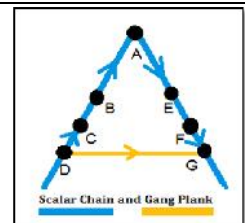


**Answer Key – (Unofficial) – by Ajith Kanthi Wayanad**  
**Class 12 – BUSINESS STUDIES – March 2024 – Qn Code: SY – 548**

<b>1 Score – Any 7 from 1 to 9</b>	
1	d) All of these
2	b) 14
3	c) It should be easy to pronounce
4	RoI = Return on Investment
5	b) Self Actualisation Needs
6	a) Taking corrective action
7	a) Informal Organisation
8	c) Recruitment, Selection, Placement, Training
9	a) Planning
<b>2 Score - Any 7 from 10 to 17</b>	
10	<b>Fixed capital</b> represents a long term investment which needed to acquire fixed assets, whereas, <b>Working capital</b> is that part of capital required for investing in short term or current assets (any meaningful differentiation is considered)
11	a) CEO – Top Level Management <b>Functions of Top Level Management:</b> 1. It lays down the objectives of the business organization. 2. It prepares strategic plans and policies. 3. It issues necessary instructions to departmental heads. 4. They appoint the executives for middle level. 5. It co-ordinates the activities. 6. It controls all the departments of the organization. 7. It builds and maintain relations with outside public. (any 1 function)
12	<b>Advantages of Divisional Structure:</b> 1) Skill development, 2) Fixation of responsibility, 3) Quick decisions, 4) Expansion and growth of business (any 2)
13	<b>Organising</b> is the process of identifying and grouping various activities and bringing together physical, financial and human resources and establishing productive relations among them for the achievement of specific goals. (any meaningful explanation)
14	a) Consumer Protection Act – 2019 or 1986 b) Companies Act - 2013 or 1956
15	<b>Relief available to consumers under CPA</b> a. Removal of defects. b. Replacement of goods or service. c. Return of price by seller. d. Payment of compensation by seller for the loss suffered. e. Discontinuance of unfair trade practices. f. Withdrawal of hazardous goods. g. To issue corrective advertisement to neutralize the effect of a misleading advertisement. (any 2)

16	<b>Type of Plan:</b> a) No Admission without permission – <b>Rule</b> b) Promotion is based on merit only – <b>Policy</b>
17	<b>Objectives of Financial Planning</b> 1. To ensure availability of funds whenever required 2. To ensure that the firm does not raise resources unnecessarily
<b>3 Score - Any 6 from 18 to 24</b>	
18	<b>Suitable elements to social environment of business:</b> a) Life expectancy, b) Customs and traditions, c) Literacy rate
19	<b>Financial Decisions:</b> 1. <b>Investment Decision</b> – It is concerned with how firm's valuable funds are to be invested in various assets 2. <b>Financing Decision</b> – it is concerned with the quantum of finance to be raised from various long term sources. They are shareholders' fund and borrowed fund such as shares, debentures, loans etc. 3. <b>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.
20	<b>Consumer Rights</b> 1. Right to safety 2. Right to be informed 3. Right to choose 4. Right to be heard 5. Right to seek redressal 6. Right to consumer education
21	<b>Importance / Advantages of Controlling</b> 1. Accomplishing organizational goals 2. Judging accuracy of standards 3. Efficient use of resources 4. Improving employee motivation 5. Ensures order and discipline 6. Coordination 7. Decision making (any 3 with explanation)
22	1. <b>Authority</b> – Authority means the right of an individual (superior) to command his subordinates and to take action within the limits of his position. 2. <b>Responsibility</b> – It means the obligation of a subordinate to perform the duties assigned. 3. <b>Accountability</b> – Accountability means answerability for the final outcome of the assigned task.
23	<b>Scalar Chain</b> – Scalar chain refers to the line of authority or the chain of superiors starting from the highest and moving towards the lowest rank.



24	<b>Merits of External Sources of Recruitment</b> <ol style="list-style-type: none"> <li>1. Qualified and experienced personnel</li> <li>2. Wide Choice</li> <li>3. Fresh Talent – infusion of new blood</li> <li>4. Competitive Spirit - Element of competition with the internal candidates. (any 3)</li> </ol>												
<b>5 Score - Any 5 from 25 to 30</b>													
25	<b>a) Father of Scientific Management – F W Taylor</b> <b>b) Meaning of Scientific Management</b> - “Scientific Management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way” (or any meaningful answer) <b>c) Techniques of Scientific Management:</b> a) Standardization and simplification of work, b) Method Study, c) Motion Study, d) Time Study, e) Fatigue Study, f) Differential piece wage system, g) Functional Foremanship (any 2)												
26	<b>Functions of Management:</b> <ol style="list-style-type: none"> <li>1. <b>Planning</b> : Planning is the initial task of every management. It helps in determining future course of action to be followed for achieving organizational goals. It is the act of deciding in advance ‘what to do’, ‘when to do’, ‘who will do’ a particular job. It is a process which involves thinking before doing.</li> <li>2. <b>Organizing</b>: It is a process of establishing relationship among the members of the enterprise. The relationship is created in terms of authority and responsibility. Organization provides the framework within which people associate for the attainment of organizational goals.</li> <li>3. <b>Staffing</b>: Staffing function comprises recruitment, selection, training, development and appraisal of employees in an organization. Its aim is to place the right person at the right job at the right time.</li> <li>4. <b>Directing</b>: It is concerned with instructing, guiding, and inspiring people in the organization to achieve organizational goals. Direction is not only issuing orders and instructions by superior to subordinate, but also guiding, motivating and leading them.</li> <li>5. <b>Controlling</b>: It deals with the measurement and correction of the performance of persons against the predetermined standard.</li> </ol>												
27	<b>Limitations of Planning:</b> <ol style="list-style-type: none"> <li>1. Rigidity (inflexibility)</li> <li>2. Planning may not work in dynamic environment</li> <li>3. Planning reduces creativity</li> <li>4. Huge Cost</li> <li>5. Time consuming</li> <li>6. Does not guarantee success (any 5 in detail)</li> </ol>												
28	<b>Matching Pairs:</b> <table border="1"> <thead> <tr> <th>A</th><th>B</th></tr> </thead> <tbody> <tr> <td>a) Sender</td><td>The source of communication</td></tr> <tr> <td>b) Feedback</td><td>The replay or response of the receiver</td></tr> <tr> <td>c) Media</td><td>The path / route of communication</td></tr> <tr> <td>d) Noise</td><td>The hindrance to communication</td></tr> <tr> <td>e) Message</td><td>The content or subject matter of communication</td></tr> </tbody> </table>	A	B	a) Sender	The source of communication	b) Feedback	The replay or response of the receiver	c) Media	The path / route of communication	d) Noise	The hindrance to communication	e) Message	The content or subject matter of communication
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29	<b>Factors affecting Working Capital Requirements:</b> <table border="1"> <tr> <td>1. Nature of business</td><td>7. Credit availed</td></tr> <tr> <td>2. Scale of Operations</td><td>8. Operating efficiency</td></tr> <tr> <td>3. Business Cycle</td><td>9. Availability of raw materials</td></tr> <tr> <td>4. Seasonal Factors</td><td>10. Growth prospects</td></tr> <tr> <td>5. Production cycle</td><td>11. Level of competition</td></tr> <tr> <td>6. Credit allowed</td><td>12. Inflation</td></tr> </table> <p style="text-align: right;"><b>(any 5 in detail)</b></p>	1. Nature of business	7. Credit availed	2. Scale of Operations	8. Operating efficiency	3. Business Cycle	9. Availability of raw materials	4. Seasonal Factors	10. Growth prospects	5. Production cycle	11. Level of competition	6. Credit allowed	12. Inflation
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30	<b>Four Ps of Marketing:</b> Product, Price, Place or distribution and Promotion. <ol style="list-style-type: none"> <li><b>Product</b> – <i>Product means goods or services or anything of value which is offered for sale in the market</i></li> <li><b>Price</b> – Price of a product is the amount of money paid by the buyer (or received by the seller) in consideration of purchase of a product or service.</li> <li><b>Place</b> – It refers to marketing efforts undertaken to make the product available at the right time in the right place.</li> <li><b>Promotion</b> – Promotion means all those activities undertaken by a sales manager to inform the consumers about the product(s) of the company and persuade them to buy.</li> </ol>												
<b>8 Score - Any 2 from 31 to 33</b>													
31	<p><b>a) Selection</b> – It is a process of choosing and appointing the right persons for various jobs.</p> <p><b>b)</b> It is the process of identifying the most suitable and promising candidates from the list of recruited persons. <b>This is a negative process</b>, because more candidates are rejected than appointed.</p> <p><b>c) Selection Test</b> – Tests are conducted to know the level of ability, knowledge, interest, aptitude etc. of a particular candidate. These tests may be of different types:</p> <ol style="list-style-type: none"> <li><b>Intelligence test</b> – To measure the level of intelligence.</li> <li><b>Trade Test</b> – This test is conducted to check whether the candidate is suitable for that particular trade. For example, to select a driver, candidates' knowledge and technical skill in driving are tested.</li> <li><b>Aptitude test</b> – To measure the potential for learning new skills.</li> <li><b>Interest test</b> – To check the interest or involvement of a person on the job.</li> <li><b>Personality test</b> – To evaluate an individual's emotions, reactions, maturity, values etc.</li> </ol>												
32	<b>Commonly used sales promotion activities:</b> <table border="1"> <tr> <td>1. Rebates</td><td>7. Lucky draw</td></tr> <tr> <td>2. Discount</td><td>8. Usable benefit</td></tr> <tr> <td>3. Refunds</td><td>9. Full finance @ 0%</td></tr> <tr> <td>4. Product combinations</td><td>10. Sampling</td></tr> <tr> <td>5. Quantity gift</td><td>11. Contests</td></tr> <tr> <td>6. Instant draws and gifts</td><td style="text-align: right;"><b>(any 8 in detail)</b></td></tr> </table>	1. Rebates	7. Lucky draw	2. Discount	8. Usable benefit	3. Refunds	9. Full finance @ 0%	4. Product combinations	10. Sampling	5. Quantity gift	11. Contests	6. Instant draws and gifts	<b>(any 8 in detail)</b>
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33	<p>a) <b>Supervision</b> means “Overseeing the activity”. In management, supervision means overseeing the subordinates at work. It refers to direct and immediate guidance and control of subordinates in performing their tasks in accordance with the plans and policies of the enterprise.</p> <p>The person who supervises the subordinates is called “Supervisor”. He is also known as Foreman, Overseer, Superintendent, Section officer etc.</p> <p><b>b) Importance / Role / Functions of Supervision / Supervisor:</b></p> <ol style="list-style-type: none"> <li>1. Maintain <b>day to day contact with the workers</b> and he acts as a guide, friend and philosopher.</li> <li>2. Acts as a <b>link between management and employees</b>.</li> <li>3. <b>Maintains group unity</b> by ensuring harmony among the workers in his group.</li> <li>4. <b>Ensures performance of work</b> by motivating the workers.</li> <li>5. <b>Provides on the job training</b> thereby he can make a good team of workers.</li> <li>6. <b>Influences workers</b> through effective supervision.</li> <li>7. <b>Provides feedback</b> – this will lead to better performance and developing work skills.</li> </ol> <p style="text-align: right;">(any 6 in detail)</p>
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Prepared by:



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