

# ISC Solved Paper, 2019

## Business Studies

### Class-XII

(Maximum Marks : 80)

(Time allowed : Three hours)

- (i) Candidates are allowed additional 15 minutes for only reading the paper.
- (ii) They must NOT start writing during this time.
- (iii) Answer **Question 1** from Part I (compulsory) and **five** questions from Part II.
- (iv) The intended marks for questions or parts of questions are given in brackets [ ].

#### PART- I

[20 Marks]

Answer all questions.

1. Answer briefly each of the following questions

(i) to (x): [10×2]

(i) Name the two sources of e-recruitment. Briefly explain any one of them.

Ans. (i) Two sources of e- recruitment are:

- (a) Resume Scanners
- (b) Job portals
- (a) **Resume scanners:** It enables the employees to screen and filter the resumes through pre- defined criteria and requirements (skills, qualifications, experience, payroll, etc.) of the job sites provide a 24 × 7 access to the dataable of the resumes to the employees facilitating the just- in- time hiling by the organisations.
- (b) **Job portable:** It is also known as career portal . It helps application find jobs and aids employees in their quest to locate ideal candidates. Some government agencies, non- profit organisations, universities and private business have their our job protals that applicants can access.

(Any one)

(ii) State any two differences between training and development.

| Training  | Development   |
|---|---|
| (a) Training is the act of improving the knowledge and skills for doing a specific job. | Development involves growth of a person in all respect. |
| (b) Improves current job performance.   | Improves future job performance.                        |

(iii) Briefly explain the two types of esteem needs, as per the human needs stated by Maslow.

Ans. Two types of esteen needs are as follows : 2  
 (a) Internal esteem needs which includes self

respect, confidence, competence, achievement and freedom.

(b) External esteem needs which include recognition, power, status, attention and admiration.

(iv) Define Leadership.

Ans. According to Koontz and O'Donnell, "Leadership is influence, the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals."

(v) State any two limitations of promotion of employees in an organisation.

Ans. Two limitations of promotion of employees are as follows :

- (a) Since the employees are sure of getting seniority based promotion, it makes them lethargic in performing their duties.
- (b) Merit based promotions may demoralise and frustrate senior employees when their juniors are promoted. Ability criterion ignores the value of experience.

(vi) What is meant by gratuity?

Ans. Gratuity is given by the employer to an employee for the services rendered by him. It is usually paid at the time of retirement but it can be paid before, provided certain conditions are met.

(vii) State any two benefits of e-business to the buyers.

Ans. Two benefits of e-business to buyers are :

- (a) Wide variety of choice across brands.
- (b) Saves time and effort of going from market to market in search of a product.

(viii) What is meant by outsourcing?

Ans. Outsourcing refers to contracting out , of generally the non-core and of late even some of the core activities, to captive or third party specialists with a view to benefitting from their experience, expertise, efficiency and even investment.

(ix) State any two functions of FSSAI.

Ans. FSSAI is responsible for protecting and promoting public health through the regulation and supervision of food safety.

(x) Expand the following :

(a) LPO

(b) KPO

Ans. (a) LPO - Legal Process Outsourcing

(b) KPO - Knowledge Process Outsourcing

## PART- II

[60 Marks]

Answer any five questions

2. (a) Briefly explain the significance of Human Resource Management to an enterprise. [4]

(b) Define staff selection. Explain the meaning and relevance of checking references and placement in a selection procedure. [8]

Ans. (a) Human resource management is significant to an enterprise as it is needed for :

(i) Hiring the right talent.

(ii) Orienting him/her to the organisation .

(iii) Making a new employee feel comfortable.

(iv) Training and developing the employees in order to constantly upgrade their skills .

(v) Retaining employees .

(vi) Making employees self-sufficient and prepare them for adverse conditions.

(b) Staff selection is the process of identifying and choosing the best person out of a number of prospective candidates for a job.

**Checking references:** Generally, at least two references are asked for by the company from the candidate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews. 3

**Placement :-** This is a final step. A suitable job is allocated to the appointed candidate so that he can get the whole idea about the nature of the job. He can get adjusted to the job and perform well in future with all capacities and strengths.

3. (a) What is campus recruitment? How does campus recruitment benefit the students as well as business houses? [4]

(b) Explain any four methods of raising staff morale. [8]

Ans. (a) Campus recruitment is a type of recruitment in which the companies recruit candidates from colleges and educational institutions. 2

**Benefits of campus recruitment:**

(i) In campus recruitment, companies get big pool of applicants within a short period.

(ii) It boosts the morale of candidates as the suitable candidates may get a good job opportunity even before completion of their academics.

(iii) Campus recruitment helps in saving time and efforts of the companies. It prevents the occurrence of unusual expenditures related to recruitment process such as advertisement, initial screening, and final selection procedures, etc. This turns to be useful in reduced manpower effort and time as well.

(iv) Campus recruitment helps in increased selection ratio. More number of quality candidates can be selected through this recruitment process.

(v) The organisations can built up more company loyalty through campus selection process. Fresh and talented graduates will work more closely with their first company. Hence, this in a way will increase the brand loyalty among different applicants.

(b) The four methods of raising staff morale are :

(i) **Remuneration and compensation:** Remuneration should be fair and equitable since this is the most important factor affecting the employee morale. The basic and incentive pay plans should be fair.

(ii) **Incentives:** Monetary and non-monetary incentives to the employees are important to motivate them. Employees can be offered extra perks to improve morale. These can include time off, the option to work from home, a flexible schedule, or simple recognition when work is well done.

(iii) **Work atmosphere:** The condition of work should be friendly for the employee's mental and physical well-being. Employees may be more concerned with intangible benefits, such as work-life balance and the atmosphere in the workplace.

(iv) **Training:** In this ever evolving world of new technologies and ideas, employees need to stay up-to-date with developments in their field. Training gives psychological satisfaction to employees and improves their performance.

(v) **Counselling:** Employee counselling helps the employees with their problems and complaints, and provides an opportunity to get back on track since the counsellor is impartial. It helps to reduce absenteeism

and labour turnover. The release of emotional tension alone may serve to minimise dissatisfactions. (Any four)

4. (a) What is meant by *Induction Training*? State any two objectives of this training. [4]  
 (b) Briefly explain any four types of leave that may be availed by an employee. [8]

Ans. (a) Induction training is also known as orientation training. It is given to the new recruits in order to make them familiarise with the internal environment of an organisation. It helps the employees to understand the procedures, code of conduct and policies existing in that organisation.

**Objectives of induction training :**

- (i) To keep employees focused and to feel busy from day one.
- (ii) To provide accurate information to the new employees.
- (iii) To establish clear expectations to help improve employees performance.
- (iv) To quickly instill good work habits in the employees.
- (v) To help employees in settling down quickly.

(Any two)

- (b) 'The four types of leave that may be availed by an employee are' :

- (i) 'Earned leaves' : These are the leaves which are earned in the previous year and enjoyed in the succeeding years. These are also known as privilege leave and can be carried forward for the quantum up to the total of three years and vary from state to state as per the State's Shops and Establishments Act.
- (ii) **Leave without pay** : It may be granted to a permanent or probationary, full or part-time employee for various reasons, including family and medical leave, extended educational purposes, vacation, worker's compensation, or personal reasons.
- (iii) **Sabbatical leave**: It is defined as a time period in which a person does not report to his regular job but who remains employed with that company.
- (iv) **Casual leave** : It is provided to take care of urgent and unseen matters. In case of casual leave, normally company's strict companies are strict to a maximum of 3 days in a month. In this case, either the person has to take the permission in advance or has to be regulated on joining.
- (v) **Maternity leave** : Female employees shall be entitled to ninety calendar days maternity leave with full pay. In this

regard no female employee shall forfeit her annual leave entitlement on account of having taken maternity leave. (Any four)

5. (a) Write a short note on *Situational Leadership*. [4]  
 (b) Explain the *components of 360° appraisal used to appraise staff in an organisation*. [8]

Ans. (a) The leaders are essentially people who know their goals and have the power to influence the thoughts and actions of others to gather their support and cooperation to achieve these goals. In case of leaders, these goals are rarely personal and generally to serve the larger goals. The pioneers of Situational Leadership theory were Kenneth Blanchard and Paul Hersey. This theory says that the same leadership style cannot be practiced in all situations. Depending upon the circumstances and environmental context, the leadership style also changes. The model encourages the leaders to analyse a particular situation in depth and then to lead in the most appropriate manner, suitable for that situation.

**The various aspects that need could be considered in a situation are :**

- (i) Employees' competencies
- (ii) Maturity of the employees
- (iii) Complexity of the task
- (iv) Leadership style

Ans. (b) An appraisal made by top management, immediate superior, peers, subordinates, self and customers is called 360° Degree Appraisal. Here, the performance of the employee or manager is evaluated by six parties, including himself. So, he gets a feedback of his performance from everyone around him.



**The six components involved in 360° appraisal are :**

- (i) **Top Management** : The top management normally evaluates the middle level managers. However, in a small

organisation, they also evaluate the performance of the lower level managers and senior employees.

- (ii) **Immediate Superior** : The immediate superior is in a very good position to evaluate the performance of his subordinates. This is because they have direct and accurate information about the work performance of their subordinates.
- (iii) **Peers and Co-workers** : Peer or colleagues also evaluate each other's performance. They work continuously with each other, and they know each other's performance. Peer evaluation is used mostly in cases where team work is important.
- (iv) **Subordinates**: Subordinates can also evaluate the performance of his superior. Now-a-days students are asked to evaluate the performance of their teachers.
- (v) **Self-Appraisal**: In the self-appraisal, a person evaluates his own performance. He should be honest while evaluating himself. This results in self-development.
- (vi) **Customers**: Customers can also evaluate the performance of the employees who interacts with them. This evaluation is best because it is objective. It is also given a lot of importance because the customer is the most important person for the business. Organisations use customer appraisals to improve the strengths and remove the weaknesses of their employees.

- 6. (a) State any two advantages and any two disadvantages of merit based promotion. [4]
- (b) Give any eight distinctions between oral communication and written communication. [8]

**Ans. Advantages of merit based promotion:**

- (i) Merit based promotion stimulates the employees to improve their performance. The young and ambitious employees have incentive to improve their skills and efficiency.
- (ii) In order to judge the merit of employees, appraisal of their performance will be done. Such appraisal will reveal deficiencies which can be removed through further training.
- (iii) Only competent employees can make an organisation successful. Under merit based promotion the job satisfaction and motivation of employees are higher. Therefore, productivity and profits are likely to improve. **(Any two)**

**Disadvantages:**

- (i) Merit based promotions may demoralise and frustrate senior employees when their juniors are promoted. Ability criterion ignores the value of experience.
- (ii) Trade unions does not favour merit based promotion as it involves discrimination between their members and affects their solidarity.
- (iii) An individual may be quite competent for the present job but may not have the potential to handle the higher position. If he is promoted on the basis of competence on the present job he may fail at the higher job. **(Any two)**

**(b) Differences between Oral and Written Communication :**

| Basis of difference                   | Oral Communication   | Written Communication  |
|---------------------------------------|--|--|
| <b>Preservation</b>                   | Oral and non-verbal communication cannot be preserved.                                 | The documents of written communication are easy to preserve.                                   |
| <b>Presentation of complex matter</b> | Oral communication of complex matter is rather difficult and confusing.                | Written communication is the best way to represent any complex matter easily and attractively. |
| <b>Permanency</b>                     | Records of oral communication cannot be maintained effectively.                        | The documents of written communication act as a permanent record and as evidence.              |
| <b>Effectiveness</b>                  | Oral communication may make communication ineffective especially in technical matters. | Written communication helps to make communication effective.                                   |
| <b>Cost</b>                           | Oral communication is cheap.   | Written communication is expensive.  |
| <b>Time</b>                           | Oral communication is faster.  | Written communication is more time consuming.  |
| <b>Usefulness for communicator</b>    | Oral communication can be understood by all types of communicators.                    | Written communication is useless for illiterate persons.                                       |
| <b>Secrecy</b>                        | Confidential information can be kept secret in oral communication.                     | Secrecy is not always possible to maintain through written communication.                      |

7. (a) What is meant by *retirement*? Explain the *two* types of retirement. [4]  
 (b) With reference to business finance, explain the following: [8]  
 (i) Preference shares  
 (ii) Debentures  
 (iii) Retained earnings  
 (iv) Public deposits

Ans. (a) Retirement is the point in time when an employee chooses to leave his or her employment permanently. It is a contract with an employee that specifies the age of retirement. At the time of retirement he receives his provident fund amount, gratuity and encashment of earned leaves, etc.

The two types of retirement are :

- (i) **Compulsory Retirement:** This is the retirement when employees retire compulsorily from service on attaining the age of superannuation. Some organisations like universities may have a policy to reappoint professionals and others who possess rare skills and expertise for a limited time even after attaining superannuation.
- (ii) **Voluntary Retirement:** When organisations give option to its employees to retire even before superannuation, it is called 'voluntary retirement'. This scheme is termed as, 'voluntary retirement scheme (VRS)'. Of late, in their efforts to downsize the employees, organisations by providing certain incentives, are trying to encourage their employees to opt for voluntary retirement. Employees in return of voluntary retirement are given lump sum payment. This type of retirement is also called 'Golden Hand Shake'.
- (b) (i) **Preference shares:** The capital raised by issue of preference shares is called preference share capital. The preference shareholders enjoy a preferential position over equity shareholders in two ways : (a) receiving a fixed rate of dividend, out of the net profits of the company, before any dividend is declared for equity shareholders; and (b) receiving their capital after the claims of the company's creditors have been settled, at the time of liquidation.
- (ii) **Debentures:** Debentures are an important instrument for raising long-term debt capital. A company can raise funds through issue of debentures, which bear a fixed rate of interest. The debenture issued by a company is an acknowledgment that the company has borrowed a certain amount of money, which it promises to repay at a future date.

(iii) **Retained earnings:** A company generally does not distribute all its earnings amongst the shareholders as dividends. A portion of the net earnings may be retained in the business to be used in the future. This is known as retained earnings. It is a source of internal financing or self-financing or 'ploughing back of profits'.

(iv) **Public deposits:** The deposits that are raised by organisations directly from the public are known as public deposits. Rates of interest offered on public deposits are usually higher than that offered on bank deposits.

8. (a) Explain B2C and C2C as online means of conducting business. [4]

(b) Briefly explain *any four* types of reports. [8]

Ans. (a) **B2C (business-to-customers)** transactions have business firms at one end and its customers on the other end. B2C commerce entails a wide gamut of marketing activities such as identifying activities, promotion and sometimes even delivery of products (e.g., music or films) that are carried out online. B2C variant of e-commerce enables a business to be in touch with its customers on round-the-clock basis. Companies can conduct online surveys to ascertain as to who is buying what and what the customer satisfaction level is. B2C business model sells its products directly to a customer. A customer can view the products shown on the website. The customer can choose a product and order the same. The website will then send a notification to the business organisation via e-mail and the organisation will dispatch the product/goods to the customer.

**C2C (customers-to-customers)** business originates from the consumer and the ultimate destination is also consumers, thus the name C2C commerce. This type of commerce is best suited for dealing in goods for which there is no established market mechanism, for example, selling used books or clothes either on cash or barter basis. The vast space of the internet allows persons to globally search for potential buyers. An excellent example of this is found at eBay where consumers sell their goods and services to other consumers. C2C business model helps consumers to sell their assets like residential property, cars, motorcycles, etc., or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.

Ans. Four types of reports are:

- (i) **Statutory reports** are those which have to be prepared by a company under the provisions of the Companies Act or by a registered society

registered under the Societies Registration Act or by a co-operative society registered under the Cooperative Societies Act and a copy of such report has to be submitted to the respective Registrar. For example, the annual report of a company or a society. The statutory report to be prepared and submitted by every public limited company also comes into this category.

- (ii) **Non-statutory reports** are those which have to be prepared formally but there is no compulsion under law to be submitted to any authorised person. For example, a report prepared and submitted by a committee set up by the Board of Directors of a company for a particular purpose, e.g., on development of market. The submission of the report shall be to the Board of Directors. Formal but non-statutory reports are also prepared and submitted by the secretary to the Board of Directors on different issues.
- (iii) **Routine report** is prepared and presented as a routine work and at a regular period of time. For example, the annual report of an association or a company which has to be prepared by the secretary or by the Board of Directors at the end of every financial year and copies have to be distributed among the members.
- (iv) **Special report** is prepared and presented not as a matter of routine. This is prepared on the basis of some enquiry or investigation either by a single individual or by a body or a committee or a subcommittee or a commission specially formed and entrusted with the duty.
- (v) **Informational report** contains only the data collected or the facts observed in an organized form. It presents the situation as it is and not as it should be. It does not contain any conclusions or recommendations. It is useful because it presents relevant data put together in a form in which it is required by the management to take decisions.
- (vi) **Interpretive report**, like an informational report, contains facts but it also includes an evaluation or interpretation or analysis of data and the reporter's conclusions. It may have recommendations for actions. An interpretive report which consists principally of recommendations is also called a recommendation or recommendatory report.

(Any four)

9. (a) Discuss any four ways in which globalisation has transformed the manner in which business is conducted. [4]
- (b) Draft a letter of appointment for a school teacher, offering him/her a job of a History teacher in a secondary school. [8]

**Ans. Four ways in which globalisation has transformed the manner in which business is conducted are as follows:**

- (i) **Free trade:** It stands for free flow of trade relations among all the nations. Each state grants MFN (most favoured nation) status to other states and keeps its business and trade away from excessive and hard regulatory and protective regimes.
- (ii) **Liberalisation of import- export system:** It stands for liberating the import-export activity and securing a free flow of goods and services across borders.
- (iii) **Increased collaborations:** Encouraging the process of collaborations among the entrepreneurs with a view to secure rapid modernisation, development and technological advancement.
- (iv) **Economic reforms:** Encouraging fiscal and financial reforms with a view to give strength to free world trade, free enterprise and market forces. Globalisation accepts and advocates the value of free world trade, freedom of access to world markets and a free flow of investments across borders. It stands for integration and democratisation of the world's culture, economy and infrastructure through global investments.

**Ans. (b) Letter of appointment of a History teacher:**

**R.K. Senior Secondary School**  
7, Pandara Road  
New Delhi – 110 003

January 7, 2019

To,  
**Ms. Sneha Agrawal**  
4 Sanjay Nagar  
Saket  
**New Delhi – 110017**  
**Ref : No. Empl/S/E/15/3**  
**Sub : Letter of Appointment**

Dear Ms. Agrawal,

This is with reference to your application and subsequent interview for the post of a History teacher in our Secondary School.

We are pleased to inform you that you have been selected for appointment. Your basic salary will be ₹18,000 as per the rules of the school. Your appointment is on probation for one year and will be confirmed on satisfactory completion of the probation period. The appointment is terminable by a month's notice from either side during the probation period.

Please sign a copy of the letter of appointment as your acceptance and send it to us latest by 15th January 2019.

You should report to the Principal of the school, Mrs. Neeta Tiwari, on 21st January 2019, at 8.00 a.m.

With warm regards,

Yours sincerely,

Sd/

**Reena Mishra**

**Chairman**

