Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 66/1/1

BUSINESS STUDIES

CBSE Class XII Board Examination 2024 — with answers

Time allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. The paper has 34 questions; all of them must be answered.
2. The marks for each question are shown against it.
3. Keep answers short and relevant.
4. 3-mark answers: about 50–75 words; 4-mark answers: about 150 words; 6-mark answers: about 200 words.
5. Answer all the parts of a question in one place.

Questions 1–20

Q1–20 are multiple choice questions of 1 mark each.

1. Ravi Kumar became Managing Director of the loss-making 'Vova Watch Company' in January 2020. He found that staff were never consulted and simply carried out orders, so morale was low. He began open discussions, invited employees to take an active part in decisions and jointly prepared action plans to fix outdated designs and inefficient production. The company turned profitable. Which leadership style did Ravi Kumar follow? **1**

(A) Autocratic leadership style
(B) Democratic leadership style
(C) Free-rein leadership style
(D) Both (A) and (B)

ANSWER
(B) Democratic leadership style

Key clue: he consulted employees and encouraged them to participate in decision-making.
In the democratic (participative) style the leader develops action plans and takes decisions together with subordinates.
Autocratic = leader alone decides and expects obedience (that was the old situation, not Ravi's style).
Free-rein = leader leaves decisions almost entirely to subordinates.
So the answer is (B).

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2. Which one of these is an element of the 'Social Environment' of business? **1**

(A) Rates of saving and investment
(B) Expectations from the workforce
(C) The nature of relationship of our country with foreign countries
(D) Planned outlay in public and private sectors

ANSWER
(B) Expectations from the workforce

Social environment = social forces such as customs, traditions, values, social trends and what society (including the workforce) expects from business.
(A) and (D) are economic environment elements; (C) relations with other countries is part of the political environment.
Hence (B).

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3. Statement I: Delegation means entrusting responsibility and authority to someone else and creating accountability for performance. **1**

Statement II: However much authority is delegated, the manager remains accountable to the same extent as before delegating.

Pick the correct option.

(A) Statement I is true and Statement II is false.

(B) Statement II is true and Statement I is false.

(C) Both the Statements are true.

(D) Both the Statements are false.

ANSWER

(C) Both the Statements are true

Statement I is the standard definition of delegation (authority + responsibility passed down, accountability created).

Statement II is also correct: accountability cannot be delegated – the superior still answers for the work to his own boss.

So both are true → (C).

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4. Fill in the blank: _____ means performing a task correctly at the lowest possible cost. **1**

(A) Effectiveness **(B)** Coordination

(C) Process **(D) Efficiency**

ANSWER

(D) Efficiency

Efficiency = doing the task correctly with minimum cost (optimum use of resources – cost vs benefit).

Effectiveness = completing the task on time / achieving the goal (doing the right task).

Common mistake: mixing up the two. Answer (D).

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5. 'Dovex', a well-known healthcare company making life-saving medicines and devices, is trusted by investors for its ethical record. Because of this it can raise money from the market easily whenever it expands or starts new projects, and so it is able to pay high dividends. Which factor affecting dividend decision is described? **1**

(A) Cash flow position **(B)** Stock market reaction

(C) Legal constraints **(D) Access to capital market**

ANSWER

(D) Access to capital market

A company that can raise funds from the capital market easily does not need to keep large retained earnings, so it can afford to pay higher dividends.

The case stresses that Dovex can raise capital easily from the market → access to capital market.

Answer (D).

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6. Identify the process: a career-oriented process meant to help employees grow towards maturity and realise their potential capabilities. **1**

(A) Staffing
(B) Selection
(C) Development
(D) Training

ANSWER
(C) Development

Development is career-oriented and aims at the overall growth of the employee (maturity, actualisation of potential).
Training is job-oriented – it improves skills for a particular job.
Answer (C).

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7. 'SK Builders' became market leader in designer houses because it was the first to see the need for using Artificial Intelligence in house design as technology changed. Which point of importance of business environment does this show? **1**

(A) It helps to identify threats and early warning signals.
(B) It enables the firm to identify opportunities and getting the first mover advantage.
(C) It helps in tapping useful resources.
(D) It helps in improving performance.

ANSWER
(B) Identifying opportunities and getting the first mover advantage

Being the FIRST to recognise a new opportunity (AI in design) and gaining market leadership is the first mover advantage.
Threats/early warning (A) would be about dangers, not opportunities.
Answer (B).

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8. In which market are the prices of securities fixed by the management of the issuing company? **1**

(A) Primary
(B) Secondary
(C) Money
(D) Stock

ANSWER
(A) Primary market

In the primary (new issue) market the company itself decides the issue price.
In the secondary market (stock exchange) prices are decided by demand and supply.
Answer (A).

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9. Estimating how much money a business needs and deciding where it will come from is known as: **1**

(A) Capital structure

(B) Financial planning

(C) Financial management

(D) Capital budgeting

ANSWER

(B) Financial planning

Financial planning = preparing a financial blueprint: estimating fund requirements and specifying the sources of funds, so that funds are available when needed.

Capital budgeting is about investment in fixed assets; capital structure is the debt-equity mix.

Answer (B).

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10. Statement I: A financial market helps transfer savings from savers to investors. **1**

Statement II: It offers savers a choice of investments and helps direct surplus funds to their most productive use.

Choose the correct option.

(A) Statement I is true and Statement II is false.

(B) Statement II is true and Statement I is false.

(C) Both the Statements are true.

(D) Both the Statements are false.

ANSWER

(C) Both the Statements are true

A financial market links savers and investors (mobilisation of savings) and channels them into the most productive investments (allocative function).

Both statements describe it correctly → (C).

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11. Which of the following is an INCORRECT statement about the functions of a Stock Exchange? **1**

(A) Provides liquidity and marketability to new securities

(B) Ensures safety of transactions

(C) Contributes to economic growth

(D) Provides scope for speculation

ANSWER

(A) – a stock exchange gives liquidity to EXISTING securities, not new ones

A stock exchange is a secondary market: it provides liquidity and marketability to existing (already issued) securities.

New securities are issued in the primary market.

Safety of transactions, contribution to economic growth and scope for (healthy) speculation are genuine functions.

So the incorrect statement is (A).

12. Online retailer 'Bizen' has become the world's largest e-commerce provider. Its MD Mohit takes strategic decisions and controls the whole organisation. Jobs of a similar nature are grouped into HR, Marketing, Purchase and R&D departments, which are further split into sections; all departmental heads report to Mohit, the coordinating head. This improves use of manpower and avoids duplication of effort. Identify Bizen's organisation structure. **1**

(A) Informal organisational structure
(B) Divisional organisational structure
(C) Functional organisational structure
(D) Both (B) and (C)

ANSWER
(C) Functional organisational structure

Grouping of jobs of similar nature into departments by function (HR, Marketing, Purchase, R&D), with departmental heads reporting to one coordinating head, is the functional structure.
Its advantages – efficient use of manpower and less duplication of effort – are also mentioned.
Divisional structure would group by product lines. Answer (C).

13. Match Column I with Column II. **1**
Column I: 1. Placement 2. Recruitment 3. Orientation 4. Performance Appraisal
Column II: (i) Introducing a newly selected employee to colleagues and to the organisation's rules and policies; (ii) The employee taking up the post for which he/she was selected; (iii) Judging an employee's present/past performance against set standards; (iv) Searching for prospective employees and encouraging them to apply.

(A) 1-(i), 2-(ii), 3-(iii), 4-(iv)
(B) 1-(ii), 2-(iii), 3-(i), 4-(iv)
(C) 1-(ii), 2-(iv), 3-(i), 4-(iii)
(D) 1-(ii), 2-(i), 3-(iv), 4-(iii)

ANSWER
(C) 1-(ii), 2-(iv), 3-(i), 4-(iii)

Placement → occupying the post selected for (ii).
Recruitment → searching for and stimulating candidates to apply (iv).
Orientation → introducing the new employee to others and to rules/policies (i).
Performance appraisal → evaluating performance against standards (iii).
So the match is option (C).

14. Plans are made for a fixed period – a month, a quarter or a year. When that period ends, a fresh plan must be prepared based on new needs and future conditions. Which feature of planning is described? **1**

(A) Planning is futuristic
(B) Planning is continuous
(C) Planning is pervasive
(D) Planning is a mental exercise

ANSWER
(B) Planning is continuous

Because each plan covers a specific period and a new plan is framed when it expires, planning goes on as a continuous cycle (plan → implement → new plan).
Answer (B).

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15. Which marketing management philosophy tries to achieve its objectives by making products available and affordable? **1**

(A) Marketing concept
(B) Selling concept
(C) Product concept
(D) Production concept

ANSWER
(D) Production concept

Production concept: consumers favour products that are widely available and cheap, so the firm focuses on quantity, mass production and lower cost – i.e. availability and affordability.
Product concept focuses on quality/features; selling concept on aggressive promotion; marketing concept on customer needs.
Answer (D).

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16. A picture shows a placard of 'Mehta Sons Garments' reading 'HURRY UP – 50% OFF – ONLY FOR 2 days'. Which tool of promotion is the firm using to push its sales? **1**

(A) Advertising
(B) Personal selling
(C) Sales promotion
(D) Public relations

ANSWER
(C) Sales promotion

A short-term incentive (50% discount for only 2 days) to induce immediate purchase is sales promotion (rebate/discount technique).
Advertising is paid impersonal communication of the product message, not a temporary price incentive.
Answer (C).

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17. Assertion (A): Many enlightened business firms have created their own consumer service and grievance cells. **1**

Reason (R): A consumer has the right to complain and to be heard when dissatisfied with a good or service.

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

ANSWER

(A) Both true and R explains A

R states the Right to be heard. It is exactly because consumers have this right that progressive firms set up grievance cells to hear and settle complaints.

So both are true and R is the correct explanation of A → (A).

18. Which of the following is NOT a component of 'Physical Distribution'? **1**

(A) Inventory control

(B) Standardisation and grading

(C) Order processing

(D) Transportation

ANSWER

(B) Standardisation and grading

Components of physical distribution: order processing, transportation, warehousing, inventory control.

Standardisation and grading is a separate marketing function (fixing standards and sorting goods by quality), not part of physical distribution.

Answer (B).

19. Beenu's bookstore 'Book-mark' in Sabad was losing sales to e-books and online sellers. Her daughter, an MBA in marketing, ran a campaign on the joy of reading physical books, held story-writing and other contests every weekend, informed parents and children about them through TV, radio and children's magazines, and gave attractive prizes to winners. Footfall rose and the store became popular. Which communication tool did she use? **1**

(A) Advertising
(B) Personal selling
(C) Sales promotion
(D) Public relations

ANSWER
(D) Public relations

As per the marking scheme: the campaign built goodwill and a favourable image of the bookstore in the community through events (story-writing competitions) and their publicity – this is public relations, whose aim is to create a positive image rather than give a price incentive.
Note: the contests and prizes could look like sales promotion, but they were not linked to buying books; they were community events to build the store's image. Answer (D).

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20. Nikhil, CEO of 'Best Electronics', wanted the company to lead the electronics market. His team researched trends, customer preferences and competitors, and on that basis a plan was drawn up that set the company's direction and scope for the long run and gave broad contours of its business. Within two years the company became market leader. Which type of plan helped? **1**

(A) Policy
(B) Rule
(C) Strategy
(D) Procedure

ANSWER
(C) Strategy

A strategy is a comprehensive plan that defines the long-term direction and scope of the organisation, formulated after analysing the business environment (market research on trends, customers, competitors).
Policy = general guideline; rule = specific do/don't; procedure = sequence of steps.
Answer (C).

Questions 21–24

Q21–24 carry 3 marks each.

21. State any three features of business environment. **3**

ANSWER

Any three: totality of external forces; specific and general forces; inter-relatedness; dynamic nature; uncertainty; complexity; relativity.

Any three of these (1 mark each):

1. Totality of external forces – it is the sum of all forces outside the business.
2. Specific and general forces – specific forces (customers, competitors, suppliers, investors) affect a firm directly; general forces (economic, social, political, legal, technological) affect all firms indirectly.
3. Inter-relatedness – the different forces are linked; a change in one affects others.
4. Dynamic nature – the environment keeps changing (technology, fashion, tastes).
5. Uncertainty – future changes are hard to predict.
6. Complexity – forces interact, so their combined effect is difficult to understand.
7. Relativity – its impact differs from country to country and region to region.

OR

State any three features of 'Demonetization'.

ANSWER

Tax administration measure against black money; signal that tax evasion will not be tolerated; channelises savings into the formal financial system; move towards a less-cash economy.

Any three (1 mark each):

1. A tax administration measure – holders of unaccounted money had to declare it and pay tax at a penalty rate.
2. A signal by the government that tax evasion will no longer be tolerated.
3. It brought savings into the formal financial (banking) system, so banks got more deposits and could lend at lower interest rates.
4. It pushes the economy towards less cash ('cash-lite') – more digital transactions and better tax compliance.

22. Kanav set up a solar power plant needing heavy investment in machinery (latest panels, inverters, battery storage) and little manual labour. As demand for clean energy was rising, he also chose to build higher capacity in advance to meet the expected demand quickly, which needed more investment in fixed assets. Identify and explain the two factors affecting fixed capital requirements in this case. **3**

ANSWER

(i) Choice of technique (capital-intensive) and (ii) Growth prospects – both raise fixed capital needs.

(i) Choice of technique – clue: heavy investment in plant and machinery, less manual labour. A capital-intensive firm needs more fixed assets, hence more fixed capital; a labour-intensive firm needs less.
(ii) Growth prospects – clue: higher capacity created to meet anticipated demand. When growth is expected, a firm builds extra capacity in advance, which needs larger investment in fixed assets.
(½ mark identification + 1 mark explanation for each.)

23. 'BB Motors', maker of high-performance cars, wanted its employees to have the right skills. It turned a part of its factory into a 'Learning Floor' – a separate space set up like the actual work environment, fitted with car parts, tools and equipment identical to those on the factory floor – where employees were trained. Identify and explain the training method. **3**

ANSWER

Vestibule training

Method: Vestibule training.
Explanation:
• Employees learn their jobs on equipment identical to what they will use, but in a separate area (a dummy model of the real work place) away from the actual floor.
• The actual work environment is created in a classroom-like setting.
• It is used when the equipment is costly or sophisticated, so that mistakes during learning do not disturb production or damage machines.
(1 mark identification + 2 marks explanation.)

24. State any three protective functions of the Securities and Exchange Board of India (SEBI). **3**

ANSWER

Prohibits fraudulent/unfair trade practices; controls insider trading; undertakes investor protection; promotes fair practices and code of conduct; investor education.

Any three (1 mark each):

1. Prohibits fraudulent and unfair trade practices such as misleading statements and price manipulation (rigging).
2. Controls insider trading and imposes penalties for it.
3. Takes steps for investor protection.
4. Promotes fair practices and a code of conduct in the securities market.
5. Educates investors about the market.

OR

Differentiate between 'Money Market' and 'Capital Market' on any three bases.

ANSWER

Differ in participants, instruments, investment outlay, duration, liquidity, safety and expected return.

Any three bases (1 mark each):

Basis	Capital Market	Mo
Participants	Financial institutions, banks, firms, foreign and retail investors	Mai
Instruments	Equity shares, debentures, bonds, preference shares	T-b
Investment outlay	Need not be huge (small unit value)	Ver
Duration	Medium and long term	Sho
Liquidity	Less liquid	Hig
Safety	Riskier	Safe
Expected return	Higher	Low

Questions 25–30

Q25–30 carry 4 marks each.

25. Garment maker 'Verfab' needed new staff. It first went through all applications and rejected unsuitable applicants, shortlisting 21. These 21 took tests measuring traits from manual dexterity to intelligence and personality (sewing skill, attention to detail, process knowledge). The 15 who did well had a detailed formal conversation with senior design staff, after which 10 were found suitable. Their details were then confirmed by contacting previous employers, and finally 8 were chosen. Explain the steps of this process up to the verification stage. **4**

ANSWER

Steps of selection: (i) Preliminary screening, (ii) Selection tests, (iii) Employment interview, (iv) Reference and background checks.

This is the selection process. Steps (1 mark each):

1. Preliminary screening – applications are scanned and unqualified/unfit applicants are removed on the basis of information in the application forms (21 shortlisted).
2. Selection tests – tests to measure characteristics such as skills, intelligence, personality, aptitude (sewing skill, attention to detail).
3. Employment interview – a formal, in-depth conversation to judge the applicant's suitability (with senior design staff; 10 found suitable).
4. Reference and background checks – verifying the information given by candidates through previous employers and references.

(The next step, choosing 8, is the selection decision – not asked.)

26. State any four characteristics of management. **4**

ANSWER

Any four: goal-oriented; pervasive; multi-dimensional; continuous; group activity; dynamic; intangible force.

Any four (1 mark each):

1. Goal-oriented process – it unites efforts to achieve organisational goals.
2. Pervasive – needed in all organisations (economic, social, political) and at all levels.
3. Multi-dimensional – management of work, of people and of operations.
4. Continuous process – planning, organising, staffing, directing and controlling go on all the time.
5. Group activity – people with different needs work together for common goals.
6. Dynamic function – it adapts to the changing environment.
7. Intangible force – it cannot be seen but its presence is felt in the results.

OR

State any four functions performed by Top Level Management.

ANSWER

Integrate diverse activities and coordinate; frame objectives and strategies; responsible for welfare and survival; analyse environment; responsible for all activities and their impact on society.

Any four (1 mark each):

1. Integrate the diverse elements and coordinate the activities of different departments according to overall objectives.
2. Formulate overall organisational goals and strategies for their achievement.
3. Analyse the business environment and its implications for the survival of the firm.
4. Responsible for the welfare and survival of the organisation.
5. Accountable for all business activities and for the impact of the organisation on society.

27. Differentiate between 'Delegation' and 'Decentralisation' on any four bases. **4**

ANSWER

Differ in nature, freedom of action, status, scope and purpose.

Any four bases (1 mark each):

Basis	Delegation	Decentralisation
Nature	Compulsory act (work cannot be done alone)	Optional policy decisi
Freedom of action	Less freedom; more control by superiors	More freedom; less cor
Status	A process between superior and subordinate	Result of a policy deci
Scope	Narrow – superior to immediate subordinate	Wide – extends to the
Purpose	Lessen the burden of the manager	Increase autonomy of

28. Explain how each factor affects the working capital requirement of a business: **4**

(i) Operating efficiency

(ii) Credit availed

ANSWER

(i) Higher operating efficiency → lower working capital; (ii) more credit from suppliers → lower working capital.

(i) Operating efficiency – a firm that manages its operations efficiently (better inventory turnover, faster collection from debtors) needs less cash, stock and debtors at any time, so its working capital requirement is lower. Inefficiency raises it.

(ii) Credit availed – if suppliers allow credit for purchases, the firm can buy raw material without paying immediately, so it needs less working capital. If it must pay cash, more working capital is needed.

(2 marks each.)

OR

Explain how each factor affects the choice of capital structure of a company:

(i) Flexibility

(ii) Cost of equity

ANSWER

(i) Keep unused debt capacity for flexibility → less debt now; (ii) high debt raises shareholders' risk and cost of equity → limits debt.

(i) Flexibility – a company that uses its debt capacity fully cannot borrow in an emergency. To keep flexibility to raise funds later, it should not use debt to the full extent now.

(ii) Cost of equity – shareholders expect a rate of return linked to risk. Using more debt increases the financial risk of equity holders, so they demand a higher return (cost of equity rises). Debt can be used only up to the point where this rise does not reduce the share price.

(2 marks each.)

29. Piyush, Production Manager at shoe company 'Comforty', has 1000 workers. He took an order for 300 pairs of gents' shoes at an estimated cost of ₹500 per pair plus 20% profit, to be finished in 10 days. Afterwards he found the actual cost per pair was ₹700 but could not trace why. The CEO appointed Abhay, a cost accountant and HR manager, who found the target could have been met by just 800 workers – there was overmanning, causing high labour cost. **4**

(i) Identify the function of management discussed.

(ii) State any three points of importance of that function.

ANSWER

(i) Controlling; (ii) e.g. accomplishing goals, judging accuracy of standards, efficient use of resources, motivation, order and discipline, coordination.

(i) Controlling – actual performance (₹700 cost, 1000 workers) is compared with standards (₹500 cost, 800 workers needed) and the deviation and its cause are found.

(ii) Any three points of importance (1 mark each):

1. Accomplishing organisational goals – measures progress and brings deviations to light for corrective action.
2. Judging accuracy of standards – a good control system helps check whether standards are accurate and objective.
3. Making efficient use of resources – reduces wastage and spoilage (here, excess labour cost).
4. Improving employee motivation – employees know in advance on what they will be appraised.
5. Ensuring order and discipline – close checks reduce dishonest behaviour.
6. Facilitating coordination in action – all departments work towards predetermined standards.

30. Anuj paid 'SS Developers' an advance of ₹2 crore to build a house, to be delivered in 18 months. After 18 months the developer ignored his repeated requests, could not hand over the property and refused to refund the money with interest. Anuj complained to the consumer court. **4**

(i) Which grievance redressal agency did Anuj approach?

(ii) State any three reliefs Anuj may get if the court is satisfied with his complaint.

ANSWER

(i) State Commission (claims above ₹50 lakh and up to ₹2 crore); (ii) e.g. refund of price with interest, compensation for loss, punitive damages, discontinue unfair practice, pay costs.

(i) The value of the claim is ₹2 crore. Under the Consumer Protection Act, 2019 (pecuniary limits revised 2021): District Commission up to ₹50 lakh, State Commission above ₹50 lakh up to ₹2 crore, National Commission above ₹2 crore. So Anuj approached the State Commission.

(ii) Any three reliefs (1 mark each):

1. Refund the price/advance paid, with interest.
2. Pay compensation for the loss or injury suffered due to the developer's negligence.
3. Pay punitive damages where appropriate.
4. Discontinue the unfair/restrictive trade practice and not repeat it.
5. Pay adequate costs to the complainant.

(Remove defects/replace goods are reliefs too, but less suited to this case.)

Questions 31–34

Q31–34 carry 6 marks each.

31. Explain these techniques of Scientific Management: **6**

(i) Time study

(ii) Differential piece wage system

(iii) Motion study

ANSWER

(i) Fixing standard time for a job; (ii) higher rate for efficient workers, lower for inefficient; (iii) studying movements to remove unnecessary ones.

(i) Time study – determines the standard time to complete a well-defined job using stop-watch observations of several readings. It helps fix the number of workers needed, frame incentive schemes and estimate labour cost.
(ii) Differential piece wage system – workers who reach or exceed the standard output get a higher piece rate, those below standard get a lower rate. E.g. standard 10 units: ₹50/unit for ≥10 units, ₹40/unit for fewer. The difference rewards efficiency and motivates inefficient workers to improve.
(iii) Motion study – studies the movements (lifting, putting, changing positions) involved in a job, separating productive, incidental and unnecessary motions; unnecessary ones are eliminated, so the job takes less time and productivity rises.
(2 marks each.)

OR

Explain these features of principles of management:

(i) General guidelines

(ii) Mainly behavioural

(iii) Formed by practice and experimentation

ANSWER

(i) Guide action, not ready-made solutions; (ii) aim to influence human behaviour; (iii) developed from managers' experience and experiments.

(i) General guidelines – principles guide action but do not give readymade, straitjacket solutions to every problem, because real business situations are complex and dynamic; they must be applied with judgement.
(ii) Mainly behavioural – since management deals with people, the principles aim to influence human behaviour; they help understand the relationship between human and material resources.
(iii) Formed by practice and experimentation – they are developed from the experience and collective wisdom of managers and from experiments (e.g. Taylor's), so they are tested and refined over time.
(2 marks each.)

32. Atul Sharma, CEO of 'Stepone Footwear', planned carefully: company goals were clearly stated so that they guided what action to take and in which direction. Before each season the firm studied market trends, customer preferences and production schedules, which let it look ahead, anticipate change and prepare managerial responses. One season demand suddenly shifted to eco-friendly shoes, but production for the year had already been fixed with specific goals and time frames and managers had no flexibility to change it. A rival, 'Eco Step', adapted quickly and became market leader, while Stepone was left with surplus stock. Quoting lines from the case, identify and explain two benefits and two limitations of planning. **6**

ANSWER

Benefits: provides direction; reduces risk of uncertainty. Limitations: leads to rigidity; may not work in a dynamic environment.

Benefits:

1. Planning provides direction – quote: goals were clearly stated to act as a guide for what action to take and in which direction. Stating in advance how work is to be done keeps everyone moving towards the goals.
2. Planning reduces the risk of uncertainty – quote: the analysis let the company look ahead, anticipate changes and develop managerial responses. Deciding tasks in advance shows how to deal with change.

Limitations:

3. Planning leads to rigidity – quote: managers did not have the flexibility to change the plan. Once a well-defined plan with specific goals and time frames is fixed, managers may not be able to change it.
4. Planning may not work in a dynamic environment – quote: by not being able to adjust to the rapidly changing market, Stepone faced surplus inventory. Planning cannot foresee every change, so plans may fail when the environment changes fast.

(For each: ½ identify + ½ explain + ½ quote = 1½ × 4 = 6.)

33. Ayush and Rhea started selling organic produce from their farm. To stand out, they named the business 'Earthy Store' (a name suggesting the products' benefits and their values of health and sustainability) and chose a nature-themed logo in earthy colours. They developed eco-friendly biodegradable bags and reusable containers to send products, and stickers on them giving organic certification, nutritional benefits, manufacture and expiry dates, etc. They also built a user-friendly website and a strong media presence to inform customers and persuade them to buy. Quoting lines, identify and explain the three marketing functions in the case. **6**

ANSWER

(i) Branding, (ii) Packaging and labelling, (iii) Promotion

1. Branding – quote: they named the business 'Earthy Store' and chose a logo with elements of nature. Branding means giving a name, sign, symbol or design to a product to identify it and set it apart from competitors.
2. Packaging and labelling – quote: eco-friendly biodegradable bags/reusable containers, and stickers with certification, nutrition, manufacture and expiry dates. Packaging is designing and producing the container/wrapper; labelling is designing the label that carries information about the product.
3. Promotion – quote: website and strong media presence to inform potential customers and persuade them to buy. Promotion is communicating with customers to inform and persuade them to buy (advertising, publicity, etc.).

(½ identify + ½ quote + 1 explain = 2 × 3 = 6.)

34. Give the meaning of 'Training'. Explain these methods of training: (i) Apprenticeship Training, (ii) Internship Training. **6**

ANSWER

Training = increasing knowledge and skills for a particular job. Apprenticeship = learning under a master worker for a fixed period; Internship = joint programme of educational institution and business.

Meaning (2 marks): Training is any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased; it is job-oriented.
(i) Apprenticeship training (2 marks) – the trainee works under the guidance of a master worker for a prescribed period to acquire a high level of skill. Used for trades needing long practice, such as plumbers, electricians, iron-workers.
(ii) Internship training (2 marks) – a joint programme of educational institutions and business firms. Selected students carry on regular studies and also work in a business for a period to gain practical knowledge and experience.

OR

Explain any four points of importance of the 'Directing' function of management.

ANSWER

Any four: initiates action; integrates efforts; guides employees to realise potential; facilitates change; brings stability and balance.

Any four (1½ marks each):
1. Initiates action – directing starts people working towards the desired objectives; plans are put into action.
2. Integrates employees' efforts – every individual effort is linked so it contributes to organisational performance.
3. Guides employees to realise their full potential – through motivation and leadership employees are helped to perform at their best.
4. Facilitates introduction of needed changes – effective communication and leadership reduce resistance to change.
5. Brings stability and balance – leadership, communication and supervision help maintain balance among different parts of the organisation.

— END —

Questions restated from the CBSE Class XII Board Examination 2024 (set 66/1/1) for practice. Reading passages and map items are described, not reproduced.