

## ANSWER KEY

### SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2026

#### PART III

#### SUBJECT: BUSINESS STUDIES

CODE: SY - 248

Maximum : 80 Scores.

Time: 2 1/2 Hours

Qn No	Sub. Qns	Answer Key / Value Point	Score	Total Score
		<b><u>Answer any 8 questions from 1 to 10. Each carries 1 score. (8 x 1=8)</u></b>		
1.		(c) Management as an art.	1	1
2.		(b) Rules.	1	1
3.		(a) Aptitude test / (d) Intelligence test	1	1
4.		(d) A person moves to lower level of need only when a higher level need is satisfied.	1	1
5.		(c) Short term borrowings.	1	1
6.		(a) Production concept.	1	1
7.		(d) Product planning.	1	1
8.		Controlling.	1	1
9.		Legal environment.	1	1
10.		Organisation structure.	1	1
		<b><u>Answer any 5 questions from 11 to 16. Each carries 2 score. (5 X 2=10)</u></b>		
11.		<u>Importance of consumer protection (point of view of consumers)</u> (i) Consumer Ignorance (ii) Unorganized Consumers (iii) Widespread Exploitation of Consumers. <i>(Any 2 points with <b>brief explanation</b>, if points only half score each)</i>	1 each (1×2)	2
12.	(a)	<u>Transportation:</u> Transportation involves physical movement of goods from one place to the other.	1	
	(b)	<u>Product designing and development:</u> The design of the product contributes to making the product attractive to the target customers. A good design can improve performance of a product and also give it a competitive advantage in the market.	1	2
13.		<u>External sources of recruitment</u> (i) Direct Recruitment (ii) Casual Callers (iii) Advertisement (iv) Employment Exchange (v) Placement Agencies and Management Consultants (vi) Campus Recruitment (vii) Recommendations of Employees (viii) Labour Contractors (ix) Advertising on Television (x) Web Publishing <b>(Any 4 points)</b>	1/2 each (1/2 x 4)	2
14.		<u>Planning reduces overlapping and wasteful activities</u> Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding. Since planning ensures clarity in thought and action, work is carried on smoothly without interruptions. Useless and redundant activities are minimised or eliminated.	2	2
15.		<u>Significance of principles of management</u> (i) Providing managers with useful insights into reality (ii) Optimum utilisation of resources and effective administration (iii) Scientific decisions (iv) Meeting changing environment requirements (v) Fulfilling social responsibility (vi) Management training, education and research <b>(Any 2)</b>	1 each (1 x 2)	2
16.		<u>Executives of top level management</u> The Chairman, The Chief Executive Officer, Chief operating officer, President and vice-president, Managing Director, General Manager, Board of Directors. <b>(Any four)</b>	1/2 each (1/2 x 4)	2

**Answer any 5 questions from 17 to 22. Each carries 3 score (5 x 3= 15)**

	Basis	Delegation	Decentralisation		
17.	(a) Freedom of action	More control by superiors hence less freedom to take own decisions.	Less control over executives hence greater freedom of action.	1 each (1 x 3)	3
	(b) Purpose	To lessen the burden of the manager.	To increase the role of the subordinates in the organisation by giving them more autonomy.		
	(c) Nature	Delegation is a compulsory	Decentralisation is an optional		

18. **On the job training methods**  
 (i) Apprenticeship Programmes (ii) Coaching (iii) Internship Training  
 (iv) Job Rotation (Any 3 points with **explanation**, if points only half score each)

1 each  
(1 x 3) 3

19. **Non-Financial Incentives. / Non-Monetary Incentives**  
**Types:** (i) Status (ii) Organisational Climate (iii) Career Advancement Opportunity  
 (iv) Job Enrichment (v) Employee Recognition programmes (vi) Job security  
 (vii) Employee participation (viii) Employee Empowerment.  
 (Any 2 points with **explanation**, if points only half score each)

1  
 1 each  
(1 x 2 =2) 3

20. **Consumer responsibilities:**  
 (i) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made. (ii) Buy only standardised goods as they provide quality assurance.  
 (iii) Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely. (iv) Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc. (v) Assert yourself to ensure that you get a fair deal. (vi) Be honest in your dealings. (vii) Ask for a cash memo on purchase of goods or services. (viii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed. (ix) Form consumer societies which would play an active part in educating consumers and safeguarding their interests. (x) Respect the environment. Avoid waste, littering and contributing to pollution. (Any three)

1 each  
(1 x 3) 3

21. **Financial decisions:** 1. Investment Decision 2. Financing Decision 3. Dividend Decision

1 each  
(1 x 3) 3

22. (a) Differential Piece Wage System ( $\frac{1}{2}$  score) Explanation (1 score)  
 (b) Time Study ( $\frac{1}{2}$  score) Explanation (1 score)

$\frac{1}{2}$   
 $\frac{1}{2}$  3

**Answer any 4 questions from 23 to 27. Each carries 4 score (4 x 4 = 16).**

23. (a) **Division of work** - In business work can be performed more efficiently if it is divided into specialised tasks; each performed by a specialist or trained employee. This results in efficient and effective output and leads to specialisation.  
 (b) **Unity of Direction** - Each group of activities having the same objective must have one head and one plan. This ensures unity of action and coordination.  
 (c) **Scalar Chain** - An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.  
 (d) **Equity - (Equality)** - This principle emphasises kindness and justice in the behaviour of managers towards workers. This will ensure loyalty and devotion.

1  
 1  
 1  
 1 4

	Column-A	Column-B		
24.	(a) Consumption habits	(iii) Social Environment	1	4
	(b) Ideology of government	(ii) Political Environment.	1	
	(c) Volume of exports and imports	(v) Economic Environment	1	
	(d) Scientific improvements	(i) Technological environment	1	

25.	(a) <u>Trading on equity</u> : Trading on Equity refers to the increase in profit earned by the equity shareholders due to the presence of fixed financial charges like interest. In this companies employ more of cheaper debt to enhance Earning Per Share (EPS).	2	4
	(b) <u>Capital Structure</u> : Capital structure refers to the mix between owners and borrowed funds in the capital of a company. Owners' funds consist of equity share capital, preference share capital and reserves and surpluses or retained earnings. Borrowed funds can be in the form of loans, debentures, public deposits etc.	2	
26.	<u>Functions of Public relation department:</u> 1. Publicity 2. Press release 3. Corporate communication 4. Lobbying 5. Counselling ( <b>Any 4</b> )	1 each (1 x 4)	4
27.	<u>Importance / Advantages of Controlling</u> 1. Accomplishing organizational goals 2. Judging accuracy of standards 3. Making efficient use of resources 4. Improving employee motivation 5. Ensures order and discipline 6. Facilitating coordination in action (Any 4 points with <b>explanation</b> , if points only half score each)	1 each (1 x 4)	4
<b><u>Answer any 3 questions from 28 to 31. Each carries 5 score (3 x 5= 15)</u></b>			
28.	<u>Limitations of planning:</u> (i) Planning leads to rigidity (ii) Planning may not work in a dynamic environment (iii) Planning reduces creativity (iv) Planning involves huge costs (v) Planning is a time-consuming process (vi) Planning does not guarantee success (Any 5 points with <b>explanation</b> , if points only half score each)	1 each (1 x 5)	5
29.	<u>Coordination</u> : The process by which a manager synchronises the activities of different departments is known as coordination. <u>Features</u> (i) Coordination integrates group efforts (ii) Coordination ensures unity of action (iii) Coordination is a continuous process (iv) Coordination is an all pervasive function (v) Coordination is the responsibility of all managers (vi) Coordination is a deliberate function (Any 4 points with <b>explanation</b> , if points only half score each)	1  1 each (1 x 4 = 4)	5
30.	<u>Fixed Capital</u> : Fixed capital refers to investment in long-term assets. These long-term assets last for more than one year. <u>Factors affecting fixed capital requirement of a firm:</u> 1. Nature of Business 2. Scale of Operations 3. Choice of Technique 4. Technology Up-gradation 5. Growth Prospects 6. Diversification 7. Financing Alternatives 8. Level of Collaboration (Any 4 points with <b>explanation</b> , if points only half score each)	1  1 each (1 x 4 = 4)	5
31.	(a) <u>Functional structure will prove to be an appropriate choice in the following cases:</u> 1. When the size of organization is large. 2. Where there are diversified activities. 3. Where a high degree of specialization is required. ( <b>any two points</b> )	2  1	
	(b) <u>Span of management</u> Span of management refers to the number of subordinates that can be effectively managed by a superior. This determines the levels of management in the structure.	2	5
<b><u>Answer any 2 questions from 32 to 34. Each carries 8 score (2 x 8= 16)</u></b>			
32.	<u>Process of Selection</u> 1. Preliminary screening 2. Selection Tests : These tests may be of different types: a. Intelligence test b. Trade Test c. Aptitude test d. Interest test e. Personality tests 3. Employment Interview 4. Reference and background checks 5. Selection decision 6. Medical Examination 7. Job offer 8. Contract of employment (with <b>explanation</b> , if points only half score each)	1 each (1 x 8)	8

33.	<p><u>Elements of Marketing mix (4P's)</u>  1.Product  2.Price  3.Place  4.Promotion (with <b>brief explanation</b>)</p>	2 each (2 x 4)	8	
34.	<p>(a) <u>Leadership</u>: Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals. Leadership indicates the ability of an individual to maintain good interpersonal relations with followers and motivate them to contribute for achieving organisational objectives.</p> <p>(b) <u>Basic styles of leadership</u>: (i) Autocratic or Authoritarian leader (ii) Democratic or Participative leader (iii) Laissez faire or Free-rein leader  (with <b>brief explanation, if points only half score each</b>)</p> <p>(c) <u>Need for leadership / Importance</u>:  (i) Leadership influences the behaviour of people and makes them to positively contribute their energies for the benefit of the organisation. Good leaders always produce goods results through their followers.  (ii) A leader maintains personal relations and helps followers in fulfilling their needs. He provides needed confidence, support and encouragement and thereby creates congenial work environment.  (iii) Leader plays a key role in introducing required changes in the organisation. He persuades, clarifies and inspires people to accept changes whole-heartedly. Thus, he overcomes the problem of resistance to change and introduces it with minimum discontentment.  (iv) A leader handles conflicts effectively and does not allow adverse effects resulting from the conflicts. A good leader always allows his followers to ventilate their feelings and disagreement but persuades them by giving suitable clarifications.  (v) Leader provides training to their subordinates. A good leader always builds up his successor and helps in smooth succession process. (Any three)</p>	2	1 each (1 x3=3)	8
	<p>.....</p> <p><u>Scheme finalised by :</u></p> <p>1. DILEEP KUMAR T N (246573), GOVT. HSS, ARYAD, ALAPPUZHA. PH. 9061891908.</p> <p>2. SANIL KUMAR S (738061), GOVT. HSS YEROOR, KOLLAM. PH.9495055497</p> <p>3. RENY C ( 437399), GOVT. HSS, KARUNAGAPPALLY, KOLLAM. PH.9961647040</p> <p>4. Dr. ELIZABETH P M ( 210693), GOVT. HSS, MANEEDU, ERANAKULAM.  PH.9496153985</p> <p>5. PADMANABHAN K P (232979), MV HSS, ARIYALLUR, MALAPPURAM.  PH.9744116543</p> <p>6. MOHAMMED ASHRAF KANNAMPILAKKAL (233412), GOVT. HIGHER SECONDARY SCHOOL, MUTHUVALLUR. PH. 9447358867</p> <p>7. JOSE PRAKSH L (234432), ST. MICHEALS AI BHSS, KANNUR PH.9995023375</p> <p>8. MINI P JOHN(414649),SSMVHSS EDAKKAZHIYUR. PH:9495107177</p>			

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