dynamic environment</li> <li>Planning reduces creativity</li> <li>Huge Cost</li> <li>Time consuming</li> <li>Planning does not guarantee success</li> </ol> <p style="text-align: right;">(any 4 – points)</p>	1Score Each	4

**PART - IV**

**A. Answer any 3 questions from 26 to 29 - 6 Score each (3 x 6 = 18)**

26	<p><b>Management</b> is the art of getting things done through others. (2 Score)</p> <p><b>Features of Management:</b></p> <ol style="list-style-type: none"> <li>1. Management is goal oriented</li> <li>2. Management is Pervasive</li> <li>3. Management is multidimensional</li> <li>4. Management is a continuous process</li> <li>5. Management is a group activity</li> <li>6. Management is a Dynamic Function</li> <li>7. Management is an intangible force</li> </ol> <p align="right">(any 4 – Points only, 1 score each)</p>		6
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27	<b>Differences between formal and informal organisation:</b>				6
	<b>Basis</b>	<b>Formal Organization</b>	<b>Informal Organization</b>		
	1. Meaning	Structure of authority created by management	Network of social relationship among the employees		
	2. Origin	Established on the basis of company rules and regulations	Originated as a result of social interaction		
	3. Authority	Based on the position in the management	Based on personal qualities		
	4. Behavior	It is directed by rules	There is no set behavior pattern		
	5. Flow of Communication	Through the scalar chain	It can take place in any direction (Grapevine)		
	6. Nature	Rigid	Flexible		
	7. Leadership	Managers are leaders	Leaders are chosen by the group		
(Any 6 difference)			1Score Each		

28	<p><b>Maslow's Need Hierarchy Theory of Motivation</b></p> <p>Motivation is based on human needs. To motivate means to satisfy human needs. However, needs take a hierarchy as given by Maslow's theory on need hierarchy. (1 Score)</p> <p>They are:</p> <ol style="list-style-type: none"> <li>1. Basic Physiological Needs</li> <li>2. Safety and Security Needs</li> <li>3. Social Needs</li> <li>4. Esteem Needs</li> <li>5. Self Actualization Needs</li> </ol> <p>(For explaining 5 needs with diagram full score, without diagram maximum 5 score)</p>		6
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29	<p><b>a) Dividend Decision:</b> It is concerned with the disposal of profits. A portion of the profit is to be retained in the business for growth and expansion. That part of profit is called retained earnings and the rest of the profit is to be distributed to the shareholders in the form of dividends.</p> <p><b>b) Capital Structure:</b> It refers to the mix or composition of long term sources of funds such as equity share capital, preference share capital, debentures, long term loans and reserves and surplus.</p>	2 Score Each	6
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	<p><b>c) Financial Management:</b> “Financial management is considered to be the management of the finance function”. It deals with planning, organizing, directing and controlling financial activities like procurement and utilization of funds and distribution of earnings to owners.</p> <p>(any meaningful explanation)</p>		
<p><b>B. Answer any 2 questions from 30 to 32 - 6 Score each (2 x 6 = 12)</b></p>			
30	<p><b>Principles of Scientific Management:</b></p> <ol style="list-style-type: none"> <li>1. Science, not rule of thumb</li> <li>2. Harmony, not discord</li> <li>3. Co-operation, not individualism</li> <li>4. Development of each and every person to their greatest efficiency and prosperity</li> </ol> <p>(any 3 with explanation – Points only 1 score each)</p>	2 Score Each	6
31	<p><b>Importance of Communication:</b></p> <ol style="list-style-type: none"> <li>1. A basis for coordination</li> <li>2. Smooth working of the enterprise</li> <li>3. Basis for decision making</li> <li>4. Increases managerial efficiency</li> <li>5. Promotes cooperation and industrial peace</li> <li>6. Establishes effective leadership</li> <li>7. Boosts morale and provides motivation</li> </ol> <p>(any 6 with explanation – points only 1/2 score each)</p>	1 Score Each	6
32	<ol style="list-style-type: none"> <li>1. <b>Branding</b> – It is the process of giving a name or symbol to a product for identifying and differentiating it from the products of competitors.</li> <li>2. <b>Packaging:</b> It refers to the designing and producing the container or wrapper of a product.</li> <li>3. <b>Labelling:</b> It refers to the designing and developing the label to be put on the package. It may be attached to the product and carries information about the product and the producer in the form of a tag, sticker etc.</li> </ol> <p>(any meaningful explanation)</p>	2 Score Each	6
<p><b>PART - V</b></p>			
<p><b>Answer any 2 questions from 33 to 35 - 8 Score each (2 x 8 = 16)</b></p>			
33	<p><b>Fayol’s Principles of Management:</b> Division of Work, Authority and Responsibility, Discipline, Unity of Command, Unity of Direction, Subordination of Individual Interest to General Interest, Remuneration of Employees, Centralization and Decentralization, Scalar Chain, Order, Equity, Stability of Personnel, Initiative, Esprit de Corps</p> <p>(any 8 with explanation – points only 1/2 score each, maximum 4 score)</p>	1 Score Each	8
34	<p><b>Steps in Planning Process:</b></p> <p>1) Setting the objectives, 2) Develop Planning Premises, 3) Identifying alternatives, 4) Evaluating alternatives, 5) Selecting the best alternative, 6) Implementation of plans, 7) Follow Up</p> <p>(Give full score for 7 points in <b>correct order</b> with explanation, Maximum 7 score even if it is not in correct order, – points only 1/2 score each)</p>		8

35	<b>External Sources of Recruitment:</b> 1) Direct recruitment, 2) Casual callers from waiting list, 3) Advertisement, 4) Employment Exchanges, 5) Placement Agencies and Personnel Consultants, 6) Campus interviews, 7) Recommendations of Present Employees, 8) Labour Contractors, 9) Advertising on Television, 10) Web Publishing (any 8 with explanation – points only 1/2 score each, maximum 4 score)	1 Score Each	8
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**Scheme finalised by:**

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