### MARKING SCHEME

#### TERM-2 (2021-22)

#### ELEMENT OF BUSINESS (Class X)

<table>
<thead>
<tr>
<th>Q.No</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(a) Hire Vendor - Hire vendor is a person who delivers the goods along with its possession to the hire purchaser under a hire purchase agreement. (b) Down payment - The initial payment made to the hire purchaser to the lender bank, at the time of entering into a hire purchase agreement.</td>
</tr>
<tr>
<td>2</td>
<td>Advertising - Advertising is a most commonly used tool of promotion. It is an impersonal form of communication, which is paid by the marketers to promote some goods or services. OR Sales promotion refers to short term incentives which are designed to encourage the buyers to make immediate purchase of a product or service.</td>
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<tr>
<td>3</td>
<td>The first four steps involved in the process of selling are:- (a) Enquiry from intending buyer (b) Providing quotations to the intending buyer (c) Receipt of order from the buyer (d) Execution of order and Invoicing</td>
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<td>4</td>
<td>Two factors responsible for lack of popularity of mail order businesses are: (a) Lack of personal contact between buyer and seller (b) High promotional cost (any other valid answer) OR Two limitations of Multiple shops are:- (a) Limited selection of goods (b) Lack of personal touch (any other valid answer)</td>
</tr>
<tr>
<td>5</td>
<td>BASIS OF DIFFERENCE</td>
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<td></td>
<td>Location</td>
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</table>
Advantages of retailing through departmental stores:-

(i) Attract large number of customers: These stores are usually located at central places, they attract a large number of customers during the best part of the day.

(ii) Economy of large-scale operations: As these stores are organised at a very large scale, the benefits of large scale operations, particularly, in respect of purchase of goods are available to them. (any other valid answer)

<table>
<thead>
<tr>
<th>Range of Products</th>
<th>Different types of products are sold under one roof.</th>
<th>Specific Range of products are sold.</th>
</tr>
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<tbody>
<tr>
<td>Services offered</td>
<td>Departmental stores lay great emphasis on providing maximum service to their customers</td>
<td>Multiple stores provide very limited service confined to guarantees and repairs if the sold out turn out to be defective.</td>
</tr>
</tbody>
</table>

OR

Radio has been an effective media source in a country like India. With the recent rise in private channels (FM) on radio a new chapter has begun for this media. Currently major organisations (like real estate, educational institutions, amusement parks etc) are using this media actively. Also this media is connected very well to the young prospective buyers.

Contract involving transfer of the possession and ownership (title) of a good or property, or the entitlement to a service, in exchange for money or value is known as a sale. Essential elements that must be present in a valid sale are:

1. Competence of both the buyer and seller to enter into a contract,
2. Mutual agreement on the terms of exchange,
3. A thing capable of being transferred, and
4. A consideration in money (or its equivalent) paid or promised.

The difference between a cash sales & and credit sales is the timing of the payment. A cash sales is a transaction where payment is settled immediately. On the other hand, payment for a credit sales is settled at a later date.

For example, Ramesh buys grocery and makes payment immediately in cash it will be known as a cash sales. However, if he makes the payment on a later date it will be known as a credit sales.

(a) Hire purchase Method- It is the agreement of hiring goods. Under this method the ownership is transferred after the payment of last instalment.
| 9 | In this method buyer cannot transfer goods.  
(b) Instalment method- It is the agreement of sale. Under this method ownership is transferred after signing the agreement. In this buyer can transfer goods. | (2.5) |
| 10 | Following are the advantages of Automatic Vending Machine:  
1. Large scale retailing  
2. Round the clock buying is possible  
3. Uniform weight  
4. Convenient for customers  
5. Elimination of middleman (any other valid answer)  
OR  
Multiple –Shops  
Advantages of Multiple Shops are:  
(a) Economies of Scale: As there is central procurement, the multiple-shops enjoys the economies of scale.  
(b) Elimination of middlemen: By selling directly to the consumers, the multiple-shop organisation is able to eliminate unnecessary middlemen in the sale of goods and services.  
(c) No bad debts: All the sales in these shops are made on cash basis, there are no losses on account of bad debts.  
(d) Diffusion of Risk: The losses incurred by one shop may be covered by profits in other shops, reducing the total risk of an organisation. (any other valid answer) | (1) |
| 11 | The promotional tool suggested by Mr. Mehta is Sales Promotion. Following techniques are suggested by Mr. Metha for increasing sales of the product line:  
(a) Quantity Gifts  
(b) Refund  
(c) Product combination  
(d) Instant Draws (any other valid answer) | (1) |