

**UNOFFICIAL ANSWER KEY -SY- 4048**

**SECOND YEAR HIGHER SECONDARY**

**SECOND TERMINAL EXAMINATION , DECEMBER 2025**

**PART III**

**SUBJECT:BUSINESS STUDIES WITH FM**

**80 SCORES**

**Time : 2 1/2 Hours**

Qn.	Sub Qn.	Answer Key / Value Point	Score	Total score
<b>Answer any 8 questions from 1 to 10 . Each carries 1 score.(8x1=8)</b>				
1	c	Premature evaluation	1	
2	b	Current Asset – Current liabilities	1	
3	d	All of these	1	
4	b	Simplification	1	
5		curb corruption, 'black money', To stop tax evasion, cash less economy etc. ( Any one )	1	
6	a	Autocratic Leadership Style	1	
7.		Mental exercise	1	
8.		Orientation / induction	1	
9	a	Increases	1	
10	d	All of these.	1	
<b>Answer any 5 questions from 11 to 16 . Each carries 1 score.(5x2=10)</b>				
11		Programmes are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.	2	
12		(i) Apprenticeship Programmes , (ii) Coaching , (ii) Coaching , (iv) Job Rotation .	1/2 each	12
13	a.	Answerability for outcome of the assigned task.	1	
	b.	Arises from formal position .	1	
14	a.	EPS – Earning Per Share.	1	
	b.	DSCR- Debt Service Coverage Ratio	1	
15		The principles management is a broad and general guideline for decision-making and behaviour. ( Or meaningful answer)	2	
16		Sales volume, Margin of Profit increased by 20%, or any other examples.	1	
<b>Prepared by PRAKASH.P.N ,Govt.Girls HSS , Kayamkulam, 9447226258, 7012881563</b>				

	<b>Answer any 5 questions from 17 to 22 . Each question carries 3 score.(5x3=15)</b>			
17	Training : It is a process of increasing knowledge and skills. It is to enable the employee to do the job better. It is a job oriented process. Development : Development is a process of learning and growth. It is to enable the overall growth of the employee. It is a career oriented process.	11/2 11/2		
18	A b.	Trade Test: It measures the existing skills of the individual. Aptitude Test: It is a measure of individuals potential for learning new skills. It indicates the person's capacity to develop.	11/2 11/2	18
19	Planning and controlling are inseparable twins of management. A system of control presupposes the existence of certain standards. These standards of performance which serve as the basis of controlling are provided by planning. Once a plan becomes operational, controlling is necessary to monitor the progress, measure it, discover deviations and initiate corrective measures to ensure that events conform to plans. Thus, planning without controlling is meaningless.  Similarly, controlling is blind without planning. If the standards are not set in advance, managers have nothing to control. When there is no plan, there is no basis of controlling.  Thus, planning and controlling are interrelated and each other in the sense that 1. Planning based on facts makes controlling easier and effective; and 2. Controlling improves future planning by providing information derived from past experience.	3		
20	Financial planning is essentially for the preparation of a financial blueprint of an organisation's future operations. Its objective is to ensure that enough funds are available at right time. If adequate funds are not available , the firm will not be able carry out its plans.  objectives. (a) To ensure availability of funds whenever required. (b) To see that the firm does not raise resources unnecessarily.	1 1 1		
21	(i). It creates dissatisfaction among existing staff: (ii). It is a lengthy process. (iii). It is a very costly process.	1 1 1		
22	(i) Dividend Decision, Investment Decision , and Financing Decision.	3x1		
	<b>Answer any 4 questions from 23 to 27 . Each question carries 4 score.(4x4=16)</b>			
23	a. <b>Unity of Direction</b> : Each group of activities having same objective must have one head and one plan. b. <b>Equity</b> :It emphasises kindliness and justice in the behaviour of managers towards workers. c. <b>Initiative</b> : Initiative means taking the first step with self-motivation. It is thinking out and executing the plan. <b>Esprit de corps</b> : Management should promote a team spirit of unity and harmony among employees. . A manager should replace 'I' with 'We' in all his conversations with workers to foster team spirit.	1 1 1 1		
	<b>Prepared by PRAKASH.P.N ,Govt.Girls HSS , Kayamkulam, 9447226258, 7012881563</b>			

24	<table border="1"> <tr> <td>Social Environment</td> <td>Economic Environment</td> <td>Political Environment</td> </tr> <tr> <td>Life expectancy</td> <td>Exchange rate.</td> <td>Constitution Bureaucracy</td> </tr> </table>	Social Environment	Economic Environment	Political Environment	Life expectancy	Exchange rate.	Constitution Bureaucracy		4	20				
Social Environment	Economic Environment	Political Environment												
Life expectancy	Exchange rate.	Constitution Bureaucracy												
25	<pre> graph TD     MD[MD] --- Cosmetic[Cosmetic]     MD --- Garments[Garments]     MD --- Footwear[Footwear]     MD --- Skin[Skin items]     Garments --- HRM[HRM]     Garments --- Marketing[Marketing]     Garments --- R&amp;D[R &amp; D]     Garments --- Purchase[Purchase]   </pre> <p>(i) where a large variety of products are manufactured.  (ii) When an organisation wants to grows and needs to add more employees, create more departments .</p>	2	1	20										
26	<table border="1"> <tr> <td>A</td> <td>B</td> </tr> <tr> <td>(1) Interest</td> <td>(iv) Deductible expenses</td> </tr> <tr> <td>(2) Floatation Cost</td> <td>(iii) Process of raising resources</td> </tr> <tr> <td>(3) SEBI</td> <td>(v) Regulatory frame work</td> </tr> <tr> <td>(4) Issue of equity shares</td> <td>(ii) Dilution of control</td> </tr> </table>	A	B	(1) Interest	(iv) Deductible expenses	(2) Floatation Cost	(iii) Process of raising resources	(3) SEBI	(v) Regulatory frame work	(4) Issue of equity shares	(ii) Dilution of control	1	1	
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27	<p>(i) <u>Accomplishing organisational goals</u>: The controlling function measures progress towards the organisational goals and brings to light the deviations, if any, and indicates corrective action.</p> <p>(ii) <u>Judging accuracy of standards</u>: A good control system enables management to verify whether the standards set are accurate and objective.</p> <p>(iii) <u>Making efficient use of resources</u>: It ensures that resources are used in the most effective and efficient manner.</p> <p>(iv) <u>Improving employee motivation</u>: Control motivates employees and helps them to give better performance.</p> <p>(v) <u>Ensuring order and discipline</u>: Controlling creates an atmosphere of order and discipline in the organisation.</p> <p>(vi) <u>Facilitating coordination in action</u>: Controlling provides direction to all activities and efforts for achieving organisational goals. ( Any 4 points)</p>	1	1											
<b>Answer any 3 questions from 28 to 31. Each question carries 5 score. (3 x 5 =15)</b>														
28	<p>1. <u>Nature of business</u> :The nature of business determine the amount of fixed capital.  Eg: a manufacturing concern needs huge amount of fixed capital.</p> <p>2. <u>Scale of operation</u>:A large scale business requires more fixed capital than a small scale business.</p>	1	1											
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	<p><u>3. Choice of technique:</u> Capital intensive industries need more fixed capital than labour intensive industries.</p> <p><u>4. Technology up gradation:</u> Assets like computers, electronic items become obsolete sooner. To replace them, higher amount of fixed capital is needed.</p> <p><u>5. Growth prospects:</u> Higher growth of a firm requires higher investment in fixed assets and hence large fixed capital.</p> <p><u>6. Diversification :</u> When a firm diversifies its activities, requirements for fixed capital will increase.</p> <p><u>7. Financing alternatives :</u> A firm which procures fixed assets on lease needs lesser fixed capital. (Any 5 points)</p>	1	18
29	<p>a. It is the process of getting things done with the aim of achieving goals effectively and efficiently. Or ( meaningful answer).</p> <p>b. Management is a complex activity that has three main dimensions. These are:</p> <p>(a) Management of work:, (b) Management of people: ,(c) Management of operations.</p>	2	3
30	<p><u>(i) Identifying alternative courses of action:</u> Once objectives are set, assumptions are made. Then the next step would be to act upon them. There may be many ways to act and achieve objectives.</p> <p><u>(ii) Evaluating alternative courses:</u> The next step is to weigh the pros and cons of each alternative. The positive and negative aspects of each proposal need to be evaluated in the light of the objective to be achieved.</p> <p><u>(iii) Selecting an alternative:</u> This is the real point of decision making. The best plan has to be adopted and implemented.</p> <p><u>(iv) Implementing the plan:</u> This is the step where other managerial functions also come into the picture. The step is concerned with putting the plan into action.</p> <p><u>(v) Follow-up action:</u> It is the last step in this process. Monitoring the plans is equally important to ensure that objectives are achieved.</p>	1	1
31.	<p>a. (i) People's behaviour is based on their needs.</p> <p>(ii) People's needs are in hierarchical order, starting from basic needs to other higher level needs.</p> <p>(iii) A satisfied need can no longer motivate a person; only next higher level need can motivate him.</p> <p>(iv) A person moves to the next higher level of the hierarchy only when the lower need is satisfied. (Any 3 points )</p> <p>b. Gets a feeling of elevation, increase in status, increase in authority, challenge in the job . (Any one )</p> <p>c. Basic Physiological Needs</p>	3	14
<b>Answer any 2 questions from 32 to 34. Each question carries 8 score. (2 x 8 =16)</b>			
32	<p>It is the process of identifying the most suitable and promising candidates from the list of recruited persons. This is a negative process.</p> <p><u>Process or Procedure of Selection</u></p> <p><u>(i) Preliminary screening:</u> A careful screening of applications is done by a screening committee to eliminate the under qualified candidates.</p>		8
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	<p><b>(ii) Selection Test:</b> Tests are conducted to know the level of ability, knowledge, interest, aptitude etc. of a particular candidate. Different types of tests are given below:</p> <p>(a) <i>Intelligence Tests:</i> It is a psychological test used to measure the level of intelligence quotient of an individual.</p> <p>(b) <i>Aptitude Test:</i> It is a measure of individuals potential for learning new skills. It indicates the person's capacity to develop.</p> <p>(c) <i>Personality Tests:</i> It provides a clues to a person's emotions, her reactions, maturity and value system etc.</p> <p>(d) <i>Trade Test:</i> It measures the existing skills of the individual.</p> <p>(e) <i>Interest Tests:</i> It is used to know the pattern of interests or involvement of a person.</p> <p><b>(iii) Employment Interview:</b> Interview is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job. This gives the employer to observe the candidate and to assess his level of confidence to take up the job.</p> <p><b>(iv) Reference and Background Checks:</b> Reference is a source from which useful information on the candidate can be sought. Many employers request names, addresses, and telephone numbers of references for the purpose of verifying information and, gaining additional information on an applicant.</p> <p><b>(v) Selection Decision:</b> The final decision has to be made from among the candidates who pass the tests, interviews and reference checks.</p> <p><b>(vi) Medical Examination:</b> After the selection decision and before the job offer is made, the candidate is required to undergo a medical fitness test.</p> <p><b>(vii) Job Offer:</b> The next step in the selection process is job offer to those applicants who have passed all the previous hurdles.</p> <p><b>(viii) Contract of Employment:</b> After the job offer has been made and candidate accepts the offer, certain documents need to be executed by the employer and the candidate, in which all the terms and conditions regarding the employment will be specified such as job title, duties and responsibilities, pay scale, allowances, work rules, termination method etc.</p>	24
33	<p><b>i) Maximum individual contribution:</b> This principle emphasises that directing techniques must help every individual in the organisation to contribute to his maximum potential for achievement of organisational objectives.</p> <p><b>(ii) Harmony of objectives:</b> Directing should provide harmony by convincing that employee rewards and work efficiency are complimentary to each other.</p> <p><b>iii) Unity of Command:</b> This principle insists that a person in the organisation should receive instructions from one superior only.</p> <p><b>(iv) Appropriateness of direction technique:</b> According to this principle, appropriate motivational and leadership technique should be used while directing the people based on subordinate needs, capabilities, attitudes and other situational variables.</p> <p><b>(v) Managerial communication:</b> Effective managerial communication across all the levels in the organisation makes direction effective.</p> <p><b>(vi) Use of informal organisation:</b> A manager should realise that informal groups or organisations exist within every formal organisation.</p> <p><b>(vii) Leadership:</b> While directing the subordinates, managers should exercise good leadership.</p>	8

		(viii) <b>Follow through:</b> Managers should follow up by reviewing continuously whether orders are being implemented accordingly or any problems are being encountered.	
34		<ul style="list-style-type: none"> <li>(i) Supervisor maintains day-to-day contact and maintains friendly relations with workers.</li> <li>(ii) A good supervisor acts as a guide, friend and philosopher to the workers.</li> <li>(iii) Supervisor plays a key role in maintaining group unity among workers placed under his control.</li> <li>(iv) Supervisor ensures performance of work according to the targets set.</li> <li>(v) He takes responsibility for task achievement and motivates his workers effectively.</li> <li>(vi) Supervisor provides good on-the-job training to the workers and employees.</li> <li>(vii) Supervisory leadership plays a key role in influencing the workers in the organisation.</li> <li>(viii) A good supervisor analyses the work performed and gives feedback to the workers.</li> </ul>	8

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