

## ANSWER KEY

**SECOND YEAR HIGHER SECONDARY EXAMINATION MARCH 2022**

**Subject: Business Studies**

**Code No. SY – 48**

**Maximum Score: 80**

Q No.	Answer Key / Value Points	Score	Total																
	<b>Part I - A. Answer any 4 questions from 1 to 6. Each carries 1 score (4 x 1 = 4)</b>																		
1	b) Managing Director		1																
2	a) Social Environment		1																
3	Liberalisation, Privatisation and Globalisation		1																
4	b) Planning Premises		1																
5	On the job training		1																
6	Capital Structure		1																
	<b>B. Answer all questions from 7 to 10. Each carries 1 score (4 x 1 = 4)</b>																		
7	a) Efficiency		1																
8	d) Planning		1																
9	a) Development		1																
10	d) All of these		1																
	<b>Part II - A. Answer any 3 questions from 11 to 15. Each carries 2 score (3 x 2 = 6)</b>																		
11	a) Survival b) Growth	1 Each	2																
12	<b>Organization structure</b> is the established pattern of relationships among various parts of the enterprise. It states the relationship among various positions and activities. The structure provides a framework for managers and employees for performing their functions. (any meaningful explanation)		2																
13	<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>1. It is a market for short term instruments having a maturity period of less than one year</td> <td>1. It is for medium and long term instruments having maturity period of more than one year.</td> </tr> <tr> <td>2. It helps to meet the working capital needs.</td> <td>2. It helps in meeting fixed capital needs.</td> </tr> <tr> <td>3. The instruments in money market are Bill of exchange, treasury bills, certificate of deposits, commercial papers etc.</td> <td>3. The instruments are equity shares, preference shares, debentures, bonds etc.</td> </tr> <tr> <td>4. It is a wholesale market. The instruments have large face value.</td> <td>4. It is a retail market where the instruments have small face value.</td> </tr> <tr> <td>5. The central bank, commercial banks and other financial institutions take part in the market.</td> <td>5. Stock exchanges, Merchant banks, Issue houses and many financial intermediaries take part in the market.</td> </tr> <tr> <td>6. Money market instruments do not have an active secondary market.</td> <td>6. Capital market instruments have both primary and secondary markets.</td> </tr> <tr> <td>7. Money market transactions normally take place over telephone and other ways.</td> <td>7. Capital market transactions normally take place at stock exchanges.</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	1. It is for medium and long term instruments having maturity period of more than one year.	2. It helps to meet the working capital needs.	2. It helps in meeting fixed capital needs.	3. The instruments in money market are Bill of exchange, treasury bills, certificate of deposits, commercial papers etc.	3. The instruments are equity shares, preference shares, debentures, bonds etc.	4. It is a wholesale market. The instruments have large face value.	4. It is a retail market where the instruments have small face value.	5. The central bank, commercial banks and other financial institutions take part in the market.	5. Stock exchanges, Merchant banks, Issue houses and many financial intermediaries take part in the market.	6. Money market instruments do not have an active secondary market.	6. Capital market instruments have both primary and secondary markets.	7. Money market transactions normally take place over telephone and other ways.	7. Capital market transactions normally take place at stock exchanges.	1 Each	2
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	8. The market regulator is the central bank of the country. In India it is RBI.	8. There is a separate regulator in the capital market. In India it is SEBI.		
	(Any 2 differences)			
14	<b>Consumer Rights: 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</b> (Any 2 with brief explanation) - For Points only ½ each, maximum 1 score)		1 Each	2
15	<b>Functions of stock exchanges - a) Liquidity and marketability to investment, b) Pricing of securities, c) Safety of transactions, d) Contributes to economic growth, e) Spreading of equity cult, f) Providing scope for speculation, g) Economic barometer</b> (Any 2 functions)		1 Each	2
<b>B. Answer any 2 questions from 16 to 18. Each carries 2 score (2 x 2 = 4)</b>				
16	<b>Impact of changes in government policy on business and industry (Challenges faced by corporate sector):</b> Increasing competition, More demanding customers, Rapidly changing technological environment, Necessity for change, Need for developing human resource, Market orientation, Loss of budgetary support to the public sector. (Any 2 with brief explanation) - Points only ½ score each, maximum 1 score		1 Each	2
17	<b>Selection Process:</b> Preliminary screening, Selection Test, Interview, Checking References, Selection decision, Medical Examination, Job offer, Contract of employment (Any 2 steps)		1 Each	2
18	<b>Types of Formal Communication Network:</b> a) Single Chain, b) Y Pattern, c) Wheel Pattern, d) Circle Pattern, e) Free flow, f) Inverted V. (any 2 points only)		1 Each	2
<b>Part III - A. Answer any 3 questions from 19 to 23. Each carries 4 score (3 x 4 = 12)</b>				
19	<b>Dimensions of Business Environment:</b> a) Economic Environment, b) Political Environment, c) Social Environment, d) Legal Environment, e) Technological Environment. (any 4 points only)		1 Each	4
20	<b>Selection Tests:</b> a) Intelligence test, b) Trade Test c) Aptitude test, d) Interest test, e) Personality test (any 4 with brief explanation) - Points only ½ score each, maximum 2 score		1 Each	4
21	<b>Maslow's Need Hierarchy Theory of Motivation</b> Motivation is based on human needs. To motivate means to satisfy human needs. According to Maslow, human needs take a hierarchy as given below: a) Basic Physiological Needs b) Safety and Security Needs, c) Social Needs (Affiliation/ Belonging needs), d) Esteem Needs, e) Self Actualization Needs (Any meaningful explanation with minimum 4 points or needs)			4
22	<b>Controlling Process (1<sup>st</sup> 4 steps) - a) Setting performance Standards, b) Measurement of actual performance, c) Comparison of actual performance with standards, d) Analyzing deviations / Taking Corrective Actions</b> (Brief explanation)		1 Each, Points only ½	4
23	<b>Elements of Marketing Mix:</b> a) Product, b) Price, c) Place, d) Promotion (Brief explanation).		1 Each, Points only ½	4

	<b>B. Answer any 1 question from 24 to 25. Carries 4 score (1 x 4 = 4)</b>																														
24	<b>Importance of Management:</b> a) Helps in achieving group goals, b) Increases efficiency, c) Creates a dynamic organization, d) Helps in achieving personal objectives, e) Helps in the development of society (Brief explanation)		1 Each, Points only ½	4																											
25	<b>Demerits of Planning:</b> a) Rigidity (inflexibility), b) Planning may not work in dynamic environment, c) Planning reduces creativity, d) Huge Cost, e) Time consuming, f) Does not guarantee success. (any 4 with brief explanation)		1 Each, Points only ½	4																											
	<b>Part IV - A. Answer any 3 questions from 26 to 29. Each carries 6 score (3 x 6 = 18)</b>																														
26	<p><b>Coordination</b> – Coordination refers to the process of integrating the activities of different units of an organization to achieve the organizational goals. Coordination is needed in all the functions of management and in all the levels of management, therefore, <b>coordination is considered as the essence of management.</b></p> <p><b>Importance of Coordination:</b>  a) Growth in size b) Functional differentiation , c) Specialization  (Meaning 1 ½ Score, 3 Importance with explanation 1 ½ each, points only ½ score each</p>		1 ½ 4 ½	6																											
27	<p><b>Differences between formal and informal organization:</b></p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Formal Organization</th> <th>Informal Organization</th> </tr> </thead> <tbody> <tr> <td>1. Meaning</td> <td>Structure of authority created by management</td> <td>Network of social relationship among the employees</td> </tr> <tr> <td>2. Origin</td> <td>Established on the basis of company rules and regulations</td> <td>Originated as a result of social interaction</td> </tr> <tr> <td>3. Authority</td> <td>Based on the position in the management</td> <td>Based on personal qualities</td> </tr> <tr> <td>4. Behavior</td> <td>It is directed by rules</td> <td>There is no set behavior pattern</td> </tr> <tr> <td>5. Flow of Communication</td> <td>Through the scalar chain</td> <td>It can take place in any direction (Grapevine)</td> </tr> <tr> <td>6. Nature</td> <td>Rigid</td> <td>Flexible</td> </tr> <tr> <td>7. Leadership</td> <td>Managers are leaders</td> <td>Leaders are chosen by the group</td> </tr> <tr> <td colspan="3" style="text-align: center;">Any 6 differences</td> </tr> </tbody> </table>		Basis	Formal Organization	Informal Organization	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 differences			1 Each	6
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28	<p><b>Qualities of a Good Leader:</b> Physical features, Knowledge, Integrity, Initiative, Communication Skill, Motivation skills, Self-confidence, Decisiveness, Social skills</p> <p style="text-align: right;">(Any 6 – brief explanation)</p>		1 Each, Points only ½	6																											
29	<p>a) Investment decisions, b) Financing decision, c) Dividend decision</p> <p style="text-align: right;">Explain each point</p> <p>(Give full score for correct explanation of Financing decision)</p>		2 Each, Points only 1	6																											
	<b>B. Answer any 2 questions from 30 to 32. Each carries 6 score (2 x 6 = 12)</b>																														
30	<p><b>Principles of Scientific Management:</b> a) Science, not rule of thumb, b) Harmony, not discord, c) Co-operation, not individualism, d) Development of each and every person to their greatest efficiency and prosperity</p> <p style="text-align: right;">Explain each point</p>		1 ½ Each, Points only 1	6																											

31	<b>Financial Incentives</b>	<b>Non-financial Incentives</b>	1 Each	6
	a) Bonus	b) Status		
	d) Profit sharing	c) Job enrichment		
	e) Retirement benefits	f) Employee recognition programmes		
32	<b>Levels of packaging:</b> Primary packaging, Secondary packaging, Transportation packing Explain each point		2 Each, Points only 1 each	6
<b>Part V - A. Answer any 2 questions from 33 to 35. Each carries 8 score (2 x 8 = 16)</b>				
33	<b>Principles of Management by Henry Fayol:</b> 1) Division of Work, 2) Authority and Responsibility 3) Discipline 4) Unity of Command 5) Unity of Direction 6) Subordination of Individual Interest to General Interest 7) Remuneration of Employees 8) Centralization and Decentralization 9) Scalar Chain 10) Order 11) Equity 12) Stability of Personnel 13) Initiative 14) Esprit de Corps. Any 8 with brief explanation- 1 score each – (Points only ½ score each , maximum 4 score)			8
34	<b>Planning Process:</b> 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. (Give full score for 7 steps with explanation)		1 Each, Points only ½ each	8
35	<b>Staffing Process (Steps in staffing process) :</b> 1) Estimating the Man Power Requirements 2) Recruitment 3) Selection 4) Placement and orientation 5) Training and Development 6) Performance appraisal 7) Promotion 8) Compensation (Explain each point)		1 Each, Points only ½ each	8

**Scheme Finalised by:**

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