

Analysis of Pupil Performance

**ISC Year 2017
Examination**

**Humanities
&
Commerce**

COMMERCE



Research Development and Consultancy Division

**Council for the Indian School Certificate Examinations
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FOREWORD

This document of the Analysis of Pupils' Performance at the ISC Year 12 and ICSE Year 10 Examination is one of its kind. It has grown and evolved over the years to provide feedback to schools in terms of the strengths and weaknesses of the candidates in handling the examinations.

We commend the work of Mrs. Shilpi Gupta (Deputy Head) and the Research Development and Consultancy Division (RDCD) of the Council who have painstakingly prepared this analysis. We are grateful to the examiners who have contributed through their comments on the performance of the candidates under examination as well as for their suggestions to teachers and students for the effective transaction of the syllabus.

We hope the schools will find this document useful. We invite comments from schools on its utility and quality.

November 2017

**Gerry Arathoon
Chief Executive & Secretary**

The Council has been involved in the preparation of the ICSE and ISC Analysis of Pupil Performance documents since the year 1994. Over these years, these documents have facilitated the teaching-learning process by providing subject/ paper wise feedback to teachers regarding performance of students at the ICSE and ISC Examinations. With the aim of ensuring wider accessibility to all stakeholders, from the year 2014, the ICSE and the ISC documents have been made available on the Council's website www.cisce.org.

The document includes a detailed qualitative analysis of the performance of students in different subjects which comprises of examiners' comments on common errors made by candidates, topics found difficult or confusing, marking scheme for each answer and suggestions for teachers/ candidates.

In addition to a detailed qualitative analysis, the Analysis of Pupil Performance documents for the Examination Year 2017 have a new component of a detailed quantitative analysis. For each subject dealt with in the document, both at the ICSE and the ISC levels, a detailed statistical analysis has been done, which has been presented in a simple user-friendly manner.

It is hoped that this document will not only enable teachers to understand how their students have performed with respect to other students who appeared for the ICSE/ISC Year 2017 Examinations, how they have performed within the Region or State, their performance as compared to other Regions or States, etc., it will also help develop a better understanding of the assessment/ evaluation process. This will help them in guiding their students more effectively and comprehensively so that students prepare for the ICSE/ ISC Examinations, with a better understanding of what is required from them.

The Analysis of Pupil Performance document for ICSE for the Examination Year 2017 covers the following subjects: English (English Language, Literature in English), Hindi, History, Civics and Geography (History & Civics, Geography), Mathematics, Science (Physics, Chemistry, Biology), Commercial Studies, Economics, Computer Applications, Economics Applications, Commercial Applications.

Subjects covered in the ISC Analysis of Pupil Performance document for the Year 2017 include English (English Language and Literature in English), Hindi, Elective English, Physics (Theory and Practical), Chemistry (Theory and Practical), Biology (Theory and Practical), Mathematics, Computer Science, History, Political Science, Geography, Sociology, Psychology, Economics, Commerce, Accounts and Business Studies.

I would like to acknowledge the contribution of all the ICSE and the ISC examiners who have been an integral part of this exercise, whose valuable inputs have helped put this document together.

I would also like to thank the RDCD team of Dr. Manika Sharma, Dr. M.K. Gandhi, Ms. Mansi Guleria and Mrs. Roshni George, who have done a commendable job in preparing this document. The statistical data pertaining to the ICSE and the ISC Year 2017 Examinations has been provided by the IT section of the Council for which I would like to thank Col. R. Sreejeth (Deputy Secretary - IT), Mr. M.R. Felix, Education Officer (IT) – ICSE and Mr. Samir Kumar, Education Officer (IT) - ISC.

November 2017

*Shilpi Gupta
Deputy Head - RDCD*

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INTRODUCTION

This document aims to provide a comprehensive picture of the performance of candidates in the subject. It comprises of two sections, which provide Quantitative and Qualitative analysis results in terms of performance of candidates in the subject for the ISC Year 2017 Examination. The details of the Quantitative and the Qualitative analysis are given below.

Quantitative Analysis

This section provides a detailed statistical analysis of the following:

- Overall Performance of candidates in the subject (Statistics at a Glance)
- State wise Performance of Candidates
- Gender wise comparison of Overall Performance
- Region wise comparison of Performance
- Comparison of Region wise performance on the basis of Gender
- Comparison of performance in different Mark Ranges and comparison on the basis of Gender for the top and bottom ranges
- Comparison of performance in different Grade categories and comparison on the basis of Gender for the top and bottom grades

The data has been presented in the form of means, frequencies and bar graphs.

Understanding the tables

Each of the comparison tables shows N (Number of candidates), Mean Marks obtained, Standard Errors and t-values with the level of significance. For t-test, mean values compared with their standard errors indicate whether an observed difference is likely to be a true difference or whether it has occurred by chance. The t-test has been applied using a confidence level of 95%, which means that if a difference is marked as 'statistically significant' (with * mark, refer to t-value column of the table), the probability of the difference occurring by chance is less than 5%. In other words, we are 95% confident that the difference between the two values is true.

t-test has been used to observe significant differences in the performance of boys and girls, gender wise differences within regions (North, East, South and West), gender wise differences within marks ranges (Top and bottom ranges) and gender wise differences within grades awarded (Grade 1 and Grade 9) at the ISC Year 2017 Examination.

The analysed data has been depicted in a simple and user-friendly manner.

Given below is an example showing the comparison tables used in this section and the manner in which they should be interpreted.

Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	2,538	66.1	0.29	11.91*
Boys	1,051	60.1	0.42	

*Significant at 0.05 level

Girls performed significantly better than boys.

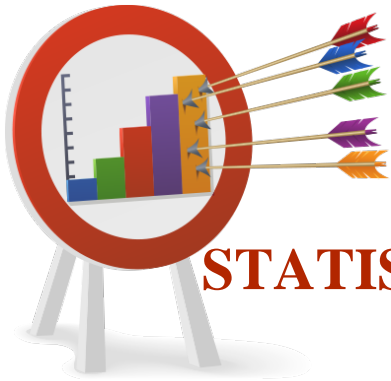
The results have also been depicted pictographically. In this case, the girls performed significantly better than the boys. This is depicted by the girl with a medal.

The table shows comparison between the performances of boys and girls in a particular subject. The t-value of 11.91 is significant at 0.05 level (mentioned below the table) with a mean of girls as 66.1 and that of boys as 60.1. It means that there is significant difference between the performance of boys and girls in the subject. The probability of this difference occurring by chance is less than 5%. The mean value of girls is higher than that of boys. It can be interpreted that girls are performing significantly better than boys.

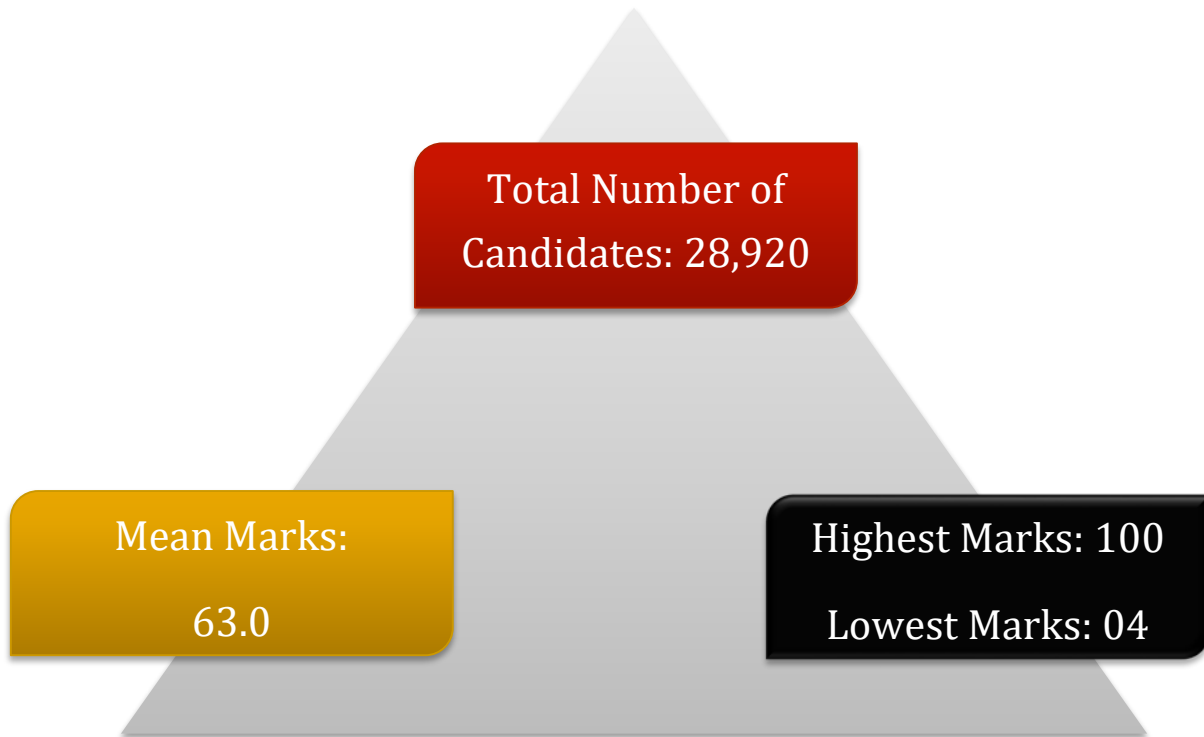
Qualitative Analysis

The purpose of the qualitative analysis is to provide insights into how candidates have performed in individual questions set in the question paper. This section is based on inputs provided by examiners from examination centres across the country. It comprises of question wise feedback on the performance of candidates in the form of *Comments of Examiners* on the common errors made by candidates along with *Suggestions for Teachers* to rectify/ reduce these errors. The *Marking Scheme* for each question has also been provided to help teachers understand the criteria used for marking. Topics in the question paper that were generally found to be difficult or confusing by candidates, have also been listed down, along with general suggestions for candidates on how to prepare for the examination/ perform better in the examination.

QUANTITATIVE ANALYSIS

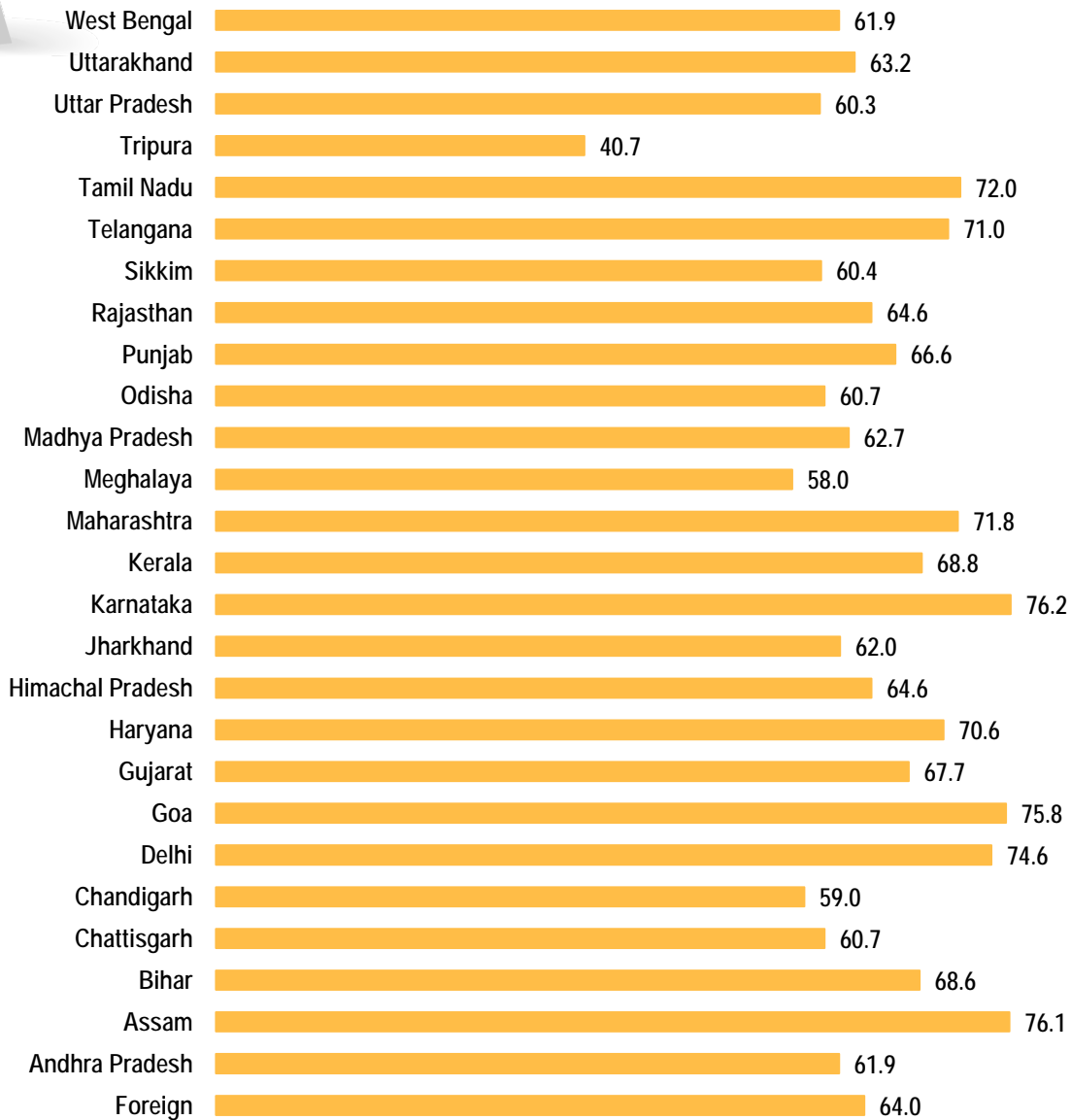


STATISTICS AT A GLANCE





PERFORMANCE (STATE-WISE & FOREIGN)



The States of Karnataka, Assam and Goa secured highest mean marks. Mean marks secured by candidates studying in schools abroad were 64.0.



GENDER-WISE COMPARISON



GIRLS

Mean Marks: 65.9

Number of
Candidates: 14,143



BOYS

Mean Marks: 60.3

Number of
Candidates: 14,777

Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	14,143	65.9	0.15	26.40*
Boys	14,777	60.3	0.15	

*Significant at 0.05 level

**Girls performed
significantly better than
boys.**

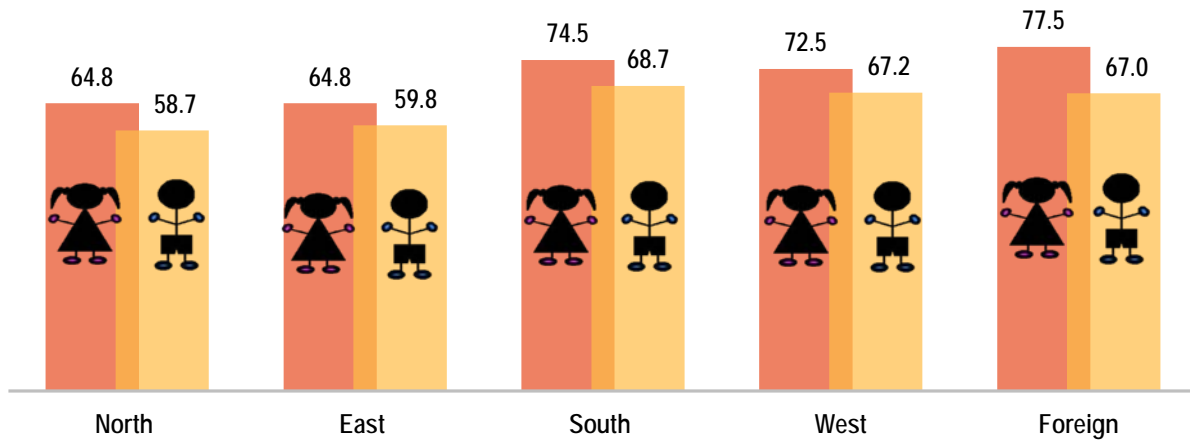




REGION-WISE COMPARISON



Mean Marks obtained by Boys and Girls-Region wise

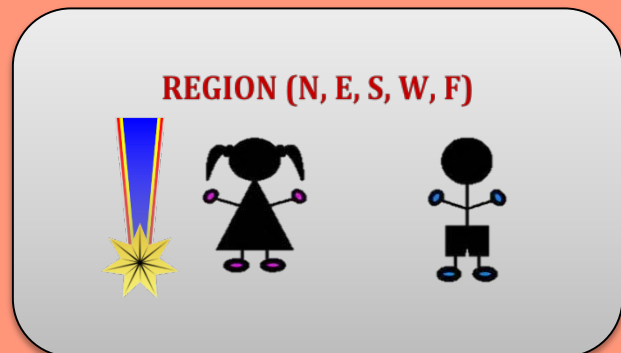


Comparison on the basis of Gender within Region

Region	Gender	N	Mean	SE	t-value
North (N)	Girls	6,782	64.8	0.21	19.99*
	Boys	6,211	58.7	0.22	
East (E)	Girls	5,602	64.8	0.24	15.17*
	Boys	6,837	59.8	0.22	
South (S)	Girls	900	74.5	0.53	7.18*
	Boys	756	68.7	0.61	
West (W)	Girls	798	72.5	0.61	6.30*
	Boys	919	67.2	0.58	
Foreign (F)	Girls	61	77.5	1.99	3.41*
	Boys	54	67.0	2.35	

*Significant at 0.05 level

The performance of girls was significantly better than that of boys in all the regions.





MARK RANGES : COMPARISON GENDER-WISE

Comparison on the basis of gender in top and bottom mark ranges

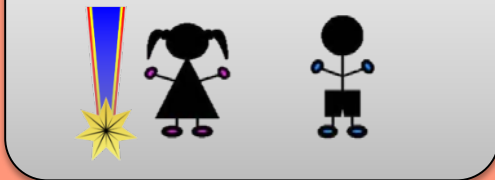
Marks Range	Gender	N	Mean	SE	t-value
Top Range (81-100)	Girls	3,615	88.5	0.08	3.07*
	Boys	2,462	88.1	0.09	
Bottom Range (0-20)	Girls	45	17.9	0.48	-0.80
	Boys	108	18.3	0.24	

*Significant at 0.05 level

Marks Range (81-100)

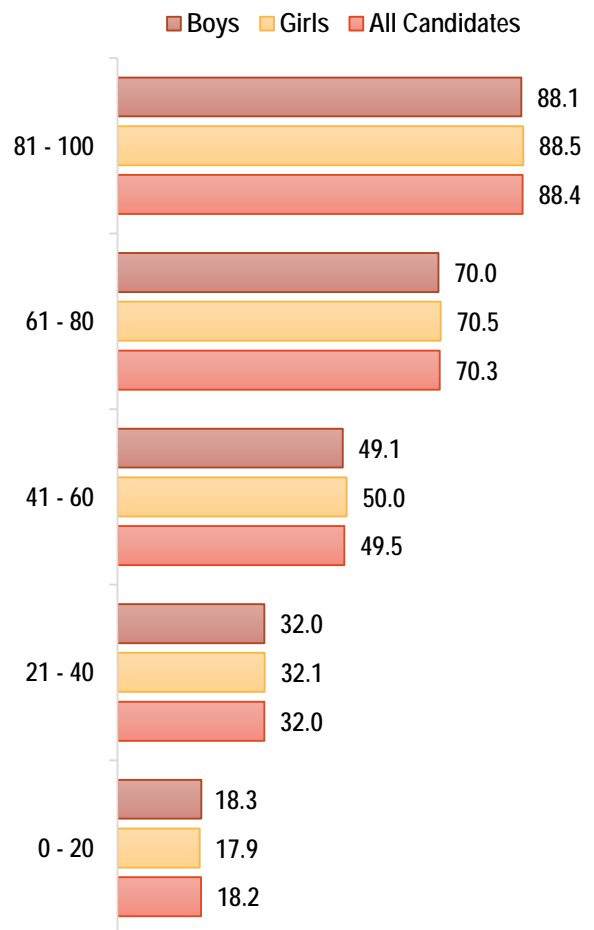
Performance of girls was significantly better than the performance of boys.

Marks Range 81-100



Marks Range (0 -20)

No significant difference was observed between the average performance of girls and boys.



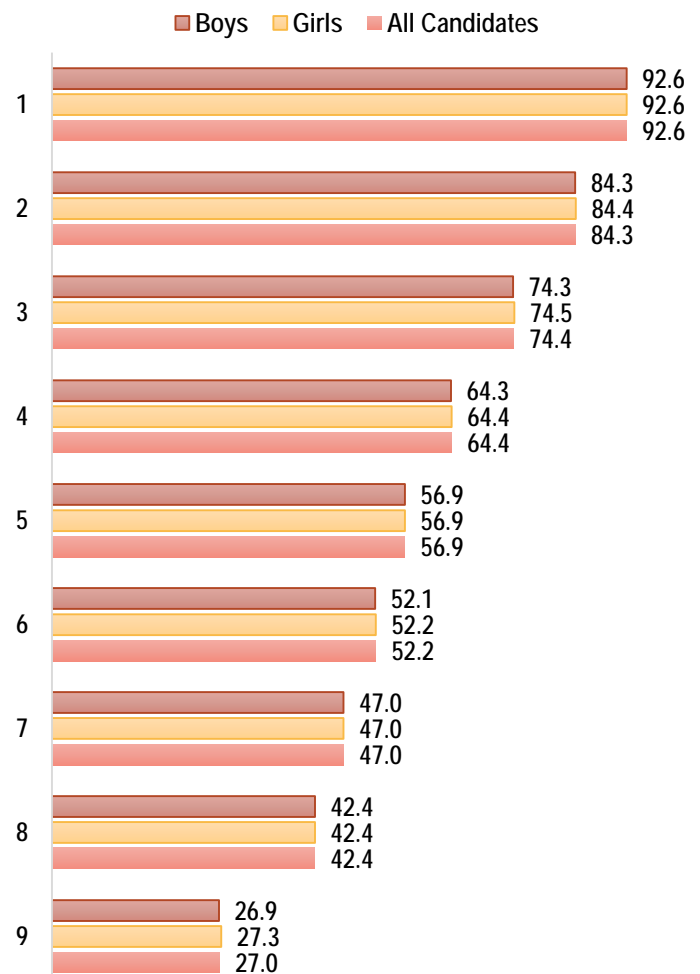


GRADES AWARDED : COMPARISON GENDER-WISE

Comparison on the basis of gender in Grade 1 and Grade 9

Grades	Gender	N	Mean	SE	t-value
Grade 1	Girls	1,689	92.6	2.25	0.01
	Boys	1,052	92.6	2.85	
Grade 9	Girls	458	27.3	1.30	0.25
	Boys	837	26.9	0.95	

In Grade 1 and Grade 9 no significant difference was observed between the average performance of girls and boys.



QUALITATIVE ANALYSIS

PART I (20 Marks)

Answer all questions.

Question 1

[10×2]

Answer briefly each of the questions (i) to (x).

- (i) What is meant by *Macro Environment*?
- (ii) What is the importance of finance to a business concern?
- (iii) Give *two* merits of *Inter Corporate Deposits*.
- (iv) Define *Management* as a process.
- (v) Explain the principle of *Authority and Responsibility*, as laid down by Henry Fayol.
- (vi) What is a *Demand Draft*?
- (vii) State *any two* features of *advertising*.
- (viii) Give *two* points of difference between *training* and *development*.
- (ix) Mention *two* physical functions of marketing.
- (x) Agrim purchased a Diesel Car for ₹ 7 Lakhs from an automobile Company and found its engine to be defective. Despite many complaints, the defect was not rectified. Suggest the appropriate authority where Agrim under his right as a consumer, could file a complaint.

Comments of Examiners

- (i) Some candidates were confused between macro and micro environment. A number of candidates mentioned the components of macro environment without referring to the impact of such components on the business. Some candidates did not mention essential keywords like external/ remote/ uncontrollable/ general forces.
- (ii) Most of the candidates repeated the same points and same headings were presented in a different manner. Some candidates wrote about sources of finance, while other candidates mentioned the features or importance.
- (iii) The meaning of ICD was given without its advantages by many candidates. Some candidates were confused regarding the rate of interest. Several candidates wrote that there are no legal formalities involved and some candidates confused ICD's as a source of finance from commercial bank.
- (iv) In many answers, either the human factor or the organizational goals were missing. A large number of candidates wrote about PODSCORB. Some candidates confused this answer with the integrated concept.
- (v) Many candidates explained authority and responsibility separately and were not able to relate it with Henry Fayol's principle.
- (vi) Some candidates wrote about Bank overdraft or a bill of exchange instead of demand draft. Several candidates did not mention the purpose of demand draft or the unique features of a demand draft. Many candidates did not mention that it is drawn by the bank or a branch of the bank.
- (vii) Many candidates explained advantages or the importance of advertising instead of features while other candidates tried to show the relationship between advertising and publicity.
- (viii) The differences did not correlate to each other and in the absence of basis of difference one word answers given by the candidates did not convey any meaning.
- (ix) Most of the candidates did not give the basis of classification clearly. Several candidates wrote either the functions of exchange, that is buying, selling or facilitating functions like grading, standardization, etc.
- (x) Several candidates substituted District forum/consumer court/consumer forum with state forum/national commission/district commission or district court.

Suggestions for teachers

- Stress upon the kind of forces and its impact/influence on Macro and Micro environment.
- Tell students that objectives, importance and features are different.
- Clearly explain legal formalities involved in intercorporate deposits as well as the rate of interest.
- Bring out the conceptual clarity in various definitions of management.
- Stress upon the relationship between authority and responsibility.
- Clearly explain the principle of authority and responsibility with suitable examples.
- Explain similar sounding words like Bank draft and bank overdraft.
- Define features of every element of promotion.
- Ask students to write basis of difference with proper explanation relating to the points of difference.
- Explain the basis of classification relating to the marketing functions
- Practice application based questions so that analytical skill of students may be developed.
- Undertake a few case studies for developing application skills.

MARKING SCHEME

Question 1

(i)	<p>Macro environment consists of those external forces which have homogeneous / identical effect on the working of business organisations across business sectors. OR</p> <p>Macro environment refers to the general environment or remote environment within which a business firm and forces in its Macro environment operate.</p> <p>OR</p> <p>Macro environment refers to the major external and uncontrollable factors that influence an organization's decision making and affects its performance and strategies. These factors include the Economic, demographic, legal, political, social and technological changes and natural forces.</p>
(ii)	<p>Importance of finance to a business concern:</p> <ul style="list-style-type: none">• Establishing an enterprise• Purchase of fixed and current assets• Expansion/growth/modernisation/renovation of business.• Meeting its liabilities in time/ (creditors, accounts payable, etc.)• To carry on the business smoothly and without any interruptions.• To face recessions, trade cycles and other crisis.• To take advantage of business opportunities• To meet preliminary expenses• To maintain working capital at a desirable level.• To replace obsolete assets/machinery, etc./any fixed assets• Helps in meeting requirements of contingent liabilities.• For timely payment of dividend <p style="text-align: right;"><i>(any two)</i></p>
(iii)	<p>Merits of I.C.D:</p> <ul style="list-style-type: none">• Very convenient/ minimum formalities/ less legal formalities are involved.• Rate of interest is generally lower (than that charged by banks).• Deposits are made through personal contacts and brokers.• Unsecured/not mortgaged/no change on assets/ no fixed or floating charge• Identity of the borrower is not disclosed./There exists secret in the market of inter corporate deposits• The rate of interest varies, depending on the amount involved and the time period.• These deposits help corporate's in solving their short-term requirements of funds/ working capital <p style="text-align: right;"><i>(any two)</i></p>
(iv)	<p><i>Management</i> as a process:</p> <ul style="list-style-type: none">• Management is what Management does. It is the task of planning, executing and controlling to achieve the common goals. OR

	<ul style="list-style-type: none"> • Management is defined as a process by which a cooperative group directs action towards common goals. OR • Management is the process of releasing and directing human energy towards attaining a definite goal. 																
(v)	<p>Principle of <i>authority and responsibility</i>, as laid down by Henry Fayol: Authority is the right to get work done from others. Responsibility is the obligation to perform the assigned task. Authority is the right to make decisions and get these implemented by the subordinates. Responsibility is the duty of a person to complete an assigned work. Anyone who exercises authority must accept responsibility for his work. Similarly, one who is held responsible should be given the necessary authority. Authority and responsibility go hand in hand. There should be parity between authority and responsibility.</p>																
(vi)	<p><i>Demand Draft:</i> A bank draft or demand draft is a type of cheque drawn by a bank either on its own branch or another bank in favour of a third party. It is payable to the person named in it or to his order. It is always payable on demand and therefore also known as demand draft. OR Demand Draft, also known as Bank Draft, is a payment instrument which is drawn by a bank's branch instructing another branch to pay the specified amount to the entity named in the demand draft. A Demand draft is a negotiable instrument similar to a bill of exchange. A bank issues a demand draft to a client(drawer) directing another bank(drawee) or one of its own branches to pay a certain sum of money to the specified party(payee)</p>																
(vii)	<p>Features of <i>advertising</i>, in relation to marketing: Paid form, Non Personal, Identified sponsor, Mass Communication. Wide variety of media, forms of media. (any two)</p>																
(viii)	<p>Points of differences between <i>training</i> and <i>development</i>:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Basis of difference</th> <th style="text-align: center;">Training</th> <th style="text-align: center;">Development</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Duration</td> <td>It is important for a fixed period /short term.</td> <td>It's a continuing process / long term / career bound.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Level of persons involved</td> <td>Important at lower level for employees and junior managers.</td> <td>The level of development is higher and concerns senior managers.</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Scope of learning</td> <td>It is a part of development and limited in scope. OR</td> <td>It is a wider term and includes education, learning and training OR</td> </tr> </tbody> </table>		Basis of difference	Training	Development	1	Duration	It is important for a fixed period /short term.	It's a continuing process / long term / career bound.	2	Level of persons involved	Important at lower level for employees and junior managers.	The level of development is higher and concerns senior managers.	3	Scope of learning	It is a part of development and limited in scope. OR	It is a wider term and includes education, learning and training OR
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3	Scope of learning	It is a part of development and limited in scope. OR	It is a wider term and includes education, learning and training OR														

		On Developing skills already possessed by workers.	On developing hidden qualities and talent of personnel.
4	Aim/purpose	To make workers proficient in their work.	To prepare employees for handling more challenging jobs.
5	Meaning	An activity to increase understanding, skill and attitude to perform better.	Growth of employees at every level of management by planned and organised process.
6	Depth of knowledge	Deep / teaching mainly technical skills.	Not deep; only facilitates growth / teaching human skills.
7.	Initiative in learning	From the employer On the job techniques	From the employee Off the job techniques

(any two)

(ix) Physical functions of marketing:

- *Transportation*
- *Warehousing / storage*

(x) District Forum / Consumer Court/ Consumer forum

PART II (60 Marks)

Answer any five questions.

Question 2

- (a) Explain *three* disadvantages of Preference shares from the investors' point of view. [3]
- (b) *Effectiveness of leadership depends on the qualities of the Leader.* Explain any four qualities that a good leader should possess. [4]
- (c) Explain the importance of Business Environment in shaping the future of a business. [5]

Comments of Examiners

- (a) Many candidates wrote the demerits of preference shares from the company's point of view. The word 'dividend' was substituted with the word 'interest'. Some of the candidates gave inadequate explanations which shows lack of in-depth knowledge of the topic. A number of candidates wrote that preference shareholders do not have voting rights which is not correct.
- (b) A large number of candidates stated overlapping attributes synonymous to the character of a leader rather than the various qualities of a leader.
- (c) Several candidates wrote correct headings but the explanation under the headings was either incorrect or did not relate to the header. In some cases, the headings were expanded as a way of explanation.

Suggestions for teachers

- Updated knowledge regarding the company's amendment Act 2013 is a must.
- Ask students to read and understand the questions before attempting.
- Give day to day live examples for better retention of the topic. The students must be prepared for every topic.

MARKING SCHEME

Question 2

- (a) Demerits of Preference shares, from the investors' point of view:
- Fear of being shown the door: When the company has surplus funds, it can redeem and pay back.
 - No capital appreciation: do not get the benefit of appreciation in their investment – do not share in the prosperity of the company during the boom period.
 - No guarantee of dividends and the return rate is generally modest. Price fluctuations are greater and less saleable on stock exchanges.
 - Lower liquidity – unlike equity shares, preference shares are not traded frequently in stock exchange. Thus, they have lower liquidity.

	<ul style="list-style-type: none"> • <u>Fixed Return with Attached Risk</u>: Return on preference shares is fixed but preference shareholders bear risk which is considered more than the return involved. • No security: Return of capital is not sure due to no security on assets is provided (Any three with explanations)
(b)	<p>Qualities of a leader:</p> <ul style="list-style-type: none"> ▪ Sound physique, ▪ Good communication skills ▪ Intelligent, ▪ Emotional stability, ▪ Vision and foresight, Understanding of the field ▪ Character- Initiative, Integrity, self-confidence and will power, sense of responsibility, ▪ Social skills, decisiveness, objectivity, motivation skills <p style="text-align: right;">(any four)</p>
(c)	<p>Importance of Business Environment in shaping the future of a Business: (Finance, Marketing, Business Environment)</p> <ul style="list-style-type: none"> • First movers advantage • Early warning signals • Customer focus • Strategy formulation • Coping with change • Public image • Continuous learning • Better performance <p style="text-align: right;">(any five)</p>

Question 3

- (a) Give *three* differences between *advertising* and *personal selling*. [3]
- (b) Explain *any four* features of a budget. [4]
- (c) You are the finance manager of a newly established company. The Directors have asked you to determine the amount of fixed capital requirement for the company. Explain *any five* factors that you will consider while determining the fixed capital requirement for the company. [5]

Comments of Examiners

- (a) Many candidates gave differences in paragraph form and in some cases, the sequence of differences did not match. In many cases where the basis of difference was not given, only one word answers were given which did not convey any meaning for e.g. 'Wide' and 'Narrow' – this does not convey any meaning.
- (b) Very few candidates answered this question correctly. A large number of candidates wrote about benefits or advantages of a budget instead of the features. In many cases, the features overlapped and were repetitive in nature.
- (c) Several candidates wrote about factors affecting the working capital or factors affecting capital structure instead of factors affecting fixed capital. In some cases, the explanation did not correlate with the heading.

Suggestions for teachers

- Inculcate the habit of writing the basis of differences as it helps in avoiding the repetition.
- Train the mind-set of the students to derive features from the definition of the terms like budget.
- Case studies help in better retention.
- Use flow chart for teaching the various factors affecting capital.

MARKING SCHEME

Question 3

- (a) Differences between *advertising* and *personal selling*:

	Basis of Difference	Advertisement	Personal Selling
1.	Communication	Non personal	Personal
2.	Media used	Diverse media – oral as well as written	Limited Media – Verbal
3.	Message	Same message for all	Tailored message
4.	Coverage	Mass communication	Individual or Group
5.	Flexibility	Low	High
6.	Cost	Low	High
7.	Feedback	Delayed	Immediate
8.	Objective	Introducing new products	Achieving sales by satisfying customers
9.	Payment	Paid but independent media	Paid media controlled by sellers
10	Suitability	In initial stages	At a later stage.
<i>(any three)</i>			

- (b) Features:

- It is expressed in quantitative or monetary terms/Expressed in financial terms
- It is prepared for a fixed period of time. (It is prepared before the period in which it commences.)

	<ul style="list-style-type: none"> • Practical to implement. • It spells out the objects and the policies to be pursued in order to achieve the objective of the organization./ It is blueprint • Flexible enough to allow changes in the changing environment. • Analysis of cost and revenue. • Prepared on the basis of established standards of performance. • Instrument of both planning and control. • It is related to a definite future period/ forward looking/ it is prepared before the period in which it commences • Shows the planned income to be generated. • It is a part of forecast (financial) (<i>any four</i>)
(c)	<p>Fixed Capital requirement of a Company:</p> <ul style="list-style-type: none"> • Nature of business • Size of business/ scale of operation • Nature of Products • Method of Production/Types of manufacturing process • Diversity of Product Lines/scope of activities • Mode of acquiring fixed assets • Intangible Assets (<i>any five</i>)

Question 4

- (a) Give *three* points in support of the statement, “Organising is an important function of management.” [3]
- (b) What is *social environment*? Enumerate *any three* components of social environment. [4]
- (c) Briefly discuss *any five* features of principles of management. [5]

Comments of Examiners

- (a) In many answers, the points related to the importance of organizing were mixed up with the importance of planning/management/ marketing.
- (b) Many candidates did not mention the effect of social environment on business. Some candidates missed out on the forces within which the business operates. A number of candidates were not clear about the meaning of the term.
- (c) Most of the candidates wrote about ‘principles of management’ or ‘features of management’ rather than the ‘features of principles of management’. Several candidates gave brief or vague explanations.

Suggestions for teachers

- Give relevant explanations for teaching importance of organizing.
- For better retention of topics classroom teaching should be coupled with live examples.
- Stress upon the key terms for conceptual clarity.
- Clear demarcation of points will help in avoiding repetition of points.
- Improve performance through frequent feedback and tests.

MARKING SCHEME

Question 4

(a)	<p>Importance of organisation:</p> <p>Specialization, optimum use of human resources, coordination and cooperation security and support.</p> <ul style="list-style-type: none"> • Growth and diversification • Adaptation to change • Training and development of personnel • Aid to management • Effective administration • Clarity in working relationship • Optimum utilization of resources. <p><i>(The answer must have implications of both management as a process and as an activity.)</i></p>
(b)	<p>Social environment: The social environment consists of all the social and cultural forces within which business firms operate.</p> <p>Components of social environment:</p> <ul style="list-style-type: none"> • Social attitudes, customs, traditions rituals, culture, lifestyle, etc. • Size and distribution of population, age compositions, male female ratio, rural urban mobility, income distribution, etc. • Family structure and values. • Social concerns regarding pollution, corruption, status of women and minorities. • Education levels, awareness of rights and work ethics.
(c)	<p>Features of management principles:</p> <ul style="list-style-type: none"> ▪ Universality ▪ Dynamic or Flexible ▪ Influencing Human Behaviour

- Contingent
- Cause and effect relationship
- Equal importance
- General guidelines
- Formed by practice and experimentation

(any five)

Question 5

- (a) What are the objectives of *personal selling*? [3]
- (b) Explain the following: [4]
- (i) SMS alerts
- (ii) ATM
- (c) Explain *any five* points of importance of *controlling*, as a function of management. [5]

Comments of Examiners

- (a) Many candidates wrote the features instead of the objectives of personal selling. Several candidates mixed up the objectives of advertising/ sales promotion and publicity with the objectives of personal selling. A number of candidates deviated from the topic by writing general points like, what the salesman should deliver.
- (b) Most of the candidates answered this part satisfactorily. Some candidates gave an explanation about SMS relating to friends and relatives instead of the bank. A number of candidates wrote ‘Automated teller machine’ as ‘Automatic teller machine’.
- (c) Majority of the candidates gave detailed explanation of importance of management or steps of controlling.

Suggestions for teachers

- Accentuate on the fact that the question to be answered must be understood and then attempted by the students.
- Clearly explain different marketing techniques and different elements of promotion.
- Explain the full form of the abbreviation.
- Discuss the course content and different type of question in the class.
- Advise students to visit an ATM to understand the concept of ATM more clearly.
- Take up importance/objective/steps of every function of management.

MARKING SCHEME

Question 5

(a)	<p>Objectives of personal selling:</p> <ul style="list-style-type: none">• To convert the interest and desire created by advertising into demand.• To increase sales/turnover/revenue• To introduce new products through demonstration and explanation• To redress grievances and objections of customers• To persuade dealers to carry the brand• To persuade consumers to switch over from rival brands• To collect feedback from consumers• To do the complete job of selling <p style="text-align: right;"><i>(any three)</i></p>
(b)	<p>(i) SMS Alert: Under this service, a customer gives his / her mobile phone number to his bank which is recorded in the computer system in the customer's account. Whenever, there is a transaction (debit or credit) there is automatically an SMS on the customer's mobile phone. The SMS states the nature and amount of transaction, date of transactions and the balance in the account on that date. Thus, the customer receives all the information of his account without visiting the bank. It is a form of mobile banking.</p> <p>(ii) ATM: A cash machine also known as Automated Teller Machine is an electronic telecommunication device that enables the customer of a financial institution / bank to perform financial transactions, particularly, cash withdrawal without the need for human cashier, clerk or bank teller. Using ATM, customers can access their bank deposits or credit accounts in order to make a variety of transactions. For operating the ATM, the customer has to insert his card in the machine or swipe it with the designated space of the machine. After this, the machine asks the customer for ATM Pin. By filling the details of the transaction, the ATM works. The customer can operate from anywhere in the country and need not visit his / her bank.</p>
(c)	<p>Points of importance of <i>controlling</i>:</p> <ul style="list-style-type: none">• Achievement of organizational goals – It is through controlling that managers ensure the execution of plans and the accomplishment of goals. Control keeps constant watch over performance so that mistakes are detected and corrected promptly.• Optimum utilization of resources – Controlling is essential for securing the best possible use of human, physical and financial resources. A good system of control helps to prevent misuse and wastage of resources.• Decentralization of authority – With the help of feedback information, managers can ensure that decisions taken at lower levels are consistent with the policies and interests of the organization. An effective system of control facilitates delegation of authority.

- Means of coordination – Controlling facilitates coordination between different departments by laying down standards of performance. All activities and efforts are directed towards the accomplishment of common objectives.
- Better employee morale – Employees know well in advance what they are expected to do and the standard against which their performance will be judged. Therefore, they are not likely to be careless or negligent.
- Simplified supervision – Timely reports help supervisors in identifying gaps between performance and standards. As a result, supervisors can take appropriate actions to rectify deficiencies.
- Better planning – Controlling reveals deficiencies in plans. It reveals whether the standards are accurate and objective.
- Coping with change and complexity – Control system helps managers to anticipate, monitor and respond to changing conditions. The environment in which business organizations operate keeps on changing. (any five)

Question 6

- (a) Distinguish between *marketing* and *selling*. [3]
- (b) Explain *any four* objectives of *communication*. [4]
- (c) Explain the first *five* steps involved in selecting suitable work force in an organisation. [5]

Comments of Examiners

- (a) Many candidates gave the modern and the traditional concept of marketing by way of explanation. In the absence of basis of difference, the points of difference did not correlate with each other and many points were repeated or written under the wrong heading.
- (b) In most of the cases, instead of objectives of communication either the features of communication were explained or the points between objectives of communication, steps of communication and importance of communication were mixed up. Several candidates gave inappropriate explanations which did not correlate with the headings. In many cases there was no relation between the heading and the explanation.
- (c) Majority of the candidates wrote steps of staffing or steps of recruitment instead of steps of selection. Several candidates gave a wrong sequence of steps. A number of candidates wrote about sources of recruitment.

Suggestions for teachers

- Discourage selective studies.
- Encourage students to derive features and importance of each term.
- Conduct regular tests and discuss case studies along with live examples.
- Stress upon the correct sequence of the steps.
- Explain clearly the difference between the steps of recruitment, steps of staffing or steps of selection.

MARKING SCHEME

Question 6

(a) Marketing and selling:

Basis of Distinction		Marketing	Selling
1	Scope	Wide	Narrow
2	Focus	Needs of buyer	Needs for seller
3	Object	Profit through customer satisfaction	Profit through sales volume.
4	Orientation	Customer oriented	Product oriented
5	Beginning	Begins before production	Begins after production
6	End	Continuous after sale to judge customer's reaction	Ends with sale.
7	Perspective	Long term	Short term
8	Approach	Systematic	Fragmented.
9	Slogan	Let the Buyer Beware	Let the Seller Beware

(any three)

(b) Objectives of communication:

- To educate and train people
- To motivate employees
- To implement decisions quickly
- To facilitate leadership
- To carry out change
- To create team-work
- To secure feed back
- To promote managerial efficiency
- Sharing of ideas
- Giving orders and instructions
- Submission of work performance
- Sharing of information.

(any four)

(c) First five Steps involved in selecting suitable work force in an organisation:

- Screening of applications: This is the preliminary screening of the suitability of the applicants.
- Selection test: if the organization has a policy to conduct selection test, all the eligible candidates are called for the test. There are various types of selection tests which are used in the selection process: intelligence test, personality test, aptitude test, interest test and trade test.
- Selection interview: Selection interview, also known as employment interview, is a formal, in depth conversation conducted to evaluate the acceptability of the candidates.

- Checking references: Many organizations insist that candidates provide them complete contact details of references from whom information provided by a candidate could be verified and additional information about the candidate could be sought. Checking references is done at this stage.
- Physical examination: Organizations which follow the practice of physical examination, also known as medical examination, conduct the test at this stage. Sometimes, physical examination is conducted after the selected candidates join the organization. (*in sequence*)

OR

1. Preliminary Screening
2. Application Blank
3. Employment on Selection Tests
4. Employment Interview
5. Medical Examination

Question 7

- (a) Explain Buying and Assembling, as function of marketing. [3]
- (b) What is meant by R.T.G.S? Give *any two* features of R.T.G.S. [4]
- (c) *Management is the dynamic, life giving element in every business.* In the context of this statement, explain the importance of management in modern times. [5]

Comments of Examiners

- (a) A number of candidates had no clarity regarding the meaning of ‘assembling’. The terms buying and assembling were integrated with each other instead of each term being explained separately.
- (b) In most of the answers, certain essential key terms /unique features like, transfer of funds from one bank, continuously, real time, gross settlement, not in batches were missing. Some candidates expanded the abbreviation without giving any explanation while several others were confused between the terms maximum or minimum amount of funds to be transferred.
- (c) Most of the candidates wrote objectives of management instead of the importance of management. In some cases, the header was expanded or only one sentence given as an explanation. Repetition of points was also observed.

Suggestions for teachers

- Teach buying and assembling in the context of marketing.
- Stress upon the fact that a short note should include meaning, objective features, advantages and disadvantages.
- Explain clearly the unique feature which differentiate RTGS from NEFT.
- Give practice in writing answers. Clarity in thought regarding features/importance/advantages in order to formulate an appropriate answer is a must.

MARKING SCHEME

Question 7

- (a) **Buying and Assembling:**
Buying is the first step in the process of marketing. Buying means the procurement of raw materials, components and finished products. Buying involves several activities such as determination of needs, selecting the source of supply, ascertaining the suitability of goods, negotiating the terms of purchase and arranging for the transfer of ownership. Goods may be purchased through various modes.
1. Purchased through inspection
 2. Purchase by description
 3. Purchase by sample
 4. Purchase by grade
- Assembling involves collection of goods already purchased from different sources at one common place. Assembling offers the following advantages:
- It reduces the cost of transportation
 - It permits large scale selling
 - It facilitates financing
 - It facilitates standardization and grading.
 - It widens the market.
- (b) **R.T.G.S:**
Real Time Gross Settlements systems are specialist funds transfer systems where the transfer of money or securities takes place from one branch to another on a real time and on a gross.
Features:
- Transactions are processed continuously throughout the RTGS business hours.
 - It is mostly for large transactions.
 - The minimum amount that can be remitted through it is ₹ 2 lakhs.
 - R.T.G.S. does not have an upper ceiling for transaction.
 - R.T.G.S. law and transaction are free but charges are applicable on outward transactions.
 - It is available at only CBS enabled bank/branches *(any two features)*
- (c) **Importance of management in modern times:**
- Achievement of group goals
 - Optimum utilisation of resources
 - Minimisation of cost
 - Survival and growth of business
 - Generation of employment
 - Higher standard of living
 - National development *[brief description of any four points]*

Question 8

- (a) Give *three* points of difference between Taylor's and Fayol's Principles of Management. [3]
- (b) Explain *four* advantages of raising funds from commercial banks. [4]
- (c) Discuss *any five* points of importance of *marketing*. [5]

Comments of Examiners

- (a) Most of the candidates attempted this part correctly. A number of candidates wrote the principles of Fayol and Taylor instead of differentiating between the two.
- (b) A large number of candidates did not give a proper explanation of this part. Some of the candidates gave types of credit or functions of the bank while others gave advantages of borrowing funds without relating it to the bank.
- (c) Instead of importance of marketing the objectives of marketing, features of marketing or advantages of marketing were given by many candidates. Most of the candidates were not able to give a proper explanation as to how marketing is the foundation of the business and how it helps in decision making.

Suggestions for teachers

- Explain in detail the modern and scientific concepts.
- Emphasise that in absence of the basis of difference, one word answers are not acceptable as they do not convey any meaning.
- Stress upon the fact that borrowing funds from commercial banks and from financial institutions is different.
- Explain meaning with relation to the bank.
- Ensure that students underline the keywords /terms essential to bring out conceptual clarity in the topic.

MARKING SCHEME

Question 8

- (a) Points of difference between Taylor and Fayol:

Basis of difference	F. W Taylor	Henry Fayol
Perspective	Shop floor or operative level	Top Level of management
Worked on	Scientific Management	General theory of administration – father of Modern management
Focus	Increasing productivity of workers	Improving overall efficiency of administration
Techniques used	Scientific observation and measurement	General principles of management
Personality	Scientist	Practitioner

(any three differences)

(b)	<p>Advantages of raising funds from commercial banks:</p> <ul style="list-style-type: none"> • Economical: short term loans from commercial banks are generally cheaper as compared to other short-term financing. This results in reduced interest burden on the borrowers. • Timely availability of funds: often, procedural formalities in case of loans from commercial banks are much less than those of financial institutions. Therefore, borrowers get the fund on time. • Provision for concessional financing: Commercial banks advance loans to certain sections of the society and priority sectors on concessional rate of interest as per the directives of the Reserve Bank of India. • Easy repayment Mechanism: There is easy repayment mechanism of commercial bank loans depending on the mode of giving advances. Thus, in the case of bank overdraft, the amount deposited by the borrower is adjusted automatically to reduce the amount of overdraft, in case of bill discounting, money is collected from acceptor of the instrument; in case of loans, there are easy modes of instalments. • No interference in management: Commercial banks do not interfere in the management of borrowing organizations. • High flexibility: There is high flexibility in funds from commercial loans as these are available in different modes and a business organization may choose a mode which suits it the most. <p style="text-align: right;"><i>(any four)</i></p>
(c)	<p>Points of importance of <i>marketing</i>:</p> <ul style="list-style-type: none"> ▪ Foundation of business ▪ Source of revenue ▪ Satisfaction of customer needs ▪ Higher standard of living ▪ Gainful employment ▪ Development of nation ▪ Basis for decision making <p style="text-align: right;"><i>(any five)</i></p>

Question 9

Write short notes on:

- (a) Publicity. [4]
- (b) Secured Debentures. [4]
- (c) Programme, as a type of plan. [4]

Comments of Examiners

- (a) Most of the candidates wrote a short note without including objectives, features and disadvantages. Feature of advertising like 'paid form' was given by some candidates instead of 'non-paid form'. Several candidates confused advertising with publicity.
- (b) In most of the answers, candidates explained meaning and types of debentures without giving the objectives, advantages, features or disadvantages.
- (c) A large number of candidates covered meaning of programme leaving out other additional information.

Suggestions for teachers

- Explain to students that a short note should include advantages, disadvantages meaning and objectives.
- Use group discussions and case studies for better retention of the topic.
- Teach various types of plans in detail.

MARKING SCHEME

Question 9

- (a) **Publicity** is any form of non-paid, commercially significant news or editorial comment about ideas, products or institutions.
- Features:**
- It is not directly paid for by the organization
 - It covers favourable news about the organization
 - It is done by the newspapers, magazines, radio, television, internet and other forms of mass media.
 - Publicity is outside the direct control of the organization.
 - Publicity can be negative also.
- Objectives:**
- To inform people about someone/ inform people about something.
 - To highlight an organization's contribution to society
 - To draw public attention
 - To warn people about undesirable activities or goods.

(b)	<p>Secured Debentures:</p> <p>Secured debentures have a charge on the assets of the company, the charge may be specific/fixed or floating. In ease of liquidation of the company, the case of their disposal, the debenture holders will have to be paid from the proceeds of the assets disposed.</p> <p>Objective: To raise long term loans</p> <p>Advantage: Security/No risk</p> <p>Disadvantage: Reduces credit standing/goodwill Fixed burden</p>
(c)	<p>Programme:</p> <p>A programme is a comprehensive plan designed to implement the policies and accomplish the objectives. It is a concrete or well defined scheme designed to accomplish a specific objective. It also indicates who should do what and how. Programmes may be of two types – major and minor. A sound programme should be stable enough to meet internal demand and to instil confidence. At the same time it should be flexible enough to take care of external changes.</p>

GENERAL COMMENTS

Topics found difficult by candidates

- Question 1(i): What is meant by Macro Environment?
- Question 1 (iii): Merits of ICD deposits.
- Question 1 (iv) : Define management as a process.
- Question 1 (v) : Explain the principle of Authority and responsibility as laid down by Henry Fayol.
- Question 2(a): Disadvantages of preference shares from the investor's point of view.
- Question 3 (b): Explain any four features of a budget.
- Question 6 (b): Explain any four objectives of communication.
- Question 6 (c): Steps involved in selecting suitable work force in an organization.
- Question 7 (a): Explain buying and assembling as function of marketing.
- Question 7 (b): What is meant by RTGS? Give any two features of RTGS.
- Question 8 (a): Give three points of differences between Taylor's and Fayol's principles of management.
- Question 8 (b): Advantages of raising loans from commercial bank.
- Question 9 (b): Short notes on secured debentures.
- Question 9 (c): Short note on programme.

Concepts in which candidates got confused

- Principle of authority and responsibility
- Bank draft and bank overdraft
- Physical functions of marketing and Exchange functions of marketing
- Features of principles of management and principles of management
- Steps involved in selecting suitable work force in an organization with steps of staffing or steps in recruitment
- RTGS was confused with NEFT
- Programme was confused with policies



**Suggestions
for
candidates**

- Develop better understanding of each term.
- Study provisions of the Amended Company's act 2013.
- Avoid selective study and rote learning
- Understand the essential key terms required to bring out clarity in the answer.
- Concentration in the classroom is extremely essential.
- Analyse each question carefully before answering it
- Divide your time logically among different questions.
- Ensure quality not quantity in your answers
- Make short notes incorporating the essential key terms necessary to bring out clarity in the explanation
- Practice writing out long answers.
- For each topic prepare meaning, objective, features, merits and demerits.
- Solve indirect and case study based questions.