

Business Studies

Class- XII

Time Allowed : 3 Hours

Maximum Marks : 80

General Instructions:

- (i) Answers to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answers to questions carrying 3 marks may be from 50-75 words.
- (iii) Answers to questions carrying 4-5 marks may be about 150 words.
- (iv) Answers to questions carrying 6 marks may be about 200 words.
- (v) Attempt all parts of a question together.

1. Advertisement, personal selling, sales promotion and public relations are the elements of promotion mix and can be used in different combinations by the marketer to achieve the goals of promotions. Which of these combinations should a firm use will depend upon various factors. Enumerate any such two factors. [1]

2. Name the type of organizational structure which promotes flexibility and initiative.

OR

Name the type of organizational structure which leads to occupational specialization. [1]

3. Give the meaning of 'orientation' as a step in the process of staffing.

OR

Give the meaning of 'Placement' as a step in the process of staffing. [1]

4. State the basis on which Financial Incentives may be provided. [1]

5. 'Financial Management is concerned with 'Optimal Procurement' as well as 'Usage of Finance'. Identify the two financial decisions from the above mentioned statement. [1]

6. Financing Planning usually starts with the preparation of future forecast. Name these future forecasts. [1]

7. 'Setting Performance Standards' is the first step in the controlling process which can either be quantitative or qualitative. State any two examples of qualitative standards. [1]

8. Name the management function and one step of its process which helped in finding out that the actual production of a worker is less than the set target.

OR

What is important while analysing deviations in controlling? [1]

9. Dhirubhai Ambani, Former CMD of Reliance India Limited (RIL) was known for taking shareholders by surprise at the company's AGM by announcing investor friendly proposals. And for the first time, his elder son, Mukesh Ambani followed the same style by making a announcement of a bonus issue in the ratio of 1:1 at the company's AGM on 21st July, 2017.

This bonus shares issuance doubled RIL's share capital from Rs. 3,250 crore to Rs. 6500 Crores. This effected Reliance stock prices which spurted to a 52 week high touching to Rs.1,592 during the day's trading giving it a market capitalization of Rs. 5.2 lac crores. This made Reliance the most valued company in India. Do you think that the Financial Management team of RIL has been able to achieve its prime objective. Give a reason in support of your answer. Also state any other two objectives of financial management. **[3]**

10. As quoted by David Ogilvy, 'If you are trying to persuade to do something, or buy something, it seems to me you should use their language, the language in which they think.' David Ogilvy talked about one of the element of promotion mix in his statement. Identify and state any of its two features.

OR

It is one of the promotional tools of Marketing-mix which plays a persuasive, service and informative role and thereby links a business firm to its customers. Identify and state any of its two features. **[3]**

11. Financial planning includes both short term as well as long term planning. Short term planning covers short term financial plan which is also known as one of the Single Use Plan. Name and explain that type of plan. **[3]**
12. Name and explain the techniques of scientific management which differentiates between efficient and efficient workers. **[3]**
13. Explain any three psychological barriers of communication.

OR

Explain any three semantic barriers of communication. **[3]**

14. Study the following advertisement and answer the questions that follow:

 India Tourism Development Corporation Ltd. (A Government of India Undertaking)		
INDIA TOURISM DEVELOPMENT CORPORATION LTD., a minoratna PSU, is engaged in the task of helping the development of tourism infrastructure and promoting India as tourist destination.		
ITDC invites the applications for 01 (UR) post of Manager (Legal), 01 (UR) post of Asstt. Manager AC (Production) and 01 (UR) post of Asstt. Manager AC (Design) and 02 (01-UR & 01 – OBC) post of Asstt. Manager (HR) on Direct Recruitment basis:-		
Post Code	Max. age as on 30.09.2018	Pay Scale
AM – AC (Production)/04/18	30 years	₹16400-40500 (IDA)
AM – AC (Design)/05/18	30 years	₹16400-40500 (IDA)
Manager (Legal)/06/18	35 years	₹20600-46500 (IDA)
AM (HR)/07/18	30 years	₹16400-40500 (IDA)
For detailed advertisement, refer to our website www.theashokgroup.com under About us / Career. Corrigendum / addendum, if any, shall only be issued on ITDC's website.		
NOTE : The last date of receiving application is 26.11.2018 .		
One Stop solution for all your Travel, Tourism and Hospitality needs		

- (i) Identify and state the aspect of staffing highlighted from the above. **[4]**
- (ii) Also explain two aspects other than the one identified in part (i) **[4]**

OR

Mr. Sanjeev, recently completed his CMA and joined an accounting and finance firm. While doing an audit of a company Project Development of India Ltd., which was running in losses, he found that the company was overstaffed. Duplicity of work and overlapping of activities was a very common practice for the company. He suggested to the Chairman of the company to introduce voluntarily retirement scheme to reduce the burden on pay bill of its permanent employees.

- a) Identify the function of management in the above case.
- b) Identify and explain which steps of the function highlighted in the case were not carried out properly.
- c) What steps must the HR Manager of PDIL Ltd. should take to ensure optimal staffing in the company.

15. Mr Sandew was Asia Head in an MNC at London since last 5 years. He got an offer from its competitor for the position of Global Head at Mumbai, India. Mr Sandew accepted the offer. Being a good manager, he always tried to understand the causes of behavior of his people. He came across highly committed and hardworking staff as well as lazy, evasive and superficial workers. Sometime he used to wonder what to do with workers who were not willing to work upto their potential. He also observed that some people were reluctant to do work , though they had the ability to do it. Identify the element of managerial function which Mr Sandew should do to make people work effectively. Also explain its any three features. **[4]**

16. The securities Exchange Board of India (SEBI) is planning to clamp down on Depository Receipts (DRs) as a part of efforts to check the flow of black money into the stock market. SEBI planned to make it mandatory for foreign depositories to reveal details of end-beneficiaries holding DRs issued by Indian companies. The new framework is supposed to align Know-Your-Customer (KYC) requirements for DRs with provisions to prevent money laundering. Identify the function of SEBI from the above para. Also explain, briefly, the objectives for which SEBI was created through an Act of Parliament. **[4]**

17. Explain any four points of the nature of principles of management. **[4]**

OR

Explain any four points of the importance of principles of management.

18. Mr Vikas, after leaving his job as an Associate Professor in Delhi University, he come back to his native place 'Banpur' a remote rural area near Jhansi. He started a first Inter College in his area named - 'Jeevan –Shilp' to uplift the education level to the rural people specially of girls who had to give up their education after VIII class. Being the Managing Director of the Institute, Vikas took meeting on discussing the goal for the year and how to achieve this goal, about how many schools are nearby and their policy, so on.

(a) Identify the function of management highlighted in the above para.

(b) Explain its any three limitations. **[1+3]**

19. Mr. Nilesh joined a MNC as a General Manager after completing his MBA. He used to keep together his team by ensuring suitable allocation of tasks to the various members and seeing that the tasks are performed with harmony among the members themselves. He emphasized orderly alignment of individual and group efforts to ensure unity of action in realization of common objectives. Identify the concept of management from above para and explain any three points explaining its nature. **[4]**

20. What is meant by Internal Sources of Recruitment? Why do organizations prefer recruitment through internal sources? Explain. **[5]**

OR

What is meant by External Sources of Recruitment? Why do organizations prefer recruitment through External Sources? Explain.

21. Despite deregulation in 2011, most of the banks in India have continued to maintain the return on savings account at 4%. A few aggressive private players like Yes Bank and Kotak Mahindra offer a higher return. State Bank of India (SBI) has announced to cut its saving account interest rate by 50 basis points to 3.5% on August 1, 2017. The Bank will, however, continue to offer 4% for those maintaining above Rs.1 crores in saving accounts. This revision will result in a benefit to retail borrowers in SME, agriculture & affordable housing segments. Identify the dimension of Business Environment which is highlighted in the above case. And also explain, it's any other four dimensions. **[5]**

22. Mr. Jose, after completing his M.B.A. from IIM Ahmadabad, started DJ Ltd. engaged in the manufacturing of LED equipment. The working conditions were good, work was allotted as per the caliber of the employees hence there were no class-conflict between the management and workers. The company was earning huge profits. As the company was doing well financially, Mr. Jose purchased a diesel car from M/s Premier Automobile Ltd. After few months, he started facing some problems in his car. After checking, some defects were found in the engine. But when he approached to the dealer / manufacturer, they denied to entertain the complaint of Mr. Jose, he felt as a cheated consumer.

In the context of above case :

- (a) Identify the function of marketing being ignored by the company. **[5]**
- (b) Also explain any other four marketing functions. **[5]**
23. 'World of Adventures' a renowned amusement park in NCR witnessed an accident during summer vacation of 2017 which raised questions about the safety of visitors. While one of the rides was running, in the flip of the ride, the shoulder safety harness opened and a man named Mr. Raman fell off the ride, hitting his head on an iron step on the way down from the ride. The accident left Mr. Raman severely injured.
- (a) Identify and state the consumer right being violated in the above case by quoting the lines. **[3+3]**
- (b) State any six reliefs which Mr. Raman can avail. **[3+3]**
24. 'Some part of current assets is usually financed through 'short term-sources i.e. current liabilities. Identify the segment of financial market which provides the sources through which remaining part of current assets is financed and differentiate it from other segments of Financial Market on any five bases. **[6]**
25. What is meant by 'Informal Organization'? State any five features of Informal Organisation. **[6]**

OR

What is meant by 'Decentralization'? State any five points of importance of decentralization. **[6]**

Business Studies

Class- XII

1	-Nature of Market, - Nature of Product, -Promotion Budget, -Objectives of promotion. (Any two Or Any other suitable answer)	(1/2*2=1)
2	Divisional structure <p style="text-align: center;">OR</p> Functional Structure (1 mark for correct identification)	(1)
3	Orientation means introducing the selected employee to other employees and familiarizing him with the rules and policies of the organization. <p style="text-align: center;">OR</p> Placement refers to the employee occupying the position or post for which he has been selected. (1 mark for giving correct meaning)	(1)
4	Individual and Group Basis (1/2 mark +1/2 mark- for correct identification)	(1/2*2=1)
5	Financing and Investment Decision (1/2 mark +1/2 mark- for correct identification)	(1/2*2=1)
6	Sales Forecast (1 mark for correct identification)	(1)
7	Two examples of qualitative standards: -Improving Goodwill, - Quality of goods or service -Motivation level of employees, (Any other Suitable Answer) (1/2 mark +1/2 mark- for correct identification)	(1/2*2=1)
8	Management Function: Controlling and Step : Comparing actual performance with standards (1/2 mark for correct identification+(1/2 mark for correct step) <p style="text-align: center;">OR</p> While analysing deviations, it is important to determine <u>the acceptable range of deviations/ Key Result areas.</u> (1 mark for correct identification)	1
9	Yes, Financial Management team of company has been able to achieve its prime objective i.e., Wealth Maximization of the shareholders by maximizing the market price of the shares of the company. (one Mark for correct reasoning) Other two objectives: (Any two) i) Ensuring availability of adequate funds at a reasonable cost. ii) Ensuring effective deployment of such funds. iii) Ensuring safety of funds. (2 mark for correct other two objectives with suitable explanation)	3(1+2)

10	<p>Advertisement (1 mark for correct identification)</p> <p>Features of Advertisement: (Any two)</p> <ul style="list-style-type: none"> - Paid Form - Impersonality - Identified Sponsor <p>[½ mark for point and half mark for explanation) x 2= 2 marks]</p> <p style="text-align: center;">OR</p> <p>Personal Selling (1 mark for correct identification)</p> <p>Features of Personal Selling:</p> <ul style="list-style-type: none"> -Personal Form - -Development of Relationship <p>[½ mark for point and half mark for explanation) x 2= 2 marks]</p> <p style="text-align: center;">(or Any other Suitable Answer)</p>	3															
11	<p>Budget: (½ mark for correct identification)</p> <p>Explanation : (2½ marks for correct explanation)</p> <ul style="list-style-type: none"> • Budget is a statement of expected results expressed in numerical terms for a given future time period. • It may be expressed in financial terms (Money) or in terms of labour/machine hours (Time), units of product (Physical units). • For example, a sales budget helps in forecasting the sales of different products in different areas for a particular month. <p>A cash budget is a basic tool/ device which helps the management to plan and control the use of cash.</p> <p>Hence , budget is a tool of both planning and controlling.</p>	3															
12	<p>Differential piece wage system: (1/2 mark for correct identification)</p> <p>. Differential Piece Wage System</p> <p>Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency.</p> <p>- In this plan, there are two piece rates – one for those workers who produce the standard output or more, and the other for those who produce less than the standard output e.g.</p> <p>Standard output (per worker per day) = 10 units.</p> <p>Wage rate I =Rs.2 per unit (for output<10 units)</p> <p>Wage rate II =Rs.3 per unit (for output>=10 units)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Worker A</th> <th style="text-align: center;">Worker B</th> </tr> </thead> <tbody> <tr> <td>Actual output</td> <td style="text-align: center;">9 units</td> <td style="text-align: center;">11 units</td> </tr> <tr> <td>Total wages</td> <td style="text-align: center;">9 x Rs.2</td> <td style="text-align: center;">11 x Rs.3</td> </tr> <tr> <td style="padding-left: 20px;">(in Rs.)</td> <td style="text-align: center;">= Rs.18</td> <td style="text-align: center;">= Rs.33</td> </tr> <tr> <td>Difference in units produced =</td> <td style="text-align: center;">2 units</td> <td style="text-align: center;">Difference in wages = Rs.15</td> </tr> </tbody> </table> <p style="text-align: center;">(2 ½ mark for correct explanation)</p>	Particulars	Worker A	Worker B	Actual output	9 units	11 units	Total wages	9 x Rs.2	11 x Rs.3	(in Rs.)	= Rs.18	= Rs.33	Difference in units produced =	2 units	Difference in wages = Rs.15	3
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13	<p>Psychological barriers of communication: (Any Three)</p> <p>1. Premature evaluation 2. Lack of attention. 3. Loss by transmission and poor retention 4. Distrust..</p> <p>[½ mark for point and half mark for explanation] x 3= 3 marks]</p> <p style="text-align: center;">OR</p> <p>Semantic barriers of communication: (Any Three)</p> <p>1. Badly expressed message. 2. Symbols with different meanings. 3. Faulty translations. 4. Unclarified assumptions. 5. Technical jargon. 6. Body language and gesture decoding.</p> <p>[½ mark for point and half mark for explanation] x 3= 3 marks]</p>	(1*3=3)
14	<p>i) Recruitment.: may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organization.</p> <p>ii.) Selection and Training (with explanation) (1+1.5*2=4)</p> <p style="text-align: center;">OR</p> <p>– a) Staffing</p> <p>b) Estimating manpower requirement was not done properly. The department is overstaffed as a result there is more pay and less work resulting in higher cost to the company.</p> <p>c) The HR manager must give emphasize on conducting workload and workforce analysis for making company optimal staffed (...explanation) (1+1+2)</p>	(1+3=4)
15	<p>Motivation (1 mark for correct identification)</p> <p>The main features of motivation are discussed below:</p> <p>(a) Motivation is an internal feeling: A motivation refers to an urge, drives, desires, aspirations, or needs of human being, which are internal and likely to influence human behaviour.</p> <p>(b) Motivation produces goal directed behaviour: The behaviour of an employee is based on his goals for e.g. an employee will strive to improve performance if he is interested in promotion.</p> <p>(c) Motivation is a complex process: Motivation is considered to be a complex process because the individuals may differ in their expectations, perceptions and reactions. Therefore, the same type of motivation may not have uniform effect on all the persons.</p> <p>[½ mark for point and half mark for explanation] x 3= 3 marks]</p>	4(1+3)
16	<p>Regulatory function of SEBI (1 mark for correct identification)</p> <p>Objectives for which SEBI: (Any Three)</p> <p>(a) To regulate stock exchanges and the securities industry to promote their orderly functioning.</p> <p>(b) To protect the rights and interests of investors, particularly</p>	4(1+3)

	<p>individual investors and to guide and educate them.</p> <p>(c) To prevent trading malpractices and achieve a balance between self regulation and statutory regulation.</p> <p>(d) To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional. [1 mark for point) x 3= 3 marks]</p>	
17	<p>Nature / Features of principles of management</p> <ul style="list-style-type: none"> - Universal Applicability - General guidelines - Formed by practice & experimentation - Flexible - Mainly Behavioral - Cause and effect relationship - Contingent <p>[½ mark for point and half mark for explanation) x 4= 4 marks]</p> <p style="text-align: center;">OR</p> <p>Importance of principles of management:</p> <ol style="list-style-type: none"> 1. Provide useful insights into real world situations enabling the managers to learn from past mistakes and conserve time by solving recurring problems quickly. 2. Help in optimum utilisation of resources reducing the wastages associated with trial and error approach. 3. Help in effective administration by limiting the boundaries of managerial discretion so that decisions are free from personal prejudices. 4. Help in taking scientific decisions based on facts and objective assessment of the situation. 5. Help the managers in meeting changing environment requirements because these principles can be modified according to the changes taking place in the environment. 6. Help in fulfilling social responsibility. 7. Help in management training, education and research. <p>[½ mark for point and half mark for explanation) x 4= 4 marks Or one mark for each point]</p>	4(1+3)
18	<p>Planning (1 mark for correct identification)</p> <p>Limitations of planning are: (Any three)</p> <ol style="list-style-type: none"> (i) Planning leads to rigidity. (ii) Planning may not work in a dynamic environment. (iii) Planning reduces creativity. (iv) Planning involves huge costs. (v) Planning is a time consuming process. (vi) Planning does not guarantee success. <p>[½ mark for point and half mark for explanation) x 1= 1 mark]</p>	1+3=4

19	<p>Coordination: (1 mark for correct identification)</p> <p>Characteristics of 'coordination' are as follows: (Any three)</p> <p>(a) <i>Coordination integrates group efforts:</i> Coordination seeks to unify the diverse activities of different individuals and groups within an organization in order to achieve the desired goals.</p> <p>(b) <i>Coordination is a continuous process:</i> Coordination is a continuous on-going process as it begins at the planning stage and continues till controlling. Since the functions of management are performed simultaneously and continuously, coordination is required all the time in an organization.</p> <p>(c) <i>Coordination is an all pervasive function:</i> Coordination is required at all levels of management as the activities of different departments and different levels need to be integrated in order to achieve the desired goals.</p> <p>(d) <i>Coordination is a deliberate function:</i> The process of coordination involves in a conscious and deliberate effort of the managers. Therefore, even if there is cooperation among members of a department, coordination needs to be established in order to give a direction to that willing spirit. In the absence of coordination there may be dissatisfaction among employees as despite sincere efforts they may not be able to achieve desired goals.</p> <p>[½ mark for point and half mark for explanation) x 3= 3 marks]</p>	4
20	<p>Internal sources of recruitment means finding candidates for a job from within the organisation. (1 mark for correct explanation)</p> <p>Organizations prefer recruitment through internal sources because: (Any Four)</p> <p>(i) Motivational value (ii) Simplifies the process of selection and placement. (iii) No need for induction training. (iv) Adjustment of surplus employees. (v) Economical. (vi) Better employer-employee relationship. (vii) Training ground (viii) Reliable source</p> <p>[½ mark for point and half mark for explanation) x 4=4 marks]</p> <p style="text-align: center;">OR</p> <p>External source of recruitment means inviting the application for filling up the vacancies from candidates outside the organization. (1 mark for correct explanation)</p>	<p>5(1+4)</p> <p>1 mark for naming the source of recruitment</p> <p>+</p> <p>1 mark for stating one merit</p>

	<p>(b) Merits of external source of recruitment: (Any Four)</p> <p>(i) Qualified personnel (ii) Wider choice (iii) Fresh Talent and (iv) Competitive Spirit</p> <p>[½ mark for point and half mark for explanation) x 4=4 marks]</p>	
21	<p><u>Economic Environment</u> (1 mark for correct identification)</p> <p><u>Four other dimensions of Business Environment:</u> -Social <u>Environment</u> - Political <u>Environment</u> -Legal <u>Environment</u> - Technological <u>Environment</u></p> <p>[½ mark for point and half mark for explanation) x 4=4 marks]</p>	5 (1 mark for identifying +4 marks for stating the meaning of other four dimensions)
22	<p>a) Function of marketing being ignored by the company: Customer Support Services (CSS) (1 mark for correct identification)</p> <p>b) <u>Other four marketing functions:</u> (Any Four)</p> <ul style="list-style-type: none"> - Gathering and Analyzing Market - Marketing Planning - Product designing and development - Standardization and grading - Packaging and Labeling - Branding - Pricing of products - Promotion - Physical Distribution - Transportation - Storage or warehousing <p>[½ mark for point and half mark for explanation) x 4=4 marks]</p>	5(1+4)
23	<p>a) <u>Right to safety:</u> (½ mark for identification)</p> <ol style="list-style-type: none"> 1. Right to be protected against goods and services which are hazardous to life and health. 2. Right to get protection against the risks caused due to the use of substandard products or products that do not conform to the safety norms <p>(1½ marks) [½ mark for identification +1½ mark for explanation=2 marks]</p> <p>b) <u>Line:</u> While one of the ride.....injured. (1 mark)</p>	3+3=6

	<p>a) Any SIX reliefs which Raman can be availed:</p> <p style="text-align: center;">[½ mark for point) x 6= 3 marks]</p> <p>(i) To remove the deficiency in service. (ii) To refund the price paid for the service. (iii) To pay punitive damages in appropriate circumstances. (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to negligence of the opposite party. (v) To pay adequate costs to the appropriate party. . (vi) To pay any amount (not less than 5% of the value of the defective goods) to be credited to the Consumer Welfare Fund or any other organisation/person, to be utilised in the prescribed manner. (vii) To discontinue the unfair/ restrictive trade practice and not to repeat the same in future. (viii) Not to offer hazardous goods /services for sale. (ix) To pay any amount (not less than 5% of the value of the defective goods) to be credited to the Consumer Welfare Fund or any other organization /person, to be utilised in the prescribed manner. (xi) To issue corrective advertisement to neutralize the effect of misleading advertisement.</p>																
<p>2</p> <p>4</p>	<p>-Capital market (1mark for identifying the concept)</p> <p>-Difference with other segment of Financial Market i.e. Money Market: (5 marks)</p> <table border="1" data-bbox="193 1099 1305 2016"> <thead> <tr> <th data-bbox="193 1099 395 1155">Basis</th> <th data-bbox="395 1099 850 1155">Capital Market</th> <th data-bbox="850 1099 1305 1155">Money Market</th> </tr> </thead> <tbody> <tr> <td data-bbox="193 1155 395 1335">(i) Safety</td> <td data-bbox="395 1155 850 1335">Securities involve a greater risk in terms of repayment of the principal amount.</td> <td data-bbox="850 1155 1305 1335">Securities are less risky due to the short time period and sound financial position of the issuers.</td> </tr> <tr> <td data-bbox="193 1335 395 1588">(ii) Expected return</td> <td data-bbox="395 1335 850 1588">The expected returns are higher due to the possibility of capital gains in the long-term and regular dividends or bonus.</td> <td data-bbox="850 1335 1305 1588">The expected returns are lower due to the shorter duration of the instruments.</td> </tr> <tr> <td data-bbox="193 1588 395 1805">(iii) Investment outlay</td> <td data-bbox="395 1588 850 1805">This market deals in low value securities, i.e., securities of values Rs 10, Rs 100, etc.</td> <td data-bbox="850 1588 1305 1805">This market deals in high value securities. For example, the minimum amount of a call loan is Rs 10 crores.</td> </tr> <tr> <td data-bbox="193 1805 395 2016">(iv) Participant</td> <td data-bbox="395 1805 850 2016">Participants in this market include financial institutions, commercial banks, corporates, foreign investors and general</td> <td data-bbox="850 1805 1305 2016">Participants in this market include RBI, commercial banks, financial institutions, and financial companies.</td> </tr> </tbody> </table>	Basis	Capital Market	Money Market	(i) Safety	Securities involve a greater risk in terms of repayment of the principal amount.	Securities are less risky due to the short time period and sound financial position of the issuers.	(ii) Expected return	The expected returns are higher due to the possibility of capital gains in the long-term and regular dividends or bonus.	The expected returns are lower due to the shorter duration of the instruments.	(iii) Investment outlay	This market deals in low value securities, i.e., securities of values Rs 10, Rs 100, etc.	This market deals in high value securities. For example, the minimum amount of a call loan is Rs 10 crores.	(iv) Participant	Participants in this market include financial institutions, commercial banks, corporates, foreign investors and general	Participants in this market include RBI, commercial banks, financial institutions, and financial companies.	<p>6(1mark for identifying the concept+5 marks for difference on any 5 bases)</p>
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	public.		
	Securities traded are of medium term and long-term, wherein the maturity period is of more than one year.	Securities traded are only of short-term, wherein the maturity period can vary from one day to a maximum of one year.	
(v) Duration			
25	<p>Informal organisation is a network of personal and social relations not established by the formal organisation but arising spontaneously as people associate themselves with one another. (ONE MARK)</p> <p>Features of Informal Organisation are:</p> <p>(a) It originates from within the formal organisation.</p> <p>(b) It emerges spontaneously and is not deliberately created by the management.</p> <p>(c) The standards of behaviour evolve from group norms.</p> <p>(d) Independent channels of communication are developed by group members.</p> <p>(e) It has no definite structure or form.</p> <p style="text-align: center;">(½ for Heading +½ for explanation) OR</p> <p>Decentralization means systematic delegation of authority through all the levels of management and in all the departments except that which can be exercised only at central points. (ONE MARK)</p> <p>Importance of decentralization: (Any five)</p> <p>a) It develops initiative amongst subordinates by promoting self-reliance and confidence in them.</p> <p>b) It develops managerial talent for the future by creating a reservoir of qualified manpower to fill up challenging positions in the future.</p> <p>c) It helps in quick decision making as there is no requirement for approval from many levels.</p> <p>d) It gives relief to the top management who can now concentrate on important policy decisions.</p> <p>e) It facilitates growth by fostering competition amongst the departments leading to increase in productivity.</p> <p>f) It leads to better control by evaluating performance at each level.</p> <p style="text-align: center;">(½ for Heading +½ for explanation)</p> <p>=====</p>		(1+5=6)



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**"DON'T LET THE
NOISE
OF OTHER PEOPLES
OPINIONS
DROWN OUT YOUR
INNER VOICE"**

-STEVE JOBS