

MARKING SCHEME OF MCQ	
1.	<u>B</u>
2.	<u>B</u>
3.	B
4.	C
5.	B
6.	B
7.	B
8.	B
9.	C
10.	D
11.	A
12.	C
13.	B OR C
14.	B
15.	B
16.	C OR A
17.	A
18.	C
19.	A
20.	C

MARKING SCHEME OF DESCRIPTIVE B.ST 1ST PRE-BOARD

1	Level of management is middle level management and two functions are interpreting the policy framed by top level management and assigning necessary duties and responsibilities to staff and any other functions.	3
2	<p>Internship training- is a joint Programme of training in which educational institutions and business firms cooperate. Selected candidates carry on regular studies for the prescribed period.</p> <p>Vestibule training-Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. Actual work environments are created in a class room and employees use the same material, files and equipment.</p> <p>Internship training can be classified as On-the-job method of training Vestibule training can be classified as off-the-job method of training</p>	3

3	<p>a) In the above case the function performed by Gagan and his team is controlling.</p> <p>b) '20' in the above case is deviation (Gap between actual performance and set standards)</p> <p>c) The target was set at the planning stage of management</p> <p style="text-align: center;">Or</p> <p style="text-align: center;">Measurement of Actual performance</p> <p>Performance should be measured in an objective and reliable manner. There are several techniques for measurement of performance. Wherever possible measurement of work should be done during the performance.</p> <p>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. Standards become easier when standards are set in quantitative terms.</p>	3
4	<p>Mobilisation of savings and channeling them into the most productive uses A financial market facilitates the transfer of savings from savers to investors. Thus, it will help in channelising surplus funds into the most productive uses.</p> <p>(ii) Facilitating price discovery Interaction between supplier and investor helps to establish a price for the financial asset which is being traded in that market.</p> <p>(iii) Providing liquidity to financial assets Financial market facilitates easy purchase and sales of financial assets. In doing so, they provide liquidity which means these assets are converted into cash whenever required.</p> <p>OR</p> <p>Primary market is the market where securities are being issued for the first time. Therefore, it is also known as 'New Issue Market' (NIM). Methods of floatation are as follows:</p> <p>(i) Offer through prospectus Under this method, company issues a prospectus to inform and attract general public. In prospectus, company provides details about the purpose for which funds are being raised, past financial performance of the company, background and future prospects of company.</p> <p>(ii) e-IPOs It is the new method of issuing securities through online system of stock exchange. In this, company has to appoint registered brokers for the purpose of accepting applications and placing orders. The issuer company has to apply for listing of its securities and the leading manager coordinates all the activities of these issues through various</p>	3

	intermediaries.	
5	<p>(i) Selection is done in the third step, in which a prospective candidate is chosen from the pool of candidates. It ensures that the organisation gets the best among the available and it enhances the morale of the selected candidates. The next two steps are as follows:</p> <p>Placement and orientation In this step, employee occupies the position or is placed, for which he/she has been selected. After this a brief presentation about the company is given and employee is introduced to his superiors, subordinates and colleagues.</p> <p>Training and development In this step, training is imparted to the selected candidates, by which he/she can enhance his/her skills, knowledge and through this, one can also explore the opportunities.</p>	4
6	<p>Democratic or participative leader: A democratic leader will develop action plans and make decisions in consultation with his subordinates. He will encourage them to participate in decision making. This kind of leadership style is more common now-a-days, since leaders also recognise that people perform best if they have set their own objectives.</p>	4
7	<p>1. The name of the incentive offered is Job security. Employees want their job to be secure. They want certain stability about future income and work so that they do not feel worried</p>	4
8	<p>Factors affecting requirement of fixed capital:</p> <ol style="list-style-type: none"> (1) nature of business (2) Technique of production (3) Technology upgradation (4) Growth prospect <p>(and any other)</p> <p style="text-align: center;">OR</p> <p>Factors affect choice of capital structure</p> <ol style="list-style-type: none"> (1) cash flow position (2) interest coverage ratio (3) return on investment (4) cost of debt (5) tax rate (6) cost of equity (7) floatation cost <p>(and any other factors)</p>	4
9	<p>Choice of Technique: As he wishes to stick to a low investment model, we may suggest him to go with the Labour intensive</p>	4

	<p>technique to manufacture Simple masks. Since better technology would cost him much and his risk appetite is not conducive for capital intensive techniques of production.</p> <p>Financial Alternatives: As he wishes to stick to a low investment model, we may suggest him to go with the lease option for fixed assets like building, heavy machinery etc. as this may reduce his investments requirement in the business.</p>	
10	<p>A. Right to information- consumer has the right to get information about the quality, quantity, purity, standard and price of goods and services.</p> <p>B. Right to seek redressal- consumer has the right to get compensation or seek redressal against unfair trade practice or any other exploitation.</p>	4
11	<p>Product mix- Their products include chips, biscuits, sweets and squashes Price mix- It charges a comparatively higher price than its competitors as it sells quality products. Place mix- It has five of its own retail shops. It also sells its products through various grocery stores to that the products are made available to customers at the right place. Promotion mix- It regularly uses different communication tools to increase its sales.</p> <p style="text-align: center;">Or</p> <p>(a) The concept discussed in the given paragraph is price of the product. (b) Four factors discussed in the above case: i. Quoted Line: After gathering and analysing information and doing correct marketing planning, he came to know that consumers compare the value of a product to the value of money, which they are required to pay. Consumers will be ready to buy a product when they perceived that the value of the product is at least equal to the value of money, which they would pay. Factor: The Utility and Demand ii. Quoted Line: He examined the quality and features of the products of competitors and the anticipated reactions of consumers. Factor: Extent of competition in the market iii. Quoted Line: Considering the same he decided to add some unique features to the packaging and also decided to provide free home delivery of the products. Factor: Marketing methods used iv. Quoted Line: Since he was entering into a new market, he felt that he</p>	6

	<p>may not be able to cover all costs. He knew that in the long run, the business will not be able to survive unless all costs are covered in addition to a minimum profit.</p> <p>Factor: Product cost.</p>	
12	<p>i. The principle of ‘Discipline’ is being violated.</p> <p>ii. No, the problem cannot be solved through management efforts only. For smooth and systematic functioning of Elpis Technology Solutions p(Ltd.), both employees and management should be disciplined. Employees must be disciplined to work effectively and efficiently and management should meet their commitment of increments and promotions.</p> <p>iii. Unity of Command: The violation of this principle leads to confusion in the mind of the subordinate in following the orders.</p> <p>.</p>	6
13	<p>Organizing ‘they identified the following main activities which they have to perform.’ ‘In order to facilitate the Work they thought that four managers should be appointed to look after Production, Finance, Marketing, Personnel.’ Steps in Organizing Process: Identify and dividing the work into manageable activities. Departmentalization / Departmentation where activities of a similar nature are grouped together. Assignment of duties to job positions. Establishing reporting relationships so that each individual knows from whom he has to take orders and to whom he is accountable.</p>	6
14	<p>Yes.</p> <p>Importance of Planning (Any four)</p> <p>1.Planning provides direction: Planning ensures that the goals or objectives are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. If goals are well defined, employees are aware of what the organisation has to do and what they must do to achieve those goals.</p> <p>2.Planning reduces the risks of uncertainty: Planning is an activity which enables a manager to look ahead and anticipate changes. By deciding in advance, the tasks to be performed, planning shows the way to deal with changes and uncertain events. Changes or events cannot be eliminated but they can be anticipated and managerial responses to them can be developed.</p> <p>3.Planning reduces overlapping and wasteful activities: Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding</p>	6

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.

4.Planning promotes innovative ideas: Since planning is the first function of management, new ideas can take the shape of concrete plans. It is the most challenging activity for the management as it guides all future actions leading to growth and prosperity of the business.

5.Planning facilitates decision making: Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action. The manager has to evaluate each alternative and select the most viable proposition. Planning involves setting targets and predicting future conditions thus helping in taking rational decisions.

Planning establishes standards for controlling: Planning provides the goals or standards against which actual performance is measured. By comparing actual performance with some standard, managers can know whether they have actually been able to attain the goals. If there is any deviation it can be corrected. Therefore, we can say that planning is a prerequisite for controlling.

OR

Identifying alternative course of action (with explanation)

Remaining steps to carried out to complete the process are as follow:

- (1)Evaluating alternatives course
- (2)Selecting an alternative
- (3)Implement the plan
- (4)Follow up action.

2.The name of the incentive offered is Job security. Employees want their job to be secure. They want certain stability about future income and work so that they do not feel worried on these aspect and work with greater zeal.

3.Employee participation: It means involving employees in decision making if the issues related to them. In many companies, these programmes are in pratice in the form of joint management committees, work committees, canteen committees etc.

OR

Psychological, cognitive and social factors can play a role in what incentives one finds motivating and to what degree. Incentives can be used to get people to engage in certain behaviors, but they can also be used to get people to stop performing certain actions. Financial incentives are needed to satisfy the social and physiological needs. Four types of such incentives are

1.Pay and allowances: Salary is the basic monetary incentive for every employee. It includes basic pay, dearness allowance and other allowances like House Rent Allowance, Entertainment allowance etc. Under salary system, employees get regular annual increments and enhancement of allowances from time to time.

2.Profit sharing: Sometimes a company or a business firm may share some part of its profit with the employees. The main purpose of sharing profits with the employees is to improve their performance so that they can contribute more in increasing the productivity and profits of the firm.

3.Productivity linked wage incentives: Employees can be motivated by giving them productivity linked wage incentives. There are certain wage rate plans which offer higher wage for more efficient worker for example; different piece wage system allows high wages to efficient workers as compared to inefficient workers.

4.Co-partnership/Stock option: Sometimes companies offer their shares to its employees at a set price which is lower than the market price. The main purpose of allotting shares to the employees is to create a feeling of ownership among them so that they can contribute more for the growth of the organization.