

**MARKING SCHEME
SAMPLE PAPER
Class-XII**

BUSINESS OPERATION AND ADMINISTRATION – (766)

TIME: 3HRS.

M.M.-60

Section-A

1. Co-ordination (c) (1)
2. Providing employment (c) (1)
3. Method study (d) (1)
4. True (a) (1)
5. When the receiver understands the message (d) (1)
6. Abraham Maslow (c) (1)
7. As a leader Cooperation and team spirit of followers is greatest strength of a leader. (1)
8. **Meaning of Democratic leadership** (1)
Under this style, the leader consult subordinates in the decision-making process and encourages them to give suggestion in setting goals and implementing decisions. A democratic leader gives order only after consulting the groups and works out the policies with the acceptance of the group.
9. Four types of leadership (1)
 - (i) Authoritarian Leadership
 - (ii) Democratic Leadership
 - (iii) Laissez Faire Leadership
 - (iv) Paternalistic Leadership
10. **Differentiate between E-business and E-Commerce.** (1)
E-commerce deals only with distribution of goods and services whereas e-business is a wider term. e-business not only include e-commerce, but also include other electronically conducted business functions like production, accounting, finance, personal, administration etc.

11. Two method of payment under online transactions are:

(1)

(i) Debit Card, (ii) Mobile Payment

12. Two example of products for which E-business is not suitable:- (1)

(i) Heavy Machinery (ii) Gold Jewellery

13. According to this principle, organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates. (2)

- Scalar Chain is the chain of superiors ranging from the highest authority to the lowest level in the organisation.
- It states superior-subordinate relationship and authority of superiors in relation to subordinates at various levels.

14. Difference between functional Structure and Divisional Structure

Basis	Functional Structure	Divisional Structure
1. Meaning	It refers to grouping of jobs of similar nature under one department.	If refers to grouping of jobs of one product under one department.
2. Formation	It is formed on the basis of functions.	It is formed on the basis of product.
3. Specialisation	It leads to functional specialisation.	It is leads to product specialisation.
4. Responsibility	It is difficult to fix responsibility on a particular department.	It is easy to fix responsibility for performance on the department.

(2)

(Any 2 of the above points)

15. Difference between Training and Development

Basis	Training	Development
1. Concept	It is a process of increasing knowledge and skills	It is a process of learning and growth.
2. Purpose	Training aims to enable the employee to do the job better.	Development aims for overall growth of employee.
3. Orientation	It is job oriented process.	It is career oriented process.
4. Scope of learning	It has narrow scope as it is a part of development.	It is broader in scope as it includes training.

(2)

(Any 2 of the above points)

16. Some of the common Non-Financial Incentives are:

(i) **Status:** Status refers to ranking of positions, authority, responsibility, recognition and prestige associated with a job in the organisation. (1)

- Higher status helps to satisfy social and esteem needs of the employees.

(ii) **Organisational Climate:** It refers to the characteristics which describe an organisation and distinguish one organisational from the other. (1)

- These characteristics include individual authority, reward orientation, open communication, risk-tasking, etc. (2)

17. Maslow's theory is considered very significantly as it highlights the needs of the people. He felt that within every human being, there exists a hierarchy of five needs. (1)

(i) **Basic Physiological Needs**

(ii) **Safety or Security Needs**

(iii) **Social Needs**

(iv) **Esteem Needs**

(v) **Self-Actualisation Needs**

Assumptions of Maslow's Theory

(1)

People's behaviour is based on their needs. Satisfaction of such needs influence their behaviour. People's needs are in hierarchical order, starting from basic needs to other higher level needs. People are motivated by unfulfilled needs and once a particular need is satisfied, it ceases to be a motivating factor.

(2)

18. Distinguish between Manager and Leader:

	Basic	Manager	Leader
1	Focus	Manager focuses on influencing the behaviour of employees to achieve goals of the organisation.	Leader focuses to satisfy behaviour of each and every member of group and realisation of group goals.
2	Scope	A manager is always a leader as he has to influence behavior of his subordinates.	A leader is not always a manager. Informal groups may be lead by non-manger.
3	Formal or informal organisation	A manager exists only in formal organisation.	A leader may exist in formal as well as informal organisation.
4	Authority	Managers have formal authority to influence behaviour of the employees.	Leaders have only informal authority arising due to trust and faith shown by group members.

(2)

(Any 2 of the above points)

19. **Meaning of E-business:** E-business means conducting industries, trade and business using the computer networks. E-business presents the firm with promising opportunities for anything, any where and any time to its customer. (1)

Advantages of e-Business :

1. **Convenience :** E-business offers the advantage of accessing anything, anywhere, anytime. It enables the customers to shop at their own convenience at any time (24x7). It enables the business firms to remain in touch with their customers, suppliers, etc. Moreover, employees can also access to organisations network (through VPN) and can do work from any place. (1/2)
 2. **Speed :** Information moves very fast through internet, which speeds up the process of buying and selling. e-business needs very less time to complete the business cycle as the entire process is done with the click of a mouse. Some products are even delivered online, like music, movies, e-books, etc. (1/2)
- (2)

20. **Importance of Management:**

1. **Management helps in achieving group goals:** Management integrates the individual or personal objectives with the organisational goals. It leads the efforts of the individuals towards achieving the organisational goals.
2. **Management improves efficiency:** Management focuses on reducing cost and improving productivity. This leads to efficiency.
3. **Management creates a dynamic organisation:** Business environment is ever changing. Managers keep on making changes in the organisation to match the environmental changes.

(One marks for each)

21. Management has elements of both science and art.
- **Management is a Science** because it has systematised body of knowledge, which can be improved through constant prospective and present managers. (1)

- **Management is an art** because it deals with application of personal skills, which can be improved through constant practice. (1)

Science provides the knowledge and Art deals with application of knowledge. One cannot become an efficient manager simply with knowledge of principles. He must evolve creative results through practical knowledge and skills. (1)

Thus, Management as an art and a science are not mutually exclusive, but are complementary. It means, both are not in contrast to each other and should exist together in every management function. (3)

22. **Benefits of training towards the organisation :**

1. **Systematic Learning:** The systematic learning process of training teachers, workers to make the most efficient use of resources. It is better than hit and trial methods which lead to wastage of efforts and money.
2. **Increased Productivity:** Well trained employees give better performance on the job, which increases the productivity both in terms of quantity and quality, leading to higher profits. (1/2)
3. **Prepare Future Managers:** Training enables the employees to take more challenging jobs and prepare them to take position of future manager in case of emergency. (1/2)

Benefits of training towards the Employees:

1. **Career Growth:** Training helps employees to advance in their careers as it provides new, improved and advance knowledge and skills. (1/2)
2. **Increased Earnings:** Training helps to improve the performance and productivity of workers, which help them to earn more. (1/2)
3. **Safety of Employees:** The trained workers are less prone to accidents as they are more efficient to handle machines and materials. (1/2)

23. **Difference between Formal and Informal Communication**

Basis	Formal Communication	Informal Communication	
1. Meaning	It refers to official communication taking place in the organisation.	It refers to unofficial communication that arises from social interaction of people.	(1)
2. Relations	It is based on the formal organisational relationship.	It is based on interpersonal contacts.	(1)
3. Flow of direction	It flows in vertical, horizontal and diagonal directions.	It flows in every possible directions.	(1)

(1)

24. Yes, leadership is a key factor in making any organisation successful.

Importance of leadership:

1. **Helps in guiding and inspiring employees:** Acting as a motivating factor leadership aims at influencing employees behaviour for better performance and higher results. (1)
2. **Providing training:** A leader provides training and ensures proper utilisation of human resources increasing their productivity. (1)
3. **Handling conflicts effectively:** While maintaining effective one to one relation, a leader facilitates sharing of ideas, opinions and disagreements which helps him to handle the conflicts and achieve organisational goals. (1)

(½ marks for heading and ½ marks for explanation)

25. Qualities of a good leader:

- (i) **Physical Features:** Physical features like height, weight, energy, health, appearance, etc. determine the personality or an individual, which is an important factor in determining success of leadership. A person who is fit to

appeal as a leader. (1)

- (ii) **Knowledge:** A leader must possess thorough knowledge and competence of all the subjects, principles, procedures and operations of his field. Intelligent leaders are able to instruct and influence subordinates in an effective manner. (1)
- (iii) **Integrity:** A leader should possess high level of integrity and honest. His style of functioning will influence his image among the followers. He should maintain higher moral standard, so that he acts as a role model to others. (1)

(½ marks for heading and ½ marks for explanation)

26. The model of E-commerce

- (i) **B2B Commerce:** The transactions taking place between business firms are referred to as business to business or B2B transaction. For example, an automobile manufacturer (like Maruti Udyog) makes several B2B transactions, such as buying tyres, glass for windscreens, door handles, etc. (1)
- (ii) **B2C Commerce:** The transaction taking place between business and customers are known as Business-to-customer or B2C transaction. For Example - E-Commerce facilitates and speeds up the entire B2C process. (1)
- (iii) **C2C Commerce:** The transaction taking place between two or more customers are known as C2C Commerce. For example, sale of used books and household equipments on cash or barter basis. (1)

- Consumers are no longer totally reliant on corporation. They are conducting their own business transactions and internet allows them to globally search for potential buyers.

(½ marks for heading and ½ marks for explanation)

Section-B

27. **Definition of management:** Management is defined as the process of planning, organising, actuating and controlling an organisation's operations in order to achieve coordination of the human. (1)

e importance of management will be clear from the following points:

(i) **Management helps in achieving group goals:** Management is required not for itself but for achieving the goals of the organisation. It brings the human and non-human resources together and gives a common direction to efforts of all individual towards achieving the organisational goals. (1)

(ii) **Management increase efficiency:** Management helps in reducing the cost and increasing productivity through better planning, organising, directing, staffing and controlling the activities of the organisation. (1)

(iii) **Management creates a dynamic organisation:** An organisation operates in a constantly changing environment. Employees generally resist to changes as it often mean moving from a familiar, secure environment into a newer and more challenging one. Management helps people adapt to these changes so that the organisation is able to maintain its competitive edge. (1)

(iv) **Management helps in achieving personal objectives:** A manager motivates and leads his team in such a manner that individual members are able to achieve their personal goals while working towards organisational objectives. Through motivation and leadership, management helps the individual to develop team spirit, cooperation and commitment to group success. (1)

28. **Henri Fayol's Principles of Management:**

(i) **Division of Work:** Division of work refers to dividing the work into compact jobs and allocating these compact jobs to different individuals.

- Fayol recommended that work of all kinds must be divided and allocated as per competence, qualification and experience. The intent of division of work is to produce more and better work for the same effort. (1)

(ii) **Authority and Responsibility:** According to this principle, there should be a proper balance between authority and responsibility.

- Authority is the right to give orders to subordinates and responsibility is the duty, which a subordinate is expected to perform by virtue of his position in organisation. Authority and responsibility go hand in hand. (1)

(iii) **Discipline:** Discipline refers to obedience to rules and regulations of the organisation, which is necessary for systematic working of the organisation.

- According to Fayol, discipline requires good supervision at all levels, clear and fair agreement regarding rules and judicious application of penalties. (1)

(iv) **Unity of Command:** According to this principles, each subordinates should receives orders and be accountable to one and only one superior.

- If a subordinates receives orders from more than one superior, he will find it extremely difficult to decide as to whom he has to obey first. (1)

(v) **Unity of Direction:** Unity of Direction implies that there should be one head and one plan for group of activities having same objectives.

- According to this principle, all the units of an organisation should be moving towards the same objectives through coordinated and focussed efforts. 1

= 5 Marks

(½ marks for heading and ½ marks for explanation)

29(A) Distinguish between Policies and Procedures:

Basis	Policies	Procedures
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1. Need	Policy is needed for achieving objectives	Procedures is needed for enforcement of policy.	(1)
2. Scope of Directions	Policies are flexible and managers have discretion within prescribed limits.	Procedures are more rigid and there is little scope for discretion to be used by manager.	(1)
3. Expression	Policy is expressed as general statement.	Procedure is expressed in specific terms.	(1)

29(B) Distinguish between Rules and Methods:

Basis	Rules	Methods	
1. Purpose	Rules are designed to achieve order and discipline	Methods are designed to achieve efficiency and economy.	(1)
2. Effects of violation	The guilty has to face penalty in case of violation	Methods are flexible statements.	(1)

30. Yes, I agree with the statement that planning is not remedy for all managerial problems.

The reasons are highlighted through limitations of planning-

(i) **Planning may not work in a Dynamic Environment:** The business environment is dynamic. Plans have to operate in an external environment, which is beyond the control of organisation. The organisation has to constantly adapt itself to changes. Planning does not provide positive results when such changes are not accurately forecasted. (1)

- (ii) **Planning Reduces Creativity:** Planning is an activity which is done by the top management and rest of the members have to strictly follow these plans.
- Middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own. (1)
- (iii) **Planning involves Huge Costs:** Planning is an expensive process as lot of money is spent on gathering and analysing information and evaluation of various alternatives.
- Detailed plans required scientific calculation to ascertain fact and figures. (1)
- (iv) **Planning is a Time-Consuming Process:** Planning is a time-consuming process as lot of time is needed for collection, analysis and interpretation of data. At times, formulation of plans take so much of time that there is not much time left for their implementation. (1)
- (v) **Planning does not Guarantee Success:** The success of an enterprise is possible only when plans are properly drawn up and implemented. It means, plans need to be translated into action, otherwise they become meaningless. Managers have a tendency to rely on previously tried and tested successful plans. (1)

31. **Meaning of Motivation:** Motivation is a process of stimulating and inspiring people at work to accomplish desired goals. It depends upon satisfying needs of people.

In the words of **William G. Scout**, "Motivation means a process of stimulating people to action to accomplish desired goals".

Herzberg's theory of motivation also known as the two-factor theory is based on the principle that job satisfaction and dissatisfaction act independent to each other. At any workplace, some particular factors can be attributed to job

satisfaction while other factors are responsible for job dissatisfaction. These job factors were classified by Herzberg into two broad categories, Hygiene Factors and Motivational Factors. (2)

- (i) **Motivational Factors:** These are the factors that lead to satisfaction and motivate employees to work harder. Examples might include enjoying your work, feeling recognised and career progression. This factor increases employee's satisfaction and motivation. (1½)
- (ii) **Hygiene Factor:** These factor can lead to dissatisfaction and a lack of motivation. If they are absent. Example include salary, companies polices, benefits, relationship with manager an co-worker. (1½)

32. Meaning of Social Responsibility

Social responsibility is the obligation of business to act in a manner which will serve in the best interests of the society. Social responsibility of business adds to its obligation to take those decisions and perform those actions which are desirable in term of the objectives and values of our society. In the words of Keith Davis, "Social responsibility refers to the businessman's decision and actions taken for reasons at least partially beyond the firm's direct economic or technical interest". (1)

As business is a part and parcel of the society, it must think of social obligations.

- (i) **Long-term Interest of the Firm:** It is the long-term self-interest of the business to fulfill its social responsibility towards various groups of society, like workers, consumers, shareholders, government officials, etc. A better social set improves its public image and prospects of growth in the long run. The society may also reject an enterprise if it does not care for the social welfare. (1)

(ii) **Avoidance of Government Regulations:** If the businessmen fail to meet their social responsibility voluntarily, then the government may intervene and enact suitable legislation to force them to assume social responsibility. However, businessmen do not like government legislation as it restricts their freedom and flexibility. Hence, it is in the interest of businessman to voluntarily fulfill its obligations to the society. (1)

(iii) **Maintenance of Society:** If a business does not meet its social responsibilities, then people related to the business may resort to anti-social activities, if they feel that they are not getting their dues from the business. This may be harmful for the business. So, business enterprises must fulfill social responsibilities. (1)

4. **Development of Business Education:** With the development of business education, consumers, investors, employees or owners have become more sensitive towards social issues. Educated businessmen have now become more aware of the social purpose of business, (1)

($\frac{1}{2}$ marks for heading and $\frac{1}{2}$ marks for explanation)

33. Arguments against social responsibility are-

1. **Violation of Profit Maximization-** Business Enterprises are of the view that their main aim is to earn profits, Business can reduce its cost & increase profit and then only meet its social responsibility
2. **Burden on Consumers** – Various social responsibilities cost a lot and its burden falls on the customer only
3. **Lack of Social Skills-** Business enterprise are of the view that they neither have skill nor expertise in solving social problems. So it should be handled by specialized agencies like NGO's
4. **Lack of Public Support** – Due to lack of cooperation and confidence from Public, the business organizations are finding it difficult to take up social responsibilities successfully.
5. **Lack of Accountability-** There is no mechanism to ensure accountability from business to public. There should be parity of Responsibility and Accountability. Hence, in absence of any such proposition, it's meaningless to talk about responsibility towards society.

(5)

(½ marks for heading and ½ marks for explanation)