

MARKING SCHEME			
SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
A	Q.1 (i)	a. Putting arm around a coworker's shoulder	1
A	Q.1 (ii)	a. Listening	1
A	Q.1 (iii)	It is our ability to do the things that need to be done without someone or something influencing us.	1
A	Q.1 (iv)	b. Informing	1
A	Q.1 (v)	The process of working together in a group is TEAM WORK.	1
A	Q.1 (vi)	A positive attitude makes a person happier, and helps build and maintain relationships. It even increases one's chances of success.	1
A	Q.2 (i)	a. Busy	1
A	Q.2 (ii)	Commerce refers to all those activities that facilitate the transfer of goods & services from producer to consumers.	1
A	Q.2 (iii)	Business Environment means the sum total of all individuals or organizations and other forces that are controllable or outside the control of business enterprise but may affect its performances.	1
A	Q.2 (iv)	c. Technological	1
A	Q.2 (v)	These are products that are bought often in a routine manner without much thought on regular basis. A typical example is with paste or milk for breakfast. Staple products are usually sold in convenient location like food stores and supermarkets. Branding is important with staple products.	1

A	Q.2 (vi)	These are the least profitable customers as sometimes they themselves are	1
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CLASS:XI

Max.Marks: 60

		not sure what to buy. These customers are normally new in industry and most of the times visit suppliers only for confirming their needs on products. They investigate features of most prominent products in the market but do not buy any of those or show least interest in buying. To grab such customers they should be properly informed about the various positive features of the products so that they develop a sense of interest.	
A	Q.2(vii)	d. Political Environment	1
A	Q.3 (i)	c. Tertiary industries	1
A	Q.3 (ii)	b. Economic Environment	1
A	Q.3 (iii)	a. Private Company	1
A	Q.3 (iv)	Specific forces refer to those forces which are having direct effect on day to day working of the business i.e. customers, competitors, investors etc.	1
A	Q.3 (v)	Impulse consumers are the most difficult when it comes to maximizing marketing collateral. These consumers often don't shop with a specific product or service in mind, let alone a brand. Rather they make purchases capriciously, buying when something strikes their fancy.	1
A	Q.3 (vi)	System Approach – Business is a system by which goods & services are produced for satisfaction of wants, by using raw material, capital, labour etc. from the environment.	1
A	Q.3(vii)	These are goods that the consumer does not know about or know about but does not normally think of buying.	1
A	Q.4 (i)	(i) Mother works at home. (ii) Teacher teaches his son	1
A	Q.4 (ii)	Internal	1
A	Q.4 (iii)	Social	1
A	Q.4 (iv)	GLOBALISATION means integration of our economy with world economy to promote imports, exports and mobilizing exchange movement.	1
A	Q.4 (v)	d. Cooperative Society	1

A	Q.4 (vi)	1.Branding inspires customer loyalty and retention. 2.Branding encourages word-of-mouth marketing.	1
		3.Branding helps you share your values. 4.Branding builds internal employee morale and pride.	
A	Q.5 (i)	a. Finance	1
A	Q.5 (ii)	Goods: The products are tangible and can be inspected / sampled before buying. Services: Service on the other hand is experiential and sometimes based on a belief.	1
A	Q.5 (iii)	b. Unstable	1
A	Q.5 (iv)	These are operating supplies that are used up in the operation of the firm but do not become part of the product. They are usually budgeted as expenses and have short life. The purpose of such goods is to keep the foundation goods functioning properly and to help in the handling and supply of the entering goods.	1
A	Q.5 (v)	PRIVATISATION means giving greater role to private sector and reducing role of public sector.	1
A	Q.5 (vi)	These undergo some degree of initial processing before they enter the product manufacturing process. The more complicated a product is, the more likely it is to contain both raw and fabricating materials. Computers and calculators for example use basic material such as silicon crystal, glass and metals. They also use integrated circuits which are often manufactured by an outside company and supplied as fabricated materials.	1
A	Q.6 (i)	b. Riya is practicing law or doing legal practice.	1
A	Q.6 (ii)	1. Safety. 2. Performance. 3. Appearance. 4. Comfort.	1
A	Q.6 (iii)	d. 1912	1

A	Q.6 (iv)	Loyal Customer: Loyal consumers are likely to comprise a small segment of your consumer base. However, because of their loyalty, they are valuable to every business. Once they have found the right company to do business with they will remain loyal, often becoming a promoter of the brand by sharing their experience with their friends, family and extended social network.	1
A	Q.6 (v)	There are two types of foundation goods: installation (1/2 Mark) and	1

		accessory equipment. (1/2 Mark)	
A	Q.6 (vi)	b. Weakness	1
A	Q.7	<ul style="list-style-type: none"> • Language • Visual Perception • Past Experience • Prejudice • Feelings • Environment • Personal factors • Culture <p style="text-align: right;">(Any two)</p>	2
A	Q.8	<p>Time management is the ability to plan and control how you spend the hours of your day well and do all that you want to do. (1 Mark)</p> <p>Example: Sameera is always punctual at school. She has a regular schedule that she follows every day. She plans for study and play time in advance. (1 Mark)</p>	2
A	Q.9	<ul style="list-style-type: none"> • Everyone has a role to play in a team, so the pressure to succeed is not on one individual. (1 Mark) • It helps you to have a support system, as all team members help to fix any mistake made by one team member. (1 Mark) • You feel good when the team achieves success and it builds your confidence. (1 Mark) • The work gets done faster. (1 Mark) (Any two) 	2
A	Q.10	<p><input type="checkbox"/> Movement of parts of body to express an idea or meaning. (1 Mark)</p> <p>E.g.:- pointing at people with your finger. (1 Mark)</p>	2

A	Q.11	<ul style="list-style-type: none"> • Builds self-confidence, • Builds self-respect, • Prevents you from saying words or doing actions that you may regret later, • Makes you and others feel positive, • Makes sure that everyone expresses their ideas and meets the needs of all, and • Helps you to become a more confident worker and a better 	2
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		communicator. (Any two)	
A	Q.12	<p>Non-durable goods</p> <ul style="list-style-type: none"> • Non-durable goods are tangible goods that are normally consumed in one or few uses. • These goods are consumed fast and purchased frequently by the consumers. (1 Mark) <p>Durable goods</p> <ul style="list-style-type: none"> • These are tangible goods that normally survive many uses. Goods that fall under this category include Furniture, Refrigerator, Clothing, Rug etc. • They are not frequently purchased as non-durable goods because they are used up slowly. (1 Mark) 	2
A	Q.13	<p>a) Internal Trade – It consists of buying & selling of goods within the boundaries of a country. It is also known as domestic trade or inland trade .</p> <p>(1 Mark)</p> <p>It can be further classified into :-</p> <p>i) Wholesale Trade (1/2 Mark) ii) Retail Trade (1/2 Mark)</p>	2

A	Q.14	<p>Business Environment is characterized by following features:-</p> <ol style="list-style-type: none"> 1. Aggregative - Business Environment is the totality of all the external forces which influence the working and decision making of an enterprise. (1 Mark) 2. Inter-related - Different elements of business environment are closely interrelated and interdependent. A change in one element affects the other element for example : Social pressure against pollution (social environment), led to the enactment of anti-pollution laws (political environment). (1 Mark) 3. Relativity - Business Environment is a relative concept. It differs from country to country and region to region for example : Countries like USA and UK have different kind of education system from India. (1 Mark) 4. Uncertainty - Business Environment is legally uncertain because it is very difficult to forecast future uncertainties. Changes are taking place very frequently. For e.g. Advancement in mobile technology. (1 Mark) (Any 2) 	2
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A	Q.15	<p>Legal environment consist of laws, rules and regulation, framed by the parliament under which the business must operate. To exist and grow the business has to follow all the law that constitutes this environment. Noncompliance of laws can pose threats for business enterprises. The main constituents of legal environment are –</p> <ol style="list-style-type: none"> 1. Laws governing business- economic, commercial and labour laws. 2. Flexibility and adaptability of laws. 3. Implementation and effectiveness of laws, court decisions for protection of consumers. (1 Mark) <p>Examples of impact of legal environment on business</p> <ol style="list-style-type: none"> a) Chambers of commerce and industry try to influence the policies and rules through lobbying and public opinion. b) Restriction on sale of arms ammunitions, Explosive, dangerous drugs. c) Protect employee against unfair dismissal. (1 Mark) (Any 1) 	2
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A	Q.16	<p>(i) Homogenous Showing Product: These are products that the consumers see as basically the same and want at the lowest price. Some consumers feel that certain sizes and types of television sets are similar, so they shop for the best price. This is true of many shopping products. (1 Mark)</p> <p>(ii) Heterogeneous Shopping Product: These are products the consumers see as different in features and would want to test and inspect for quality and suitability. For this category of shopping goods, quality and style matter more than price. This is also true when service is a major part of the product, as in a visit to a mechanic for car repair service what is of interest to the car owner is the quality of service of the mechanic and not the charges. . (1 Mark)</p>	2
A	Q.17	<p>(A) Tangibility: To be a product, it should have a tangibility character such as it can be touched or seen, for example a car, building, cloth etc. (1 Mark)</p> <p>(B) Intangible Attributes: The product may also be intangible in the form of services for instance, banking, insurance, music composition, repairing, nursing etc. . (1 Mark)</p> <p>(C) Associated Attributes: A product may have number of features which differentiate it from competitor's products. Associated attributes usually cover the colour, package, brand name, installation instruction etc. For</p>	3
		<p>example Hindustan Lever's vanaspati ghee has a brand name DALDA and with its package it can be identified by the consumers. It has developed an image in such a way that all kinds of vanaspati ghee sold are being referred to as DALDA ghee. . (1 Mark)</p> <p>(D) Exchange Value: A product may be tangible or intangible but it must have exchange value. It must be capable of being exchanged between seller and buyer at mutual agreed price.</p> <p>(E) Consumer Satisfaction: A product should have the capacity to satisfy consumer's real or psychological needs and wants. At the same time, it must have capacity to generate profit for the satisfaction of seller. . (1 Mark)</p>	

A	Q.18	<p>1. Business :- Business refers to those economic activities which are connected with production, purchase, sale or distribution of goods or services with the motive of earning profit. For example – Manufacturing, wholesale, shop owner etc. (1 Mark)</p> <p>2. Profession :- Profession refers to that economic activity which requires specialized knowledge & skill to render service to various section of society. The individuals engaged in this activity are called professionals. For example – Lawyer, Doctor, Painter etc. (1 Mark)</p> <p>3. Employment :- Employment refers to that economic activity where people work for others & get some remuneration in return (like wages, salaries). People who are working are called employees & who hire them for jobs are called employers. For example – Working in offices, factories, school, shops etc. (1 Mark)</p> <p>4. Services :- It includes all economic activities whose output is not physical product or manufacturing. It is generally consumed at the time it is produced. It provides convenience, recreation, comfort for example – Health services, security services, consulting, airways, hospitality etc. (1 Mark)</p> <p style="text-align: right;">(Any Three)</p>	3
A	Q.19	<p>Internal environment includes</p> <p>a) Capital - Finance is the life blood of the business. The management has to skillfully utilize the financial resources for growth of the organization.</p> <p>Optimum utilization of financial resources is one of the controllable factors.</p> <p>(1 Mark)</p>	3

		<p>b) Human resources - Efficient human resource of the business takes the business to greater heights. The quality of goods and services provided by the business also depends upon the people employed in the business. Therefore, it is an internal factor which is in control of the business. (1 Mark)</p> <p>c) Management Policies - The board of directors should foresee the changes in external environment and form business strategies and policies accordingly. The business owner should also keep in mind business ethics and values so as to survive in the economy. (1 Mark)</p> <p>d) Brand Image - Promoting the brand of the business is completely in the control of the entrepreneur. If the business succeeds in providing quality goods and services to the customer's then business builds the best brand image. (1 Mark)</p> <p>e) Promotional strategies - It is in the control of the business to formulate the policies and strategies of promoting their business in this competitive world. They should work towards healthy competition and fulfill their business objectives.</p> <p>f) Internal work environment - Business should promote healthier and happier environment inside the organization and provide good working conditions for the employees. (1 Mark) (Any Three)</p>	
A	Q.20	<p>Strengths and weaknesses – Strengths describe the positive factors of the business. Weaknesses are the activities which negatively impact the business. . They are completely under the control of business. It is an internal factor which can be used as a basis for developing a competitive advantage. The internal factors include mostly the resources & experiences.</p> <p>General areas to consider are:</p> <ul style="list-style-type: none"> • Human resource – staff, board members, target customers • Physical resources – location, building, equipments • Financial resources – Grants, funds, credits • Activities & Processes – Programs the business run, systems they employ. • Past experience – Reputation of the co. brand name, patents. (2 Marks) <p>Opportunities & Threats Opportunities are activities that the business does</p>	4

		<p>not currently have or do but that could positively impact the business if undertaken. Threats are factors that negatively affect the business, if proper steps are not taken to mitigate them. The business has no control over the external factors which give rise to opportunity & threats. General areas to consider are –</p> <ul style="list-style-type: none"> □Future trends □The economy – Local, national, international □Funding sources – donors, legislature □Demographics – change in age, race, gender, population shifts, culture of the society □Economic Boom& Depression. (2 Marks) 	
A	Q.21	<p>The industries can be of following types –</p> <ol style="list-style-type: none"> 1) Extractive Industries – These industries extract products from natural sources like earth, water, air etc. The products of these industries are used by manufacturing & construction industry. For example : farming, mining, fishing, lumbering etc. (1 Mark) 2) Genetic Industries – These industries are engaged in breeding plants & animals for their use in further reproduction. For example – Plant in nurseries, horticulture, poultry farms etc. (1 Mark) 3) Manufacturing Industries – These industries are concerned with the conversion & transformation of raw materials and semi finished products into finished products. Articles of daily use are mostly produced by manufacturing units. For example – Oil, Cars, Fertilizers, Medicines, Textile, Television, Paint etc. (1 Mark) 4) Construction Industries – These industries are engaged in construction of buildings, dams, roads, canals etc. These industries create the basic infrastructure for development. For example – DLF Construction Company. (1 Mark) 	4
A	Q.22	<p>(a) Intangibility: Intangibility of services can be explained by a clear comparison between restaurants and soaps. Soap has a clear metric like 500 grams of soap and it is something which you can touch and feel and you know what the exact cost of the product is and what it has to be priced at. A service like a restaurant is always varying because you pay as per the</p>	4

	<p>service that you receive. You cannot taste the food in a restaurant and then order the food. You have to first order it and then hope that it is good in taste. Thus, unlike products, services cannot be touched or felt beforehand. They have to be first ordered and then they become tangible. (1 Mark)</p> <p>(b) Inseparability: Services are produced and consumed on the spot. This is unlike physical products that can be produced now and stored in inventory till later time for consumption. If a service is rendered by a person, the person and the service cannot be separated since the provider is present at the point of sale. This explains why there is a provider-client interaction in services marketing. It is the provider of the services that is very important in entertainment and professional services. Because of strong preferences for provider, a substitute will not in any way satisfy the buyer. (1 Mark)</p> <p>(c) Variability: Services are highly variable and they depend on who provides them and when and where they are provided. One Surgeon may be preferred to another because of hospital facilities and handling he has over and above the other. Service buyers are usually aware of this high variability and frequently talk to others before selecting a service provider. This explains why many banks, airlines and hotels spend substantial amount to train their 7 employees in providing good service the degree of variability can be reduced by training the service providers in response to customers demand. (1 Mark)</p> <p>(d) Perishability: Services as mentioned earlier cannot be stored. The reason why many doctors charge patient for missed appointments - is that service value existed only at the point when the patient should have shown up. (1 Mark)</p>	
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A	Q.23	<ul style="list-style-type: none"> • Strategic planning – Planning is an important and basic requirement of any business. Strategic Planning is a broad plan for bringing the organization from its present position to the desired position in future. Top management should identify who will be involved in the planning process, provide opportunity for proper participation, and give responsibility for developing and implementing the plans. (1 Mark) • Financing Decision – Finance is the life blood of any business organization. There must be a continuous flow of funds for the business to commence its operations, to continue operations & for expansion or 	4
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		<p>growth. Finance is an important operative function of business. The business firm has to raise funds from several sources at reasonable cost & ensure its effective utilisation so as to generate adequate profits. (1 Mark)</p> <ul style="list-style-type: none"> □ Market research and development- In recent years, competition in most of the industries has increased due to growing industrialization, expanding size of operations, liberalization. The business organization have to be fully aware of marketing environment & formulate company policies keeping in mind the target customers, pricing, sales promotion and after sales service. (1 Mark) □ Logistics decisions - Logistics decisions is concerned with the proper movement of material from source of supply to place of procedure and movement of finished product from the factory to the customer. It helps to provide product to the customer at right place and at right time. The business firm has to design and operate a quick, accurate and efficient order processing system to retain customers and ensure repeat order. It includes decision regarding transportation, warehousing, order processing, inventory management, procurement, vendor management etc. (1 Mark) 	
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	<ul style="list-style-type: none"> □ Technological decisions – Information Technology is a boon to any business organization. Through Information Technology they can perform many functions & activities in lesser time & at lesser cost. To improve the quality of decisions, managers require very fast processing & transmission of huge mass of data. I.T. helps in collecting, processing & communicating information very quickly & effectively. (1 Mark) □ Internal process review - It is easy to focus only on the day to day running of your business especially in early stages. But once the business expands a regular review of the progress, internal process policy and procedures can help business to identify its position in the market. This review highlights the assessment of core business activities, finance, business efficiency and competitor analysis. (1 Mark) □ Maintaining Customer Relationship – Maintaining good customer relationship is growing in importance due to the challenging business 	
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	<p>environment faced by organization throughout the world today. The aim should be to maximize profit over the long run through the satisfaction of customer’s wants. All the plans, policies & operations of business enterprise should be oriented towards customer. Every business decision is made with a prior knowledge of its impact on the customers as ‘consumer is the king’.(1 Mark)</p> <ul style="list-style-type: none"> • Employee enrichment - Human resources are the only resource which has an unlimited potential for empowerment and development. Sound organization adopts right strategies for attracting, developing, retaining and utilizing human resources. A competent & dedicated team of employees can help an enterprise in achieving its goals efficiently & effectively. (1 Mark) • Innovation & Creativity — Innovation implies doing new things or doing things that are already being done in new ways. It involves creativity & thought process to transform idea or resource into some useful applications. To survive and succeed in this competitive environment it’s imperative for any organization to conceive something original and unique.(1 Mark) <p style="text-align: right;">(Any Four)</p>	
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A	Q.24	<p>1. Know your customers: Gather information about as many of your customers as possible. (1 Mark)</p> <p>2. Develop a personal relationship with customers: When trying to understand their needs it may be useful to know personal details such as their lifestyle, occupation and interests. This information is easy to gather once rapport has been established. (1 Mark)</p> <p>3. Introduce new initiatives such as Customer Focus Groups, Customer Surveys, or even a Suggestion Box: These initiatives send a clear message to customers that you are interested in their input. In a focus group you can also find out valuable information such as what people like and dislike about the offerings of your competitors. (1 Mark)</p> <p>4. Listen to customer complaints: Be grateful when a customer complains. Let them know that you appreciate feedback – and don't ignore it! Handled sensitivity, a dissatisfied customer often becomes your most loyal customer. The alternative is to let the customer relate their experience to others, resulting in negative, rather than positive, word-of-mouth advertising. (1</p>	4
		<p>Mark)</p> <p>5. Know the characteristics of your target market (your 'customer profile'): This knowledge will assist you with overall business and marketing decisions. (1 Mark)</p> <p style="text-align: right;">(Any Four)</p>	
END OF THE QUESTION PAPER			