

ISC Board EXAMINATION - 2024

BUSINESS STUDIES

Solved Paper

Class-12th

Maximum Marks: 80
Time allowed: Three hours

(Candidates are allowed additional 15 minutes for only reading the paper. They must NOT start writing during this time.)

Answer all questions in Section A,
Section B and Section C.

Section A consists of objective/very short answer questions.

Section B consists of short answer questions.

Section C consists of long answer questions.

The intended marks for questions or parts of questions are given in brackets [].

SECTION A-16 MARKS

Question 1

- (i) Name the leadership style that enables quick decision making. [1]
- (ii) Sneha works in a private company and has to report to office. According to the company's policy, she is allowed to report to office as per her convenience. However, she needs to complete a set number of hours in office per week. Identify the emerging trend in Human Resources as exhibited in the above situation. [1]
- (iii) Which method of Performance Appraisal reduces the bias on the part of raters so that ratings are not concentrated in a particular area on the rating scale? [1]
- (iv) Give the expanded form of SMTs. [1]
- (v) Human Resource Management is _____ in nature as it involves the application of knowledge from Sociology, Anthropology, Psychology, Economics, etc. [1]
- (vi) As per the Companies Act, a Public Limited Company should have a minimum number of _____ shareholders. [1]
- (vii) _____ refers to commercial transactions done via internet wherein goods or services are delivered in an electronic or a tangible form. [1]
- (viii) _____ is the cheapest and fastest means of electronically transmitting written messages which can also be used as legal evidence. [1]
- (ix) Which one of the following is NOT a part of Job Specification? [1]
- (a) Job Title
(b) Job Experience
(c) Physical Appearance
(d) Communication Skills
- (x) The Security Guard of ABC Limited submits a report to the authorities on an incident of theft in the premises of the organisation. This report is an example of: [1]
- (a) Interpretative, Private, Statutory, and Periodic Report.
(b) Informational, Public, Statutory, and Periodic Report.
(c) Informational, Private, Non-Statutory, and Special Report.
(d) Interpretative, Public, Non-Statutory, and Periodic Report.
- (xi) Which one of the following types of transfers is done to stabilise employment when a particular department/branch of an organisation is understaffed? [1]
- (a) Production Transfer (b) Remedial Transfer
(c) Versatility Transfer (d) Replacement Transfer
- (xii) **Assertion:** Piece Rate system of wage payment is suitable when the work is repetitive in nature and the output can be measured.
Reason: Piece Rate system can cause insecurity among the workers as minimum wage is not guaranteed. [1]
- (a) Both Assertion and Reason are true, and Reason is the correct explanation for Assertion.
(b) Both Assertion and Reason are true, but Reason is not the correct explanation for Assertion.
(c) Assertion is true and Reason is false.
(d) Both Assertion and Reason are false.
- (xiii) State whether the following are **True** or **False**. [1]
- (a) The first step in the procedure for dismissal of an employee is to seek an explanation from the employee on their conduct. [1]

- (b) SEBI regulates the securities market in India. [1]
- (c) Refresher training is a type of training where the existing employees are trained in the latest methods and techniques of doing their work. [1]
- (d) Globalisation has increased employment opportunities all over the world. [1]

SECTION B-32 MARKS

Question 2

- (i) Cost of training is a major hindrance to a good training programme. State *any two* hindrances to Training other than the cost. [2]
- (ii) Briefly explain *any two* benefits of a training programme to the employer. [2]

OR

- (i) Discuss the following staff benefits:

- (a) Group Insurance [2]
- (b) Gratuity [2]

Question 3

- (i) Give *any two* differences between Performance Appraisal and Potential Appraisal. [2]
- (ii) Explain the concept of *situational leadership*. [2]

Question 4

- (i) State *any four* limitations of Promotion. [4]

OR

- (ii) State *any four* ways in which globalisation has transformed the manner in which business is conducted. [4]

Question 5

Observe the picture given below and answer the questions that follow:



- (i) Identify the *factor* indicated in the above image as per the Two-factor theory of Herzberg. [1]
- (ii) Which *need* of Ms. Roy is being satisfied as per Maslow's Hierarchy of Human Needs? [1]
- (iii) Briefly explain the need of Ms. Roy that is being satisfied. [2]

Question 6

- (i) What is meant by *compulsory retirement*? [2]
- (ii) Briefly explain the concept of *permanent part time* as an emerging trend in Human Resources. [2]

Question 7

- (i) With reference to a Report, explain appendix. State its role in a good report. [2]
- (ii) Expand BIS. State *any one* role of BIS. [2]

Question 8

- (i) Quite a few organizations outsource services instead of hiring people as a permanent staff. State *any two* advantages and *any two* disadvantages of this practice to the outsourcer. [4]

Question 9

Briefly explain the following online means of conducting business:

- (i) Intra B [2]
- (ii) G2B [2]

SECTION C-32 MARKS

Question 10

Briefly explain the following sources of finance

- (i) Equity Shares [2]
- (ii) Debentures [2]
- (iii) Trade Credit [2]
- (iv) Venture Capitalist [2]

Question 11

- (i) Draw Morale-Productivity Matrix. By referring to the matrix, discuss *any three* situations to show the relation between Morale and Productivity. [8]

OR

- (i) Name and explain the *two* sources of e-Recruitment. [4]
- (ii) What is meant by *staff selection*? Give *any two* reasons to justify that it is a negative process. [4]

Question 12

- (i) Anupriya Sports Store wants to place an order for the following sports equipment from Devesh Enterprise: [8]

- 10 Cricket Bats @ ₹ 2000 each
- 30 Cricket Balls @ ₹ 300 each
- 20 Hockey Sticks @ ₹ 1000 each.
- 10 Hockey Balls @ ₹ 300 each

Draft an Order Letter on behalf of Anupriya Sports Store.

Question 13

Read the passage given below and answer the questions that follow.

Annie and Naveen are fresh Engineering graduates who have been appointed by Scottish Automobile Ltd. Equipped with the latest information, Annie wants to introduce some changes in the production of automobiles. She is hesitant to discuss her ideas with her superior, Mr. Shah. Hence, she discusses it with Naveen. Annie and Naveen make a power

point presentation based on Annie's ideas. On behalf of Annie, Naveen presents it to Mr. Shah, in the monthly review meeting.

- (i) Identify the barrier to communication that exists between Annie and Mr. Shah. [1]
- (ii) Suggest *any three* ways in which the barrier to

communication between Annie and Mr. Shah can be overcome. [3]

(iii) Name and explain the type of communication between:

- (a) Annie and Naveen. [2]
- (b) Naveen and Mr. Shah. [2]



ANSWERS

SECTION A-16 MARKS

Answer 1

- (i) Autocratic leadership
- (ii) Flexible working / Flexi time
- (iii) Merit grading system
- (iv) Self-managing teams
- (v) Interdisciplinary
- (vi) Seven
- (vii) e-commerce
- (viii) e-mails
- (ix) **Option (a) is correct.**

Explanation: A job specification is a detailed description of the qualifications, skills, experience, and attributes required for a particular job role within an organization. It outlines the specific requirements and expectations for the position, helping to attract suitable candidates and guide the recruitment and selection process.

- (x) **Option (c) is correct.**

Explanation:

Informational: The report provides information about the incident of theft.

Private: It is intended for internal use within the organization, not for public dissemination.

Non-statutory: It is not mandated by law or regulation.

Special Report: It addresses a specific event or incident (the theft), making it a special report rather than a routine or periodic one.

- (xi) **Option (a) is correct.**

Explanation: Production transfers occur when there is a need for more personnel in one branch or plant and a surplus of staff in another. These transfers help to stabilize employment within the company and avoid layoffs. Employees may be transferred from one department to another to meet the staffing requirements of different branches or plants within the organization.

- (xii) **Option (b) is correct.**

Explanation: The piece-rate system is suitable for repetitive work environments where tasks are standardized and workers perform the same actions repeatedly, leading to increased productivity. It is effective when individual output can be accurately measured, allowing for fair compensation based on productivity, particularly in manufacturing or assembly line settings.

- (xiii) (a) False

Explanation: Providing a 'Charge sheet' is the first step.

- (b) True
- (c) True
- (d) True

Answer 2

- (i) **Hindrances to Staff Training:**

- (a) Often management does not support training programme, thinking it to be waste of time and money.
- (b) Qualified trainers for a training programme are not easily available.
- (c) The trainees regard training period as a paid holiday and do not learn anything.
- (d) The parties to a training programme do not have faith/mental block in the usefulness of formal training. They prefer learning by doing.
- (e) The trainees show unwillingness to learn/ resistance to change. **(Any two)**

- (ii) **Benefits of training to the employers:**

- (a) It enhances employee productivity both in terms of quantity and quality, leading to higher profits.
- (b) Training increases employee morale and reduces absenteeism and employee turnover.
- (c) It helps in obtaining effective response to fast changing environment – technological and economic.
- (d) Trained employees make better and economical use of machinery and equipment which reduces wastage and spoilage.
- (e) Through training, an employer can develop its future executives and thereby ensures its stability. **(Any two)**

OR

- (i) **Group Insurance:** Group Insurance provides comprehensive coverage including health, life, and disability insurance, often at lower costs due to pooling risks. It benefits both employees and employers by enhancing employee well-being, attracting and retaining talent, and potentially offering tax advantages for employers who contribute.

- (ii) **Gratuity:** Gratuity is a monetary/pecuniary benefit given by the employer to an employee who leaves the employment or retires after working for five years or more, at the following calculation:

$$\text{Gratuity} = \text{Basic Salary} + \text{DA} \times \frac{15}{16} \times \text{number of years' worked}$$

There is no contribution from employees towards this.

Answer 3

- (i) Difference between Potential Appraisal and Performance Appraisal:

Potential appraisal	Performance appraisal
Evaluates latent capacity and unutilised talent of the employee.	Evaluates performance of the employee irrespective of the talent and situation.

What he is capable of doing.	How he has performed.
Evaluated by analysing the strength and weakness. traits and potential of an employee to grow.	Evaluated by yardsticks like task outcomes and job requirements.
Future oriented.	Past oriented.
Motivational exercise.	Fault finding exercise

(Any two)

- (ii) **Situational Leadership:** As per this approach, leadership style depends on the specific situation. No single style is successful in all situations. Situation means the type of the task to be performed, the ability, needs and expectations of the followers. It is based on the relationship between leaders and followers.

Answer 4

Limitations of Promotion:

- (i) **Skill and Knowledge Gap:** Promoted employees may lack the necessary skills and knowledge for their new roles, leading to performance issues.
- (ii) **Lethargy from Seniority-based Promotions:** Relying solely on seniority for promotions can lead to complacency and reduced motivation among employees.
- (iii) **Potential Talent Shortfall:** External candidates may possess more relevant skills and competencies than internal candidates, limiting the organization's access to top talent.
- (iv) **Favouritism and Lack of Clear Policy:** Without a transparent promotion policy, favouritism may occur, undermining employee morale and trust in the process.
- (v) **Inbreeding of Ideas:** Promoting from within may limit diversity of thought and innovation within the organization.
- (vi) **Negative Competition:** Intense competition for promotions can create a toxic work environment, fostering rivalry and resentment among employees.
- (vii) **Limited Talent Pool:** Relying solely on internal promotions narrows the pool of available talent and may hinder organisational growth.

(Any four)

OR

Transformation of business by globalization:

- (i) **Dominance of Multinationals:** Globalization has facilitated the rise of multinational corporations like McDonald's and Cadbury's, allowing them to establish market dominance across multiple countries, leveraging economies of scale and global brand recognition.
- (ii) **Liberalization of Foreign Investment:** Globalization has spurred many countries to liberalize their policies on foreign direct investment (FDI), enabling greater cross-border investment flows and fostering economic integration and collaboration between nations.

- (iii) **Growing Competition:** Globalization has intensified competition among businesses as they strive to compete on a global scale, leading to increased mergers and acquisitions (M&A) activity as companies seek to expand their market reach, diversify their offerings, and achieve competitive advantages.
- (iv) **Globalization of markets:** Standardized products look at the whole world as their market. This has reduced dumping of substandard products by developed countries in the not so developed countries. Firms have now to compete on the basis of the best combinations of price, quality, reliability and delivery of identical products, resulting in economies of large scale.
- (v) **Globalizing production:** Minimizing cost has become most important, leading to production scattered all over the globe at different stages. Raw-material, semi-finished goods, finished goods are all bought and assembled at a place to form the final product to be supplied to the consumers. This is done to take advantage of low cost and better quality inputs. All electronic goods fall in this category.
- (vi) **Rapid development of Tele-communication:** To communicate and control global business operations across countries, firms are increasingly making use of video-conference, e-mail, virtual work teams, etc. (Any four)

Answer 5

- (i) Motivational factor
- (ii) Esteem need
- (iii) Esteem needs, according to Maslow's hierarchy, reflect the desire for recognition, respect, and a positive self-image. These needs encompass both internal factors such as self-confidence and external factors such as social status and approval from others. Fulfilment of esteem needs fosters feelings of competence, achievement, and self-worth, contributing to overall psychological well-being and self-actualization.

Answer 6

- (i) Compulsory retirement refers to the practice of requiring employees to retire from their positions once they reach a certain age or tenure, as mandated by organisational policies or legal regulations. Typically, this age is set by the organization or determined by applicable laws. Compulsory retirement aims to manage workforce demographics, promote opportunities for younger employees, and ensure the organization remains dynamic and competitive. It may also serve to facilitate succession planning and maintain productivity by encouraging turnover at senior levels.
- (ii) Permanent part-time work is an emerging trend in human resources where employees work fewer hours than full-time employees but are still considered permanent members of the workforce. This arrangement offers flexibility for both employers and employees,

allowing organizations to adapt to fluctuating workloads while providing employees with a better work-life balance. It's gaining popularity due to changing demographics, evolving work preferences, and advancements in technology enabling remote work. Permanent part-time employees often receive pro-rated benefits and have access to training and career advancement opportunities, contributing to overall workforce satisfaction and retention.

Answer 7

- (i) Appendix is a list of statistical data or tables, graphs, list of persons or witnesses, etc., given at the end of the report.

It helps to explain and support the contents of the report and reduces the length of the report by giving additional data/table or abbreviation for words often used.

- (ii) BIS: Bureau of Indian Standards

Role of BIS:

- (a) **Boosting Customer Confidence:** Enhancing customer confidence is achieved when purchasers are aware that the product they're acquiring adheres to established criteria and undergoes independent testing and evaluation.
- (b) **Ensuring Health Standards:** Health and safety-related products are mandated to undergo certification to guarantee consumer safety and well-being.
- (c) **Consumer Redressal:** BIS offers a platform for consumers to report any decline in the quality of certified products through its Grievance Cell.

(Any one)

Answer 8**Advantages of outsourcing services for the outsourcer:**

- (a) **Cost Savings:** Outsourcing often leads to lower costs as the outsourced service provider may operate from a location with lower labour costs, reducing expenses associated with salaries, benefits, and infrastructure.
- (b) **Access to Specialized Skills:** Outsourcing allows access to specialized skills and expertise that may not be available in-house, enabling the outsourcer to benefit from the knowledge and capabilities of the service provider.
- (c) **Focus on Core Activities:** By outsourcing non-core activities, the outsourcer can focus on its core business functions and strategic priorities, leading to improved efficiency and effectiveness in delivering value to customers.
- (d) **Flexibility and Scalability:** Outsourcing provides flexibility and scalability to adapt to changing business needs and fluctuations in demand. The outsourcer can easily scale up or down the outsourced services as required without the constraints of hiring or layoffs.
- (e) **Risk Mitigation:** Outsourcing can help mitigate risks associated with in-house operations, such as regulatory compliance, technology

obsolescence, and market fluctuations. The service provider assumes some of these risks, allowing the outsourcer to better manage uncertainties.

(Any two)

Disadvantages of outsourcing services for the outsourcer:

- (a) **Loss of Control:** Outsourcing may result in a loss of control over the outsourced activities, as the service provider operates independently. This can lead to concerns regarding quality, timeliness, and alignment with organisational objectives.
- (b) **Dependency on Service Provider:** Outsourcing creates dependency on the service provider, making the outsourcer vulnerable to disruptions in service delivery, changes in pricing or terms, and potential conflicts of interest.
- (c) **Communication and Coordination Challenges:** Managing outsourced relationships requires effective communication and coordination between the outsourcer and the service provider, which can be challenging, especially if they operate in different locations or time zones.
- (d) **Confidentiality and Security Risks:** Sharing sensitive information with third-party service providers can pose confidentiality and security risks, potentially leading to data breaches, intellectual property theft, or reputational damage.
- (e) **Potential for Hidden Costs:** While outsourcing may initially seem cost-effective, there may be hidden costs associated with contract management, governance, and transitioning between service providers. Failure to account for these costs can erode the expected savings from outsourcing.

(Any two)

Answer 9

- (i) **Intra B (Business-to-Business):** Intra B refers to online business transactions conducted between businesses, where one business entity interacts and transacts with another business entity through digital platforms. This could involve purchasing raw materials, selling products or services, collaborating on projects, or exchanging information and resources to support business operations. Intra B transactions streamline business processes, improve efficiency, and facilitate collaboration between different organizations within the supply chain or across industries.
- (ii) **G2B (Government-to-Business):** G2B refers to online interactions and transactions between government agencies and businesses. This involves government providing services to businesses through digital platforms, such as issuing licenses and permits, processing tax filings and payments, providing regulatory information and compliance assistance, and facilitating procurement and contracting processes. G2B initiatives aim to improve the ease of doing business, reduce administrative

burdens, and enhance transparency and efficiency in government-business interactions.

Answer 10

Sources of Finance

- (a) **Equity Shares:** Equity shares represent ownership in a company and entitle shareholders to a portion of the company's profits and voting rights in corporate decisions. Investors who purchase equity shares become partial owners of the company and bear the risk of fluctuations in the company's profitability.
- (b) **Debentures:** Debentures are debt instruments issued by companies to raise funds, obligating them to repay investors the principal amount with fixed interest. They offer long-term financing without diluting ownership but involve fixed interest payments.
- (c) **Trade Credit:** Trade credit allows businesses to buy goods or services on credit from suppliers, providing short-term financing without immediate cash outlay. It helps manage cash flow but may require timely payment to suppliers.
- (d) **Venture Capitalist:** Venture capitalists invest in startups and early-stage companies in exchange for equity, providing capital and expertise. They offer funding for high-growth ventures but demand a significant equity stake and involvement in business decisions.

Answer 11

Morale Productivity Matrix

	← High Productivity →		
↑ High Morale ↓	High Morale High Productivity	Low Morale High Productivity	↑ Low Morale ↓
	High Morale Low Productivity	Low Morale Low Productivity	
	← Low Productivity →		

- (a) **High morale, high productivity:** This situation reflects the optimal scenario where employees exhibit both high morale and productivity. To sustain this, organizations should prioritize investments in employee engagement and motivation.
- (b) **High morale, low productivity:** Here, employees maintain high morale despite low productivity, indicating potential hurdles like resource scarcity or unclear expectations. It's essential for organizations to identify root causes and implement corrective measures to enhance productivity while preserving morale.
- (c) **Low morale, high productivity:** In this situation, employees demonstrate high productivity despite low morale, suggesting issues such as excessive workload or insufficient recognition.

Addressing these concerns is vital for restoring morale and maintaining productivity levels.

- (d) **Low morale, low productivity:** This situation highlights significant organisational challenges, including poor leadership or a toxic work environment, resulting in both low morale and productivity. Immediate action is necessary to rectify these issues and cultivate a positive workplace culture conducive to improved morale and productivity. **(Any three)**

OR

- (i) **The two sources of e-recruitment are internet and intranet.**

(a) **Internet:** Most of the organisations use internet which is a global computer network with interconnected networks, using standardised communication protocols. It is an external source of recruitment on which job vacancies are advertised on a job portal (e.g., naukri.com) or employer's website. Job-seekers send their applications and bio data through email or can upload their resume/CV using the internet after going through the company's advertisement from the website.

(b) **Intranet:** In e-recruitment, an intranet serves as an internal platform for posting job vacancies exclusively accessible to employees within the organization. It facilitates internal mobility by promoting job openings to current staff, encouraging employee referrals, and allowing for secure application submissions. Leveraging the intranet for e-recruitment enhances confidentiality, promotes organisational culture, and streamlines the hiring process for internal positions.

- (ii) **Staff Selection:** Staff Selection is the process of careful screening of all the available candidates to choose the most suitable ones to fill the job vacancies in an organisation.

Reasons to justify that Selection is a negative process:

- (a) **Exclusionary Nature:** User selection inherently involves excluding certain individuals or groups who do not meet specific criteria. This exclusion can lead to feelings of rejection, discrimination, or alienation among those who are not selected. For example, in job recruitment, candidates who are not chosen may feel disheartened or undervalued, even if they possess relevant skills and qualifications.
- (b) **Potential for Bias:** The process of user selection can be influenced by various biases, including unconscious biases based on factors such as race, gender, age, or socio-economic status. These biases can lead to unfair or discriminatory outcomes, where certain individuals or groups are systematically excluded or disadvantaged. For instance, in college admissions, biased selection criteria may result in the under-representation of minority or marginalised

students, perpetuating inequalities in access to education and opportunities.

Answer 12

Anupriya Sports Store
[Address Line 1
[Address Line 2]
[City, State, Zip Code]

Date: February 29, 2024

Devesh Enterprises
[Address Line 1
[Address Line 2]
[City, State, Zip Code]

Dear Sir/Madam,

Subject: Purchase Order for Sports Equipment

We hope this letter finds you well. Anupriya Sports Store is interested in placing an order for the following sports equipment from your esteemed company, Devesh Enterprises:

- (i) 10 Cricket Bats at ₹ 2000 each
- (ii) 30 Cricket Balls at ₹ 300 each
- (iii) 20 Hockey Sticks at ₹ 1000 each
- (iv) 10 Hockey Balls at ₹ 300 each

We have been consistently impressed with the quality and durability of your products and believe that they align perfectly with the needs and preferences of our customers.

Please find enclosed a Purchase Order Form detailing the quantity and prices of the items requested. We kindly request that you process this order at your earliest convenience and provide us with an estimated delivery date.

Additionally, we would appreciate it if you could confirm the total amount due, including any applicable taxes and shipping charges, along with your accepted payment methods.

Should you require any further information or clarification regarding this order, please do not hesitate to contact us at 7983XXXXXX or xyz@gmail.com.

We value the opportunity to continue our business relationship with Devesh Enterprises and look forward to receiving the requested sports equipment promptly.

Thank you for your attention to this matter.

Yours sincerely,

Name _____

Position _____

Anupriya Sports Store

Enclosure: Purchase Order Form

Answer 13

- (i) Personal Barriers (lack of confidence)
- (ii) Ways to overcome barriers to communication:
 - (a) Gather more knowledge about a subject to gain confidence in the material. Enhancing

knowledge about a topic helps in building confidence, making it easier to communicate ideas clearly and effectively.

- (b) Increase awareness to improve decision-making. Being aware of different perspectives and factors influencing decisions enhances decision-making abilities, reducing barriers to effective communication.
- (c) Pay attention, even to the little details, as they help in long-term success. Attentiveness to details aids in understanding nuances and contexts, leading to more effective communication and long-term success.
- (d) Improve vocabulary to make messages informative and concise. Expanding one's vocabulary enables the expression of ideas more precisely and concisely, improving the clarity and effectiveness of communication.
- (e) Build trust with team members and allow them to come up with information and solutions. Fostering trust within a team encourages open communication and idea-sharing, reducing barriers and enhancing collaboration.
- (f) Keep the team updated and clarify their queries. Regular communication and updates keep team members informed and clarify any doubts or queries, ensuring smooth flow of information and reducing misunderstandings.
- (g) Encourage employees and give appropriate incentives to boost their morale. Recognizing and rewarding employee contributions boosts morale, motivating them to engage actively in communication and problem-solving processes.

(Any three)

(iii) (a) Communication between Annie and Naveen: Horizontal communication

Horizontal communication refers to the exchange of information, ideas, and messages among individuals or departments at the same hierarchical level within an organization. In other words, it involves communication between peers or colleagues who may be working in different departments or units but hold similar positions or levels of authority within the organization. Horizontal communication typically occurs to coordinate tasks, share knowledge, collaborate on projects, or resolve issues that are relevant to multiple departments or teams.

(b) Communication between Naveen and Mr. Shah: Vertical communication

Vertical communication, on the other hand, refers to the flow of information, directives, and feedback between different levels of authority within an organisational hierarchy. It involves communication that moves either upward or downward along the chain of command, connecting employees with their supervisors, managers, and executives.