



KARNATAKA ICSE SCHOOLS ASSOCIATION

ISC STD. XII Preparatory Examination 2024

Subject – BUSINESS STUDIES - ANSWER KEY

Time Allowed: **3 HOURS**

Maximum Marks: **80**

Date: **.01.2024**

QUESTION NUMBER	ANSWER	MARK DISTRIBUTION
1.		1 mark
i.	Recruitment	
ii.	It matches the personnel's skills and talents with organisational goals	
iii.	IV, II, III, I, V	
iv	Job enrichment	
v.	It ensures a sense of security among employees due to better employee- employer relationships	
vi.	PERFORMANCE APPRAISAL	
vii.	FALSE	
viii.	UPGRADATION	
ix.	EXIT INTERVIEW	
x.	Both statements A and B are true	
xi.	Both statements A and B are false	
xii.	Non-Banking Financial Company	
xiii.	Business Enquiry Letter	
xiv.	(A) and (D)	
xv.	Personal touch	
xvi.	Retained earnings	

<p>Question 2 (i)</p>	<p>Advantages:</p> <ol style="list-style-type: none"> 1. wide choice 2. provides people with new ideas and special skills, needed to cope with new challenges. 3. Challenges internal candidates 4. All vacancies cannot be filled internally. <p>Disadvantages:</p> <ol style="list-style-type: none"> 1. very time consuming and expensive 2. resent filling of higher-level vacancies from outside. 3. Recruitment from outside may create frustration 4. orientation is necessary 5. no guarantee that the enterprise 6. will get the required number and quality of employees. 	<p>1 mark each for every advantage and disadvantage</p>
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OR

<p>Question 2(ii) (a)</p>	<table border="1"> <thead> <tr> <th data-bbox="513 888 662 993">BASIS</th> <th data-bbox="662 888 919 993">INTERNAL COMMUNICATION</th> <th data-bbox="919 888 1179 993">EXTERNAL COMMUNICATION</th> </tr> </thead> <tbody> <tr> <td data-bbox="513 993 662 1031">Scope</td> <td data-bbox="662 993 919 1031">limited scope</td> <td data-bbox="919 993 1179 1031">wider scope</td> </tr> <tr> <td data-bbox="513 1031 662 1098">Flow</td> <td data-bbox="662 1031 919 1098">Horizontal or vertical</td> <td data-bbox="919 1031 1179 1098">horizontal</td> </tr> <tr> <td data-bbox="513 1098 662 1331">Main Purpose</td> <td data-bbox="662 1098 919 1331">ensure cooperation and coordination between different parts of an organisation.</td> <td data-bbox="919 1098 1179 1331">inform stake holders and to improve public image.</td> </tr> <tr> <td data-bbox="513 1331 662 1499">Statutory</td> <td data-bbox="662 1331 919 1499">Not needed under any law</td> <td data-bbox="919 1331 1179 1499">needed under some laws, ex. The Companies Act.</td> </tr> <tr> <td data-bbox="513 1499 662 1581">Nature</td> <td data-bbox="662 1499 919 1581">Voluntary always.</td> <td data-bbox="919 1499 1179 1581">Both voluntary and compulsory</td> </tr> </tbody> </table>	BASIS	INTERNAL COMMUNICATION	EXTERNAL COMMUNICATION	Scope	limited scope	wider scope	Flow	Horizontal or vertical	horizontal	Main Purpose	ensure cooperation and coordination between different parts of an organisation.	inform stake holders and to improve public image.	Statutory	Not needed under any law	needed under some laws, ex. The Companies Act.	Nature	Voluntary always.	Both voluntary and compulsory	<p>1 mark for each difference with basis</p>
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Question 2(ii) (b)	BASIS	FORMAL COMMUNICATION	INFORMAL COMMUNICATION	1 mark for each difference with basis
	Origin	Deliberately structured	Spontaneous and unstructured	
	flow	Prescribed	Not prescribed	
	Authority	Official channel	Unofficial channel	
	Purpose	To achieve organisation goals	To satisfy personal needs	
	Speed	Fast	Slow	
	Accuracy	Accurate and authentic	Often contains rumours and gossips	
	Form	Both oral and written	Oral	
	Responsibility for the message	Can be fixed	Cannot be fixed	

Question 3	<p>Advantages:</p> <ul style="list-style-type: none"> • incentive • economy • modernisation • labour cost control • production planning and control • employee development <p>Disadvantages:</p> <ul style="list-style-type: none"> • difficult • insecurity • decline in quality • harmful to workers • wastage of resources • higher overheads 	1 mark for each advantage and disadvantage given with explanation
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Question 4 (i)	Gate Hiring or Direct Recruitment: Under this source of recruitment, <u>a notice is placed on the noticeboard of the enterprise</u>	1 mark for each underlined point
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	<p><u>specifying the details of the jobs available</u>. Job seekers assemble outside the premises of the organisation on the specified date and <u>selection is done on the spot</u>. This is also known as <u>recruitment at factory gate</u>. The practice of direct recruitment is followed usually for casual vacancies of <u>unskilled or semi-skilled jobs</u>. Small workshops recruit turners, fitters, welders, etc. through this source.</p>	
Question 4 (ii)	<p>Candidates who <u>are found suitable after interview</u> are called for a physical examination. A medical check-up of such candidates is <u>done by a panel of doctors to ensure that they are healthy and physically fit</u> for the job. A proper medical examination will also ensure that the candidates <u>selected do not suffer from any serious disease which may create problem in future</u>.</p>	1 mark for each underlined point

Question 5 (i)	<p>When existing work methods and techniques become <u>obsolete</u>, employees have to be <u>trained in the use of new methods and techniques</u>. Refresher training is provided to <u>update the knowledge and skills of employees</u>. It helps to <u>refresh the job knowledge and make employees efficient in the use of technology</u>. Rapid advancements in technology have increased the need for refresher training.</p>	1 mark for each underlined point
Question 5 (ii)	<p>Benefits of training:</p> <ol style="list-style-type: none"> 1. higher productivity 2. reduced supervision 3. better safety 4. economy 5. higher morale 6. promotion and career growth 7. stability and growth 	1 mark for each point

OR

Question 5	<p>Motivation may be defined as the <u>process of inducing or inspiring people</u> to take the desired course of action. It means a <u>process of stimulating</u> people to action to accomplish desired goals.</p> <p>Factors affecting motivation are called incentives.</p> <p>Incentives can be classified into two broad categories- (i) <u>monetary incentives</u>, and (ii) <u>non-monetary incentives</u>.</p>	2 marks for definition, 2 marks each for definition ,types and examples of the incentives
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Question 6	<ul style="list-style-type: none"> • granted to all government employees with not less than five years of service • for higher studies/training • certification should be for advantage for the government • should submit full report on study • maximum of 24 hours • not debited to leave account 	1 mark for each point
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Question 7	BASIS	JOB DESCRIPTION	JOB SPECIFICATION	1 mark for each difference
	Meaning	Written statement of content of a job	Written statement of the qualities required for performing the job	
	Contents	Title, duties, working conditions	Education, training, experience	
	Purpose	To identify, define, and describe a job	To facilitate recruitment, selection of	

			people for the job
	Sequence	Prepared before job specification	Prepared after job description

Question 8	<ul style="list-style-type: none"> Paired comparison method Each employee is compared to every other employee. Number of comparisons is $n(n-1)/2$ Tedious to construct More reliable 	1 mark for identification. 1 mark each for point
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Question 9	E commerce which takes place between consumers.	Explanation to be given with example
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Question 10		3 marks for picture, with correct marking 5 marks for explanation
	<p>Impoverished: low concern for both production and people</p> <p>Country club : thoughtful attention to needs of people for satisfying the relationship leads to a comfortable friendly organisation</p> <p>Middle of the road: balances concern for people through compromise</p> <p>Task management: the leader is mainly concerned with production with little concern for people</p> <p>Team management: leader consults his team and harmonises goals</p>	

Question 11	Angel investors: Angel investors are <u>High Net worth</u>	½ mark for each relevant point
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	<p><u>Individuals (HNIs) who themselves have often been entrepreneurs. They invest typically new-idea start-ups. They take significant risks, invest considerable time and energy mentoring the enterprises in which they invest money. Angel investors are governed by considerations of fostering entrepreneurship. Their time horizons are limited and aim at ensuring the availability of larger institutional funds, mainly from venture capitalists.</u></p>	
	<p>venture capitalist: A venture capitalist is a <u>professionally managed. pool of equity capital. He provides seed capital to help start-ups take off, developmental finance to accelerate early growth and requisite funds to assist expansion of growing enterprises. Money is invested in equity shares of the start-up.</u></p>	<p>½ mark for each relevant point</p>
	<p>A Global Depository receipt is an <u>instrument which a company issues in US dollar in order to collect foreign capital. It is traded on all those foreign stock exchanges where it is listed. These can be purchased and sold only on this stock exchange. The term 'global' means the GDRs can be issued in any foreign country. Companies with a good track record issue GDRs.</u></p>	<p>½ mark for each relevant point</p>
	<p>Trade credit is the <u>credit extended by one business firm to another as incidental to sale or purchase of goods and services. It is also known as mercantile credit. Trade credit may be defined as credit extended by sellers to buyers</u></p>	<p>½ mark for each relevant point</p>

	<p>at all levels of the production and distribution process down to the retailer. <u>It does not include consumer credit or instalment credit.</u> It <u>arises out of transfer of goods and is unsecured.</u> Trade credit is usually <u>granted for periods ranging from 15 days to three months</u></p>	
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OR

Question 11	<p>Interpretative Report: Such a report not only contains facts but also interpretation or conclusions. It may also contain recommendations for action.</p>	2 marks for each part
	<p>Statutory Report: It is prepared and submitted in the prescribed form as laid down under some law. For example, a company is required under the Companies Act to prepare and file several reports with the Registrar of Companies. These reports include Statutory Report, Auditor's Report, Directors' Report, etc. These are formal in nature.</p>	
	<p>Routine Reports: These reports are prepared at regular intervals in the routine course of business. Such reports contain factual information without any opinion or recommendations. As the items or facts include are repetitive and recurring, such reports can be prepared by filling in printed forms. Routine or periodical reports have a standard layout. Such reports may be submitted weekly, fortnightly, monthly, quarterly, half yearly or yearly. Monthly reports on sales, weekly production</p>	

	<p>reports, annual reports by board of directors are examples of routine reports. Such reports provide a regular means of communication.</p> <p>Informational Report: An informational report presents the data collected or facts observed in an organised form, It does not contain conclusions or recommendations, It describes the situation as it is and not as it should be</p>	
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Question 12		<p>½ mark for each correct format</p> <p>Total 8 marks</p>
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Question 13	<p>a) personality test: aimed at finding the emotional balance, maturity, temperament of the candidate</p> <p>b) Man power estimation: explanation of quantitative and qualitative aspect of manpower estimation</p>	<p>1 mark for identification. 2 marks for explanation</p> <p>1 mark for identification 1 mark for explanation of the following: workload analysis, workforce analysis and qualitative aspect of manpower estimation</p>
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