

ISC Solved Paper 2022 Semester-1

Business Studies

Class-XII

(Maximum Marks : 40)

(Time allowed : One and a half hours)

- (i) Candidates are allowed additional 15 minutes for only reading the paper. They must NOT start writing during this time.
- (ii) Answer all questions in Section A, Section B and Section C.
- (iii) Section A consists of objective/very short answer type questions.
- (iv) Section B consists of short answer questions.
- (v) Section C consists of long answer questions.
- (vi) The intended marks for questions or parts of questions are given in brackets [].

SECTION - A

[16 Marks]

1. (i) At which stage of the Selection Procedure is the *minimum qualification* of recruited candidates checked? [1]
Ans. Preliminary Screening ,
- (ii) Name the *first need* as given in Maslow's Hierarchy of Human Needs. [1]
Ans. Physiological Needs.
- (iii) Which system of wage payment is supported by the Trade Unions? [1]
Ans. Time Rate System.
- (iv) The Ministry of Corporate Affairs has sent the Certificate of Incorporation to ABC Ltd. via an email. Which online means of business has been used by the ministry? [1]
Ans. G2B (Government to Business)
- (v) What does the abbreviation HRA stand for? [1]
Ans. House Rent Allowance.
- (vi) Job specification is a written statement of the _____ required for performing a job. [1]
Ans. Minimum acceptable human qualities
- (vii) _____ means integrating the economy of a country with the world economy. [1]
Ans. Globalisation.
- (viii) _____ means getting high end knowledge work done from an outside agency to improve the efficiency and quality of business.
Ans. Knowledge Process Outsourcing
- (ix) _____ is a sheet containing full information related to the pay of all the employees working in the organisation. [1]
Ans. Payroll
- (x) Which one of the following is a benefit of *e-recruitment*:
(a) The cost of recruitment per candidate is high.
(b) It requires investment in creating websites and portals.
(c) It weeds out the unqualified candidates through filters in the system.
(d) Trade unions support e-recruitment.
Ans. Option (c) is correct.
- (xi) Which of the following is NOT a component of the *360-degree appraisal*? [1]
(a) Self Appraisal
(b) Industry Appraisal
(c) Peer Appraisal
(d) Superior Appraisal
Ans. Option (b) is correct.
- (xii) With reference to *regulators*, identify the odd one out of the following: [1]
(a) RBI
(b) LIC
(c) IRDA
(d) FSSAI
Ans. Option (b) is correct.
- (xiii) State whether the following statements are True or False:
(a) A Public Limited Company should have a minimum number of two members. [1]
(b) Sound policies and practices of management are morale depressants. [1]

- (c) Under the democratic leadership style, the leader gives complete freedom to his followers. [1]
- (d) Job training is given to the new employees to familiarise them with the organisation. [1]

- Ans. (a) False
 (b) False
 (c) False
 (d) False

SECTION - B

[32 Marks]

2. State *any four* merits of seniority-based promotion. [4]

OR

Name and explain *any two* types of reports.

Ans. The merits of seniority-based promotion are:

- (i) It develops a sense of loyalty among the employees and the morale of the employees will be higher.
- (ii) It is easy to measure the length of service and administer the rule.
- (iii) Seniority is an objective basis for promotion and so each employee is sure of getting promotion.
- (iv) Subordinates are interested to work under a senior and experienced boss.
- (v) It reduces labour turnover. As employees become senior, their chances of promotion are more. (Any four)

OR

Types of reports:

- (i) **Routine Report:** It is prepared at regular intervals in the routine course of business. It is prepared and presented as a routine work and at a regular period of time. A routine report contains some facts or information either in detail or in a summarised form without any opinion or recommendations.
- (ii) **Special Report:** It is a report submitted by a committee or commission which is appointed for a specific purpose. A 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 sub-committee or a commission specially formed or entrusted with the duty.
- (iii) **Statutory Reports:** These are reports 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.
- (iv) **Non-Statutory Reports:** These are prepared and submitted to management to facilitate planning and control. These are those which have to be prepared formally but there is no compulsion under law to be submitted to any authorized person.

(v) **Informational Report:** It presents the data collected or facts observed in an organised form. It does not contain conclusions or recommendations. An informative report is prepared and presented with the help of available information at the maximum with regard to an issue or situation.

(vi) **Interpretative Report:** It not only contains facts, views and opinions of reporters and others but also includes the causes for an issue or an event and required remedial action with recommendations. (Any two)

3. State *any two* professional and *any two* social significances of Human Resource Management. [4]

Ans. Significance of HRM:

Professional Significance:

- (i) Providing maximum opportunities for personal development of each employee.
- (ii) Maintaining healthy relationships among individuals and different work groups.
- (iii) Allocating and distributing the work properly to the right employee. (Any two)

Social Significance:

- (i) It maintains a balance between the jobs available and the job seekers, according to the qualifications and needs. Thus, it creates a focused, upward path of opportunities for job seekers that caters to their professional goals.
- (ii) It utilises maximum resources in an effective manner and reasonably compensates employees in proportion to the contribution made by them.
- (iii) It ensures that human resources are optimally utilised thus, helps in eliminating waste or exploitation/manipulation of human resource, through conservation of their normal energy and health. (Any two)

4. Money is not the only motivation for an employee.

With reference to the above statement, name and explain *any two* non-monetary incentives of motivation. [4]

Ans. Money is not the only motivator as different people have different psychological, emotional and social needs which money cannot satisfy. In order to satisfy these factors, non-financial incentives are required. Two non-monetary incentives generally used in organisations are:

(i) **Recognition of Good Work:** Praise or recognition is a non-financial incentive which satisfies the ego needs of the employees. Sometimes praise becomes more effective than any other incentive. The employees will respond more to praise and try to give the best of their abilities to a concern.

(ii) **Social Status:** Status means the position or rank of a person in the organisation; it can be high or low. The rank of an employee is directly linked with his authority, responsibility and other facilities.

5. Briefly explain *any two* intermediaries of SEBI. [4]

OR

Briefly explain the *two* types of retirement.

Ans. Two intermediaries of SEBI:

(i) **Stockbroker:** Stockbroker is a regulated professional individual, usually associated with a brokerage firm or broker-dealer, who buys and sells stocks and other securities for both retail and institutional clients through a stock exchange or over the counter in return for a fee or commission.

(ii) **Depository:** Depository in simple terms is an institution which holds your securities in a dematerialised form. In this case a Depository is an institution which holds your Shares, Government Bonds, Mutual funds, etc., on your behalf. Like a bank is to your Fixed Deposits, Cash and Recurring Deposits, a depository is to your Shares, Holdings, Government Bonds, etc.

OR

Ans. Types of retirements:

(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 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 for voluntary retirement are given lump-sum payment. This type of retirement is also called 'Golden Hand Shake.'

6. With reference to the *selection procedure*, explain the significance of:

(i) Application Blank [2]

(ii) Medical Examination [2]

Ans. (i) **Application Blank:** Application blank is most commonly used to collect information from the applicants. Application form contains fac-

tual information like name, age, address, education, job experience, hobbies, etc. of candidates.

(ii) **Medical Test or Examination:** A physical or medical test is compulsory among most Indian organisations to ascertain physical standard and fitness of prospective employees. Most organisations provide mediclaim/medical insurance for prospective employees as assurance to employees regarding their health and safety.

7. Oral communication is often considered a non-reliable medium that has no legal proof. However, it remains the most popular method of communication in organisations.

Give *any four* reasons to support the above statement. [4]

Ans. Oral communication remains most popular method of communication in organisation because:

(i) It saves time. Contact can be established quickly.

(ii) The feedback is spontaneous in case of oral communication. Thus, decisions can be made quickly without any delay.

(iii) Oral communication can be best used to transfer private and confidential information/matter.

(iv) It is economical. It saves money.

(v) It is flexible and changes can be made easily.

(vi) There is high level of understanding and transparency in oral communication as it is interpersonal.

(vii) Oral communication is effective for communication in meetings, conferences, gatherings, group discussions, interviews, face-to-face talks, telephonic talks, etc. (Any four)

8. (i) What is the meaning of *e-Business*? [1]

(ii) State *any three* features of *e-Business*. [3]

Ans. (i) **e-Business** can be defined as "the use of networks and information technology in order to electronically design, market, buy, sell and deliver products and services worldwide".

e-Business, means 'electronic-business', deals with application of information and communication technologies, in short an electronic medium in support of all the activities of business.

(ii) **Three features of e-Business are:**

(a) Buyer and seller do not meet face-to-face to enter into a transaction.

(b) A particular website is searched by the buyer in order to look for the seller.

(c) Payment is made through credit/debit card, digital cash or electronic transfer of funds.

(d) The product to the buyer is delivered through courier post. But some documents like certificates can be downloaded through the seller's website. (Any three)

9. (i) What is meant by *outsourcing*? [2]
 (ii) Name and explain *any two parties involved in outsourcing*. [2]

Ans. (i) Outsourcing means, contracting out certain core/non-core business functions/processes/to an outside agency or third party, so as to take advantage of the outside agency's expertise and experience.
 (ii) The parties involved in outsourcing are:
 (a) The outsourced
 (b) The outsourcer

- (c) The service provider
 (a) **Outsourced:** The external agency which agrees to perform certain functions and processes is the outsourced.
 (b) **Outsourcer:** A company that procures some of its goods or services from usually smaller specialised companies. It is called outsourcer.
 (c) **Service provider:** The agency or the individual who actually performs the function, is called service provider. **(Any two)**

SECTION - C **[32 Marks]**

10. (i) Define *remuneration*. [2]
 (ii) State *any six distinctions between the Time Rate System and Piece Rate System of wage payment*. [6]

Ans. (i) **Remuneration:** The term remuneration means compensation or pay, but it has a broader meaning than pay because it can include not

just basic salary or bonuses but commissions and other payments or benefits paid under the terms of an employment contract as well. It is the reward for employment in the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, and pension plan), bonuses, cash incentives, and monetary value of the non-cash incentives.

- (ii) Differences between Piece Rate System and Time Rate System:

Basis of Difference	Piece Rate System	Time Rate System
Meaning	Piece rate system is a method of wage payment to workers based on the quantity of output they have produced.	Time rate system is a method of wage payment to workers based on time spent by them for the production of output.
Nature of Payment	Piece rate system pays the workers according to the units of output produced.	Time rate system pays the workers according to the time spent in the factory.
Emphasis	Piece rate system gives emphasis on larger quantity of output.	Time rate system lays emphasis on better quality of output.
Discrimination	Piece rate system discriminates between the workers and pays more wages to efficient and skilled workers.	Time rate system does not discriminate between the workers and pays the same wages to efficient and inefficient workers.
Supervision	Piece rate system requires strict supervision to get the required quality of output.	Time rate system requires strict supervision to get required quantity of output.
Determination of Labour Cost	Piece rate system helps to fix per unit labour cost in advance.	Time rate system does not help to fix labour cost per unit in advance.
Flow of Production	Piece rate system does not bring uniformity in the flow of production and causes an excessive wastage of inputs.	Time rate system helps maintain a uniform flow of production and ensures an efficient use of materials, tools and equipment.

11. (i) (a) State *any four differences between Angel Investors and Venture Capitalists*. [4]
 (b) Briefly explain the process of financing a business through *Retained Profits and Crowd Funding*. [4]

OR

- (ii) Blake and Mouton have identified five combinations in their graphic model of alternative combinations of leadership styles or behaviours.

With reference to the above statement, explain *any four* such combinations. [8]

Ans. (i) (a) Four differences between Angel Investors and Venture Capitalists:

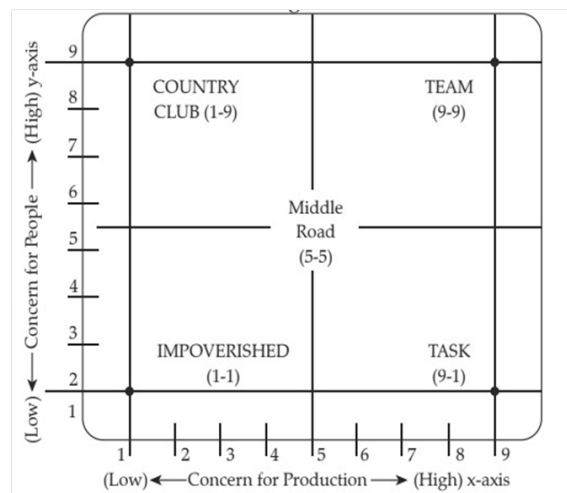
Basis of difference	Angel Investors	Venture Capitalists
Meaning	Angel Investors are affluent individuals, who help start-up founders in starting their business by infusing their money, in exchange for an ownership stake or convertible debt.	Venture Capitalist refers to an organisation or a part of an organisation or a professional person who invests in budding companies, by providing them capital, to help them grow and expand.
Who are they?	Individual investors, who are often successful businessmen.	Professionally managed public or private firm.
Investment	Investment is made in the pre-revenue business.	Investment is made in the pre-profitability business.
Money	Use their own money to make investment.	Pool money from insurance companies, funds, foundations, and corporations, to make an investment.

(b) **Retained profits** are the source of internal financing or self-financing or 'ploughing back of profits'. 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 for use in the future. This is known as retained earnings. The profit available for ploughing back in an organisation depends on many factors like net profits, dividend policy and age of the organisation.

Crowd funding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowd funding makes use of the easy accessibility of vast networks of people through social media and crowd funding websites to bring investors and entrepreneurs together, and has the potential to increase entrepreneurship by expanding the pool of investors from whom funds can be raised beyond the traditional circle of owners, relatives and venture capitalists.

OR

(ii) Blake and Mouton from the University of Texas developed a two-dimensional concept of leadership style called 'Managerial Grid', built on the work of the Ohio State and Michigan studies to explain leadership behaviour. They pointed out that leadership style is a blend wherein task-oriented and relation-oriented behaviours are mixed in different degrees.



The two-dimensional model and five different types of leadership styles are shown in above figure. In the grid, the X-axis represents the 'concern for production' while the Y-axis represents the 'concern for people'. Concern for production means the managerial attitudes about the volume of output, procedures and efficiency of work, etc. and, concern for people refers to the degree of personal commitment, responsibility based on trust and satisfying interpersonal relations, self-esteem of the workers, etc. The managers are mostly concerned with both the task and the people as they have to get things done through people.

(a) **Impoverished (1-1) Management Style:** In this style, the manager shows less concern for both production and people. It implies the manager's less interest in the position.

In this situation, minimum effort is needed for getting the work done and sustaining organisation membership. The leader acts as an observer, avoiding controversy and confrontation.

(b) Country Club (1-9) Management Style:

Under this style, the manager is highly concerned with the people. They try to establish close personal relationships. Adequate attention to the needs of people leads to a comfortable organisation environment and work culture. The leader has maximum concern for people and minimum concern for production.

(c) Middle of the Road (5-5) Management Style:

In this case, the manager gives emphasis on both production and relationship with the people. Proper organisation performance is possible through balancing the necessity of getting work done through maintaining morale of the people at a satisfactory level. The leader balances tasks with concern for people through compromise.

(d) Task (9-1) Management Style:

In this situation, the manager is mainly concerned with production and has little concern for people. They give emphasis on getting the tasks done to increase production. The task is well-planned and the authority is well-defined. This is the task-oriented or autocratic style of leadership. The leader leads the people with instructions and discipline.

(e) Team (9-9) Management Style:

In this case, the manager has maximum concern for both production and people. This is the team leadership style in which the leader consults their team and harmonises organisational goals. Work is performed by committed people and inter-dependence through common organisational goals leading to relationships made from trust and respect. This style is considered to be the best leadership style. **(Any four)**

12. Draft an interview letter for the post of Operations Manager in an MNC. [8]

Ans. Letter of Interview for the post of Operations Manager in an MNC:

[From:]
Name of Signatory
Designation of Signatory
Company Name

Date:

To,
Candidate's Name
Candidate's Address

Subject: Invitation for the Interview

Dear Sir/ Ma'am/ [Candidate's Name]

This is in response to your job application for the profile of [Job Role] wherein you expressed your interest in employment with [Company's Name]. After going through your application, we have found you suitable for this job and therefore, we have arranged for a face-to-face interview.

We would like you to invite for an interview with us which is scheduled on [Interview date] at [Time] at the [Venue]. You are requested to reach the venue 30 minutes prior for some paperwork. We have also enclosed a list of original documents that you are supposed to be carrying along for the interview.

If the date and time of the interview suit you then you are requested to please send us a confirmation email at [Email id] at the earliest confirming your presence for the interview.

In case of any queries or assistance, please feel free to get in touch with us at [Contact no.] or email us at [Email Id].

Regards,
[Name of signatory]
[Designation of the signatory]
[Company Name]

[Contact details of the signatory]

13. Big Zenith Ltd. is a highly reputed company that has recently made some new appointments.

The new employees were very happy on being recruited. In an informal gathering, they shared how they were recruited by the organisation. Mr. Abrar Ahmed, Senior Sales Manager said that he was vertically shifted to the post. Mr. Aman Verma said that he was introduced to the company by the present Sales Manager Mr. John D'Costa. Ms. Renu Arora said that she had applied through the newspaper and was appointed as Assistant HR Manager. Ms. Sarah Johnson said that she was directly recruited from IIM Ahmedabad when she was in the last semester of PGDBM.

Identify and briefly explain the source of recruitment used for:

- (i) Mr. Abrar Ahmed [2]
- (ii) Mr. Aman Verma [2]
- (iii) Mr. Renu Arora [2]
- (iv) Ms. Sarah Johnson [2]

Ans. With the reference to the above case study the sources of recruitment used are identified below:

- (i) **Mr. Abrar Ahmed:** Internal Source of Recruitment Promotion

Promotion: Promotion is the vertical movement of an employee within the organisation. In

other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities.

- (ii) **Mr. Aman Varma:** Internal Source of Recruitment: Recommendations by employees or employee referrals

Recommendations by employees or employee referrals: Employee referrals is when the existing employees of an organisation recommends/refers friends or relatives as potential candidates for an opening or a vacancy in the organisation. This type of recruitment proves to be a good source of recruitment as the employee's background is partly known.

- (iii) **Ms. Renu Arora:** External Source of Recruitment- Advertisement

Advertisement in newspapers, magazines, journals, radio, TV, etc. is generally used by an organisation to fill job vacancies by organisations requiring a diverse range of candidates across different qualifications and experience for staff recruitment.

- (iv) **Ms. Sarah Johnson:** External Source of Recruitment- Campus Recruitment

Campus Recruitment: Organisations create a close liaison with educational institutions like colleges, technical and professional institutes for recruitment of students with select technical and professional qualifications.

