

Analysis of Pupil Performance

ISC Year 2018
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) of the Research Development and Consultancy Division (RDCD) of the Council and her team, 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.

October 2018

**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 documents include 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 2018 have a 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 2018 Examinations, but also provide information on 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 teachers 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 2018 covers the following subjects: English (English Language, Literature in English), Hindi, History, Civics and Geography (History and Civics, Geography), Mathematics, Science (Physics, Chemistry, Biology), Commercial Studies, Economics, Computer Applications, Economic Applications, Commercial Applications.

Subjects covered in the ISC Analysis of Pupil Performance document for the Year 2018 include English (English Language and Literature in English), Hindi, Elective English, Physics (Theory), Chemistry (Theory), Biology (Theory), 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. M.K. Gandhi, Dr. Manika Sharma, Mrs. Roshni George and Mrs. Mansi Guleria who have done a commendable job in preparing this document.

October 2018

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 2018 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.

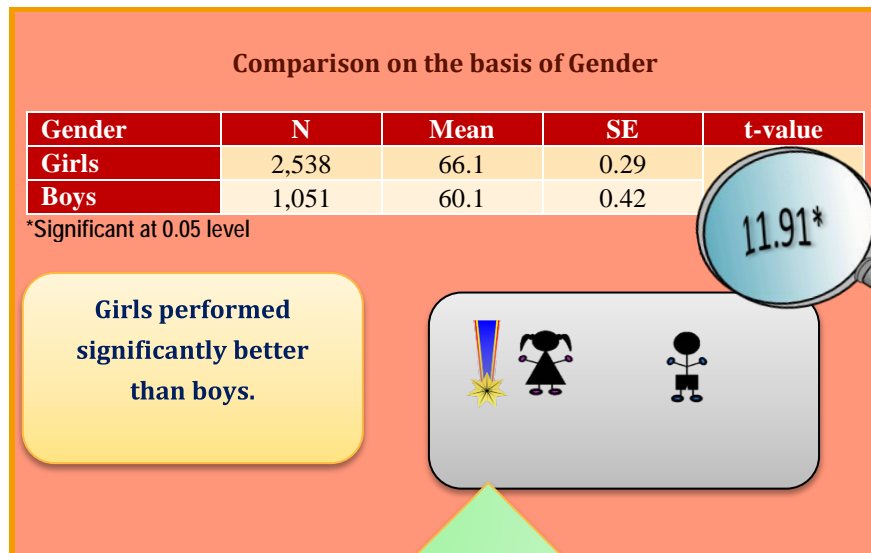
Understanding the tables

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 2018 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.



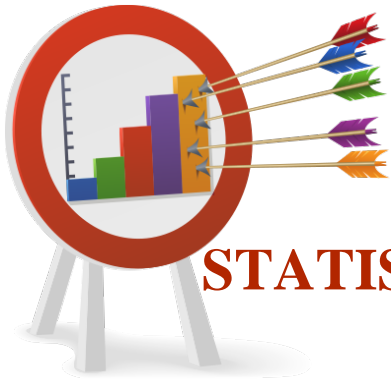
The table shows comparison between the performances of boys and girls in a particular subject. The t-value of 11.91 is significant at 0.05 level (mentioned below the table) with a mean of girls as 66.1 and that of boys as 60.1. It means that there is significant difference between the performance of 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.

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.

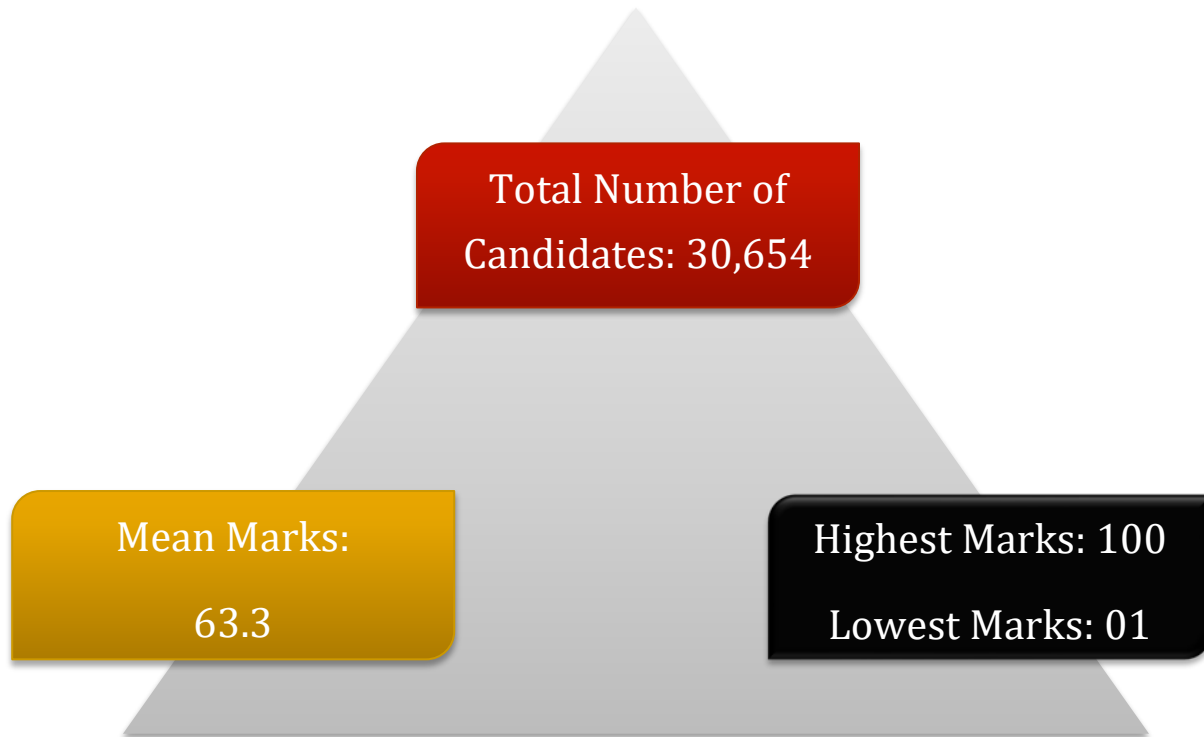
Qualitative Analysis

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

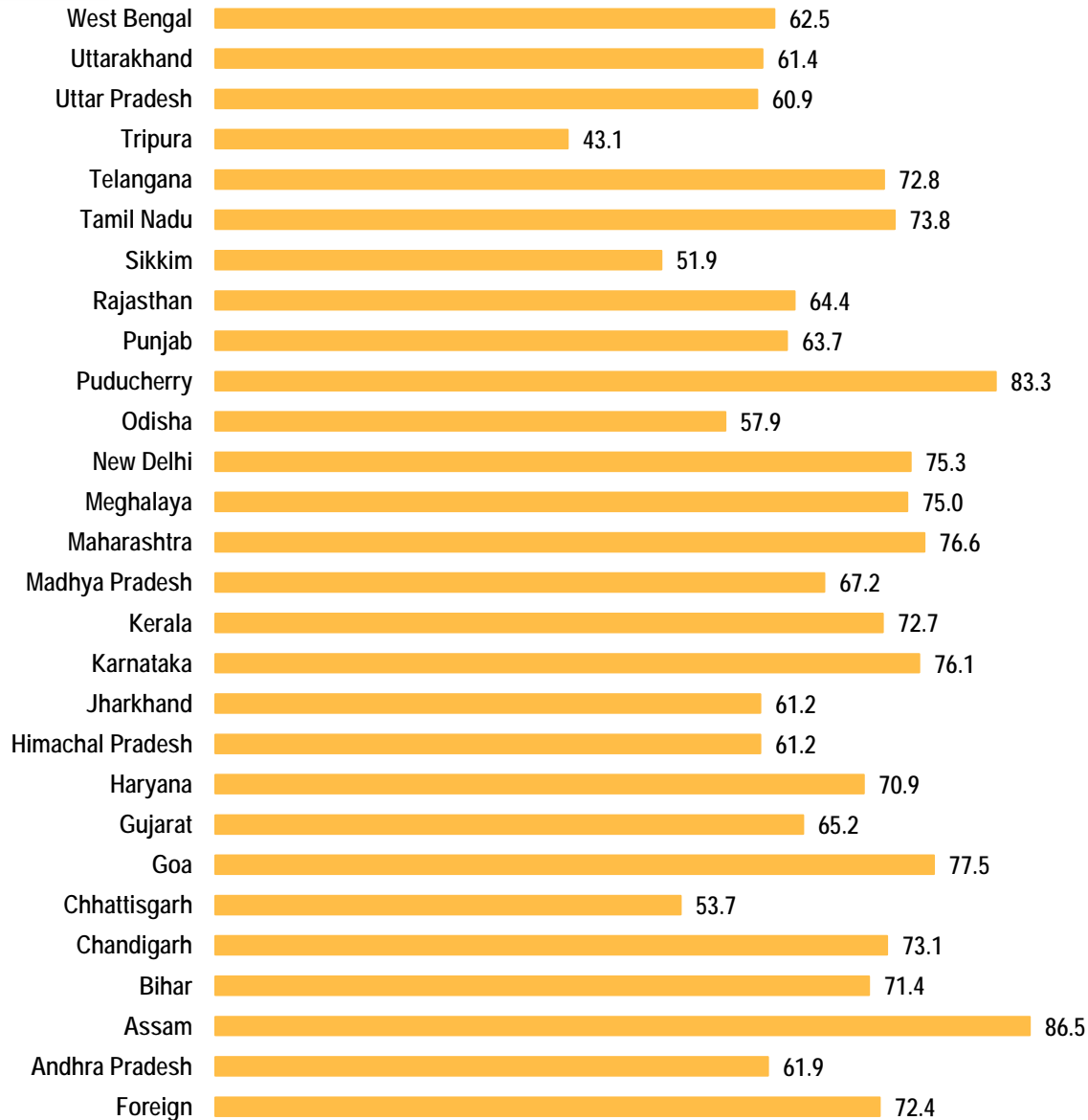


STATISTICS AT A GLANCE

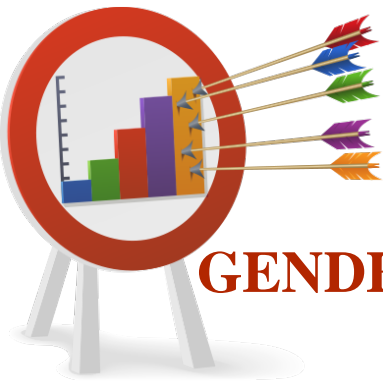




PERFORMANCE (STATE-WISE & FOREIGN)



The States/ UTs of Assam, Puducherry and Goa secured highest mean marks. Mean marks secured by candidates studying in schools abroad were 72.4.



GENDER-WISE COMPARISON



GIRLS

Mean Marks: 66.4

Number of
Candidates: 14,972



BOYS

Mean Marks: 60.4

Number of
Candidates: 15,682

Comparison on the basis of Gender

| Gender | N | Mean | SE | t-value |
|--------|--------|------|------|---------|
| Girls | 14,972 | 66.4 | 0.16 | 26.88* |
| Boys | 15,682 | 60.4 | 0.16 | |

*Significant at 0.05 level

**Girls performed
significantly better than
boys.**

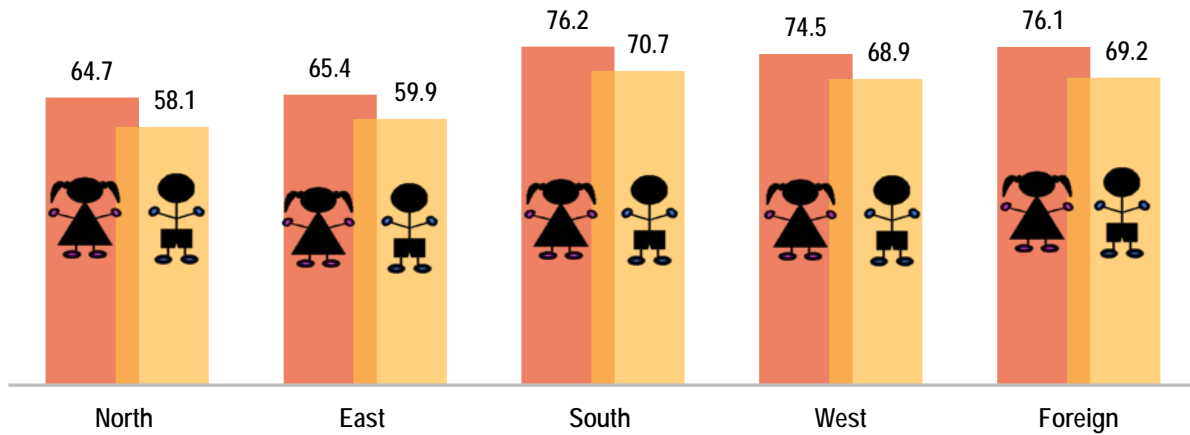




REGION-WISE COMPARISON



Mean Marks obtained by Boys and Girls-Region wise



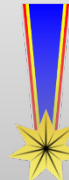
Comparison on the basis of Gender within Region

| Region | Gender | N | Mean | SE | t-value |
|-------------|--------|-------|------|------|---------|
| North (N) | Girls | 7,158 | 64.7 | 0.22 | 20.22* |
| | Boys | 6,707 | 58.1 | 0.23 | |
| East (E) | Girls | 5,841 | 65.4 | 0.25 | 15.89* |
| | Boys | 7,007 | 59.9 | 0.24 | |
| South (S) | Girls | 1,043 | 76.2 | 0.52 | 6.90* |
| | Boys | 946 | 70.7 | 0.59 | |
| West (W) | Girls | 877 | 74.5 | 0.64 | 6.31* |
| | Boys | 961 | 68.9 | 0.63 | |
| Foreign (F) | Girls | 53 | 76.1 | 2.45 | 1.97* |
| | Boys | 61 | 69.2 | 2.48 | |

*Significant at 0.05 level

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

REGION (N, E, S, W, F)



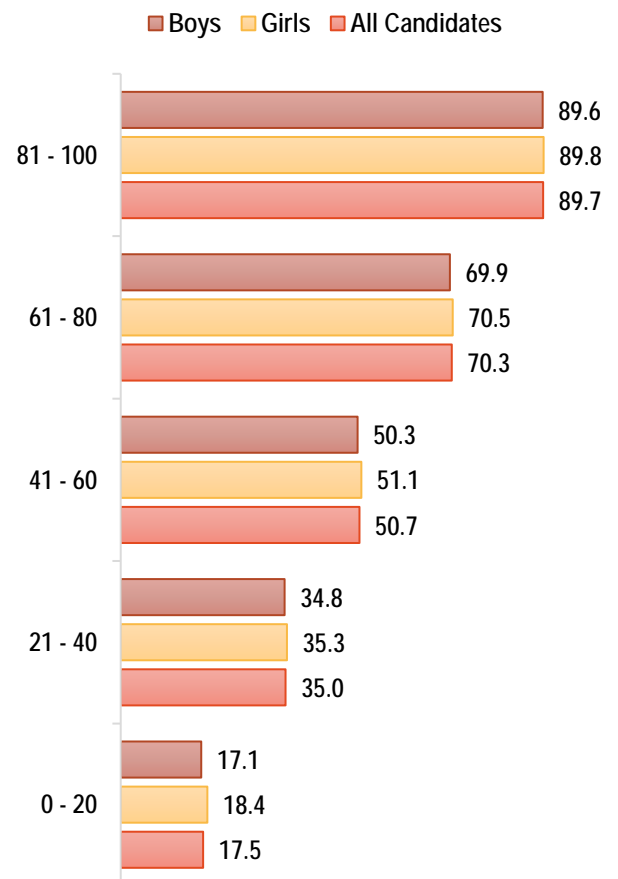


MARK RANGES : COMPARISON GENDER-WISE

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 | 4,211 | 89.8 | 0.09 | 1.63 |
| | Boys | 3,132 | 89.6 | 0.10 | |
| Bottom Range (0-20) | Girls | 24 | 18.4 | 0.47 | 1.79 |
| | Boys | 57 | 17.1 | 0.58 | |

No significant difference was found in the performance of girls and boys in the marks range of (81-100) and (0-20).



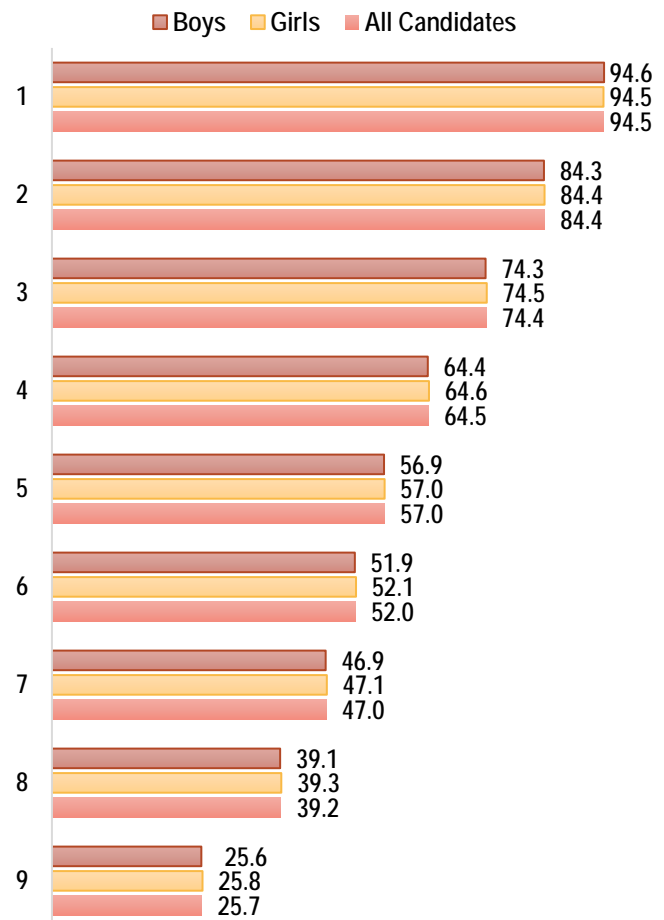


GRADES AWARDED : COMPARISON GENDER-WISE

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

| Grades | Gender | N | Mean | SE | t-value |
|---------|--------|-------|------|------|---------|
| Grade 1 | Girls | 2,148 | 94.5 | 0.07 | -0.67 |
| | Boys | 1,528 | 94.6 | 0.08 | |
| Grade 9 | Girls | 385 | 25.8 | 0.15 | 1.29 |
| | Boys | 801 | 25.6 | 0.12 | |

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) Name the *two* dimensions of *business environment*.
- (ii) What is meant by *factoring*?
- (iii) What is a *debit card*?
- (iv) Why is management considered to be a discipline?
- (v) Explain *any two* sources of external recruitment used in today's world.
- (vi) Name the *four* elements of *directing*, as a function of management.
- (vii) Distinguish between *advertisement* and *publicity*.
- (viii) Mention *two* types of markets, on the basis of the position of buyers and sellers.
- (ix) The producer of 'Lime Fresh' tea introduces 'Buy one Get one' scheme on all the products of 'Lime Fresh'. Identify the promotional strategy used by the producer. State *any one* objective that could be met by this strategy.
- (x) Expand the following terms:
 - (a) RTGS
 - (b) NEFT

Comments of Examiners

- (i) Some candidates substituted the word Environment with Economic. A number of candidates wrote Internal and External environment / Dynamic and Relative environment / benefits of Micro and Macro environment instead of just naming the two dimensions of business environment – Micro and Macro.
- (ii) Many candidates misinterpreted ‘*factoring*’ as ‘factory’ and hence wrote about factors of production needed to process the raw material into finished goods. The terms Fixed Assets and Current Assets were substituted for Accounts Receivable by some candidates.
- (iii) Most of the candidates got confused between the meaning of debit card, credit card, smart card and an ATM card. Those who did write on the debit card missed out on important keywords/phrases such as it being issued by the bank and that a person needs to have a bank account in order to avail its facility. Some candidates gave the uses of a debit card instead of its meaning.
- (iv) Majority of the candidates explained the Principle of Discipline as advocated by Henry Fayol instead of explaining it as a systematized body of knowledge, a separate subject of study having its own principles and practices of administration.
- (v) Some candidates explained the internal sources of recruitment like promotion and transfers. A few candidates mentioned the external sources while in some cases the explanation was ambiguous. In a few answers the sources mentioned were repetitive and overlapping, for example- internet and websites or print media like newspapers and magazines.
- (vi) Most of the candidates mentioned the different functions of management instead of elements of directing. Some candidates explained Fayol’s principle of unity of direction. A few candidates wrote the steps to directing or the objectives of directing. In a few answers the words ‘guide’ and ‘guidance’ were substituted in place of ‘leadership’.

Suggestions for teachers

- Draw flow charts with proper classification and guide students to use the correct terminology.
- Give adequate practice to the students to answer question as per its requirements.
- Explain similar sounding terms with adequate examples indicating to the students how these could be misinterpreted.
- Test the students frequently which will help them in retaining the subject matter.
- Through written work, give adequate practice to the students to answer questions on differences.
- Conduct a quiz in the class for popular business acronyms.
- Explain to the students that when a question begins with ‘What’, the meaning is required.
- Undertake case studies for developing application skills.
- Differentiate clearly between the meaning of discipline as advocated by Fayol and *management as a discipline*.
- Explain the internal and external sources of recruitment giving examples from real life situations.
- Clearly bring out the difference between *leadership* and *supervision*.
- Reiterate the elements of different functions of management.
- Explain the meaning of and differences between the elements of promotion mix through real life examples.

(vii) While differentiating between advertisement and publicity, a few candidates substituted the term sponsor with owners / firm / organization for advertising and the point on advertising being a paid form was substituted with it being a commercial transaction. Some candidates were confused between the meaning of publicity and salesmanship. Differences on the same parameters were found to be lacking in several cases, with the explanation of advertising being correct but the explanation of publicity not being corresponding to the one on advertising.

(viii) Majority of the candidates were unable to understand the basis of classification asked for. They wrote their answer basing the market on volume of business / nature of the transaction / geographical area. Answers of many candidates showed that they were confused about the position of wholesalers and retailers in the primary, secondary and terminal markets.

(ix) Many candidates could not identify the promotional strategy. A few candidates, who were able to identify the strategy were unable to explain its objective. Some candidates wrote the correct objective despite being unable to identify the strategy. In a few answers terms in the objective like off season, on the spot were missing.

(x) A few candidates explained the abbreviations instead of giving their full forms. Many candidates substituted the word National with the word Net / Nation while expanding NEFT. In case of RTGS the word service was substituted for the word settlement.

- Clearly explain the different types of markets by giving examples of products from daily life, which can be sold, based on the area of sale, volume of business, subject of exchange, etc.
- Do a project with the students on marketing a product, using all the promotional strategies.
- Explain, with examples, the difference between increasing sales and spot sales.

| MARKING SCHEME | |
|-----------------------|---|
| Question 1 | |
| (i) | The two main dimensions of business environment are Micro and Macro. |
| (ii) | <p>Factoring: Factoring is a way of raising short term finance through sale or mortgage of book debts/Accounts receivable/Debtors. Finance companies purchase Accounts Receivable and make up to 60% advances against accounts pledged with them. The business is relieved of the cost and effort of collecting debts and bad debts losses. The debtors of the firm make payments to it, which in turn forwards them to finance companies.</p> |
| (iii) | <p>Debit Card: A debit card is a card issued by the bank to the customer. The customer <i>can get the debit card only by depositing money in the bank</i>. The card holder can make immediate payment for the goods purchased or services availed provided, the seller has a terminal facility. On presenting the debit card the terminal automatically transfers money from the buyers account to the seller's account.</p> <p>The Debit card can be used to withdraw money from the ATM.</p> |

| | The card can be used to spend money upto the deposit made by the cardholder. No overdraft/credit facility is given to a debit card holder. (Any two points) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|---|--|--|-------|---------------|-----------|----|---------|--|--|----|--------|--|---------------------------------------|----|---------|---|--|----|---------|--|--|----|--------------------------|----------|-----------------------------|----|-------|------------------------|--------------|
| (iv) | Management is considered to be a discipline as it is a specialized branch of knowledge which involves the study of principles and practices of administration. It refers to the systematized body of knowledge and a separate field of study. It involves financial management, marketing management, etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (v) | External sources of Recruitment: <ol style="list-style-type: none"> 1. Advertisements 2. Campus recruitment 3. Casual callers 4. Employment exchange 5. Direct recruitment or gate hiring 6. Placement agencies 7. Internet recruiting 8. Job fairs 9. Recommendations of employees. 10. Personal contacts. 11. Contract basis (Any two points with brief explanation) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (vi) | Elements of Directing <ul style="list-style-type: none"> • Supervising/supervision • Leadership • Motivation/motivating • Communication/communicating | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (vii) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Basis</th> <th style="text-align: center;">Advertisement</th> <th style="text-align: center;">Publicity</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Sponsor</td> <td>The identity of the sponsor is clearly known</td> <td>The identity of the sponsor is not known</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Source</td> <td>The message originates from the advertiser</td> <td>The message originates from the media</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Payment</td> <td>The advertiser has to pay to the media owners – paid form</td> <td>The individual involved does not have to pay directly – non paid form – media sponsors</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>Control</td> <td>The sponsor has control over the content and timings</td> <td>Media has control over the content and timings</td> </tr> <tr> <td style="text-align: center;">5.</td> <td>Type of message conveyed</td> <td>Positive</td> <td>Can be positive or negative</td> </tr> <tr> <td style="text-align: center;">6.</td> <td>Focus</td> <td>On the target audience</td> <td>On awareness</td> </tr> </tbody> </table> (Any two points of difference) | | | | Basis | Advertisement | Publicity | 1. | Sponsor | The identity of the sponsor is clearly known | The identity of the sponsor is not known | 2. | Source | The message originates from the advertiser | The message originates from the media | 3. | Payment | The advertiser has to pay to the media owners – paid form | The individual involved does not have to pay directly – non paid form – media sponsors | 4. | Control | The sponsor has control over the content and timings | Media has control over the content and timings | 5. | Type of message conveyed | Positive | Can be positive or negative | 6. | Focus | On the target audience | On awareness |
| | Basis | Advertisement | Publicity | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Sponsor | The identity of the sponsor is clearly known | The identity of the sponsor is not known | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Source | The message originates from the advertiser | The message originates from the media | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Payment | The advertiser has to pay to the media owners – paid form | The individual involved does not have to pay directly – non paid form – media sponsors | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Control | The sponsor has control over the content and timings | Media has control over the content and timings | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Type of message conveyed | Positive | Can be positive or negative | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Focus | On the target audience | On awareness | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (viii) | Types of Markets on the basis of position of buyers and sellers: <ol style="list-style-type: none"> 1. Primary market 2. Secondary market 3. Terminal market (Any two) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|------|--|-----------|
| (ix) | Promotional strategy used is Sales Promotion. The objectives: <ul style="list-style-type: none"> • To inspire on the spot buying • To increase immediate sales • To clear old stocks • To supplement advertising and personal selling • To generate demand over off season | (Any one) |
| (x) | (a) RTGS – Real Time Gross Settlement (b) NEFT – National Electronic Funds Transfer | |

PART II (60 Marks)

Answer any five questions.

Question 2

- | | | |
|-----|---|-----|
| (a) | Explain <i>any three</i> barriers to Communication. | [3] |
| (b) | Explain <i>any four</i> features of Business Environment. | [4] |
| (c) | Discuss the need for the principles of management. | [5] |

Comments of Examiners

- (a) Several candidates wrote correct headings but the explanation under the headings was either inadequate or did not relate to the header. A few candidates merged two different barriers to communication, for example, semantic and language, and explained them as one barrier. In a few answers there was no clarity in status and organizational barriers. Some candidates explained the elements of communication instead of barriers to Communication.
- (b) A large number of candidates, instead of explaining the features of business environment, wrote on either its importance or its benefits, while many candidates wrote on SWOT analysis. Even amongst those who wrote the features, a few did not give the complete explanation.
- (c) Many candidates, instead of discussing the need for principles of management, wrote on either its importance or its features while a few candidates discussed the principles of management as given by Henry Fayol or FW Taylor. Some candidates explained the needs for principles of management in terms of their need for employees, workers and subordinates.

Suggestions for teachers

- Clearly bring out the distinction between features and importance of business environment.
- Emphasise that, wherever possible, explanation of the long answers must be substantiated with suitable examples.
- Train students to explain a point as per its heading.
- Guide students to read and understand the questions before attempting them.
- Ensure that the students are familiar with all the topics and sub- topics in the syllabus.
- Regularly take oral and written tests to help students in retaining the contents of the answers.
- Create mind maps and also train students to make their own mind maps for better retention.

MARKING SCHEME

Question 2

| | |
|-----|---|
| (a) | <p>Barriers to Communication:</p> <ol style="list-style-type: none">1. Physical Barrier2. Personal or Psychological Barrier3. Semantic Barrier4. Language Barrier5. Status Barrier6. Organizational Barrier7. Inattention8. Premature evaluation9. Choice of Wrong medium10. Communication overload11. Wrong Translation12. Poor Retention <p style="text-align: right;"><i>(Any three with brief explanation)</i></p> |
| (b) | <p>Features of Business Environment:</p> <ol style="list-style-type: none">1. Totality of External Forces2. General and Specific Forces3. Interrelatedness/interdependent4. Complexity5. Dynamic6. Uncertainty7. Relativity8. Multidimensional9. Diversity10. Non-controllable <p style="text-align: right;"><i>(Any four features with brief explanation)</i></p> |
| (c) | <p>Need for principles of Management:</p> <ul style="list-style-type: none">• To increase efficiency• To crystallize the true nature of management• To train managers• To improve research• To attain social goals• To clarify thinking• To spread knowledge• To evaluate managerial behaviour <p style="text-align: right;"><i>(Any five features with brief explanation)</i></p> |

Question 3

- (a) Discuss *three* advantages of *ploughing back of profit*, from the company's point of view. [3]
- (b) Explain why management is considered to be a science. [4]
- (c) What is *labelling*? Explain *four* advantages of labelling. [5]

Comments of Examiners

- (a) The explanation given by majority of the candidates was inadequate and incomplete, lacking conviction. Most of the candidates were unable to establish the fact that ploughing back of profits is a simple and convenient method of self-financing. Several candidates gave the merits of retained earnings from the investors point of view.
- (b) A number of the candidates mixed up the points of *management as a science* with management as an art and profession as well as with the principles of management given by Henry Fayol and F.W Taylor. Many candidates did not give the explanation in points but wrote them in a paragraph form without highlighting the specifics. Some candidates simply expanded the headings. Several candidates were unable to give an appropriate explanation of how the principles of management are universally valid, thereby making management a science.
- (c) Many candidates did not give the meaning of *labelling* or gave an incomplete meaning. Several candidates mixed up the meaning of *labelling* with that of *branding* and *packaging*. In a few answers, either the advantages were repeated, or the points given were not specific.

Suggestions for teachers

- Teach students the advantages of ploughing back of profits, both, from the company's point of view and the investor's point of view.
- Clarify the distinction between management as an art, science or profession through flow charts and mind mapping.
- Explain the meaning of labelling through real life examples.
- Do a comparative analysis of the meaning of different terms like labelling, branding and packaging.
- Ask the students to incorporate the important key words and phrases in the answers as well as to bring out the unique features of the topic wherever necessary.
- Stress upon the fact that headings and explanation must focus on the questions asked.
- Conduct regular oral and written tests.

MARKING SCHEME

Question 3

| | |
|-----|--|
| (a) | <p>Advantages of ploughing back of profits:</p> <ul style="list-style-type: none">• Cost effective• Simple/convenient/flexible• No legal formalities• No charge on assets• No restriction on freedom of management• Adds to the financial strength/ credit worthiness• To face unforeseen contingencies• To redeem debts• To replace obsolete assets• To take advantage of business opportunities• To stabilize rate of dividend• Expansion and modernization <p style="text-align: right;"><i>(Any three with brief explanation)</i></p> |
| (b) | <p>Management is considered to be a science because it fulfils the essential requirements to qualify as a science.</p> <ul style="list-style-type: none">• Systematic/organised body of knowledge• Observation/ experimentation/ observation and experimentation• Cause and effect relationship• Universal validity of principles <p style="text-align: right;"><i>(All four with brief explanation)</i></p> |
| (c) | <p>Labelling:</p> <p>Labelling means designing a label to be put on the package.</p> <p>Advantages:</p> <ul style="list-style-type: none">• Social service (statutory warning/legal restrictions/obligatory statements about product) to customers.• Avoids price variations by publishing the price on the label.• Helps advertising activity of the organization.• Helps customers to assess the superiority of a product.• Guarantee for standard of the product.• Information convey- usage, date, time, product details (false claims can be prevented) <p style="text-align: right;"><i>(Any four with brief explanation)</i></p> |

Question 4

- (a) Give *three* points of difference between a *product* and a *service*. [3]
- (b) What are the different types of short term financial assistance provided by the commercial banks to business houses? [4]
- (c) Explain *any five* types of debentures through which a company can collect borrowed capital from the public. [5]

Comments of Examiners

- (a) Many candidates gave the differences in paragraph form without writing the basis of distinction. Several candidates wrote irrelevant and vague differences. Some candidates explained various types of products.
- (b) Majority of the candidates wrote about trade credit, instalment credit or factoring instead of cash credit. Several candidates explained bank draft instead of bank overdraft. Some candidates gave only two forms of raising short term finance instead of the four forms.
- (c) Majority of the candidates were unable to explain different types of debentures. Some candidates mentioned the correct type but were unable to explain them, especially the registered and bearer debentures. In case of convertible debentures, a few candidates did not mention the word *equity* which was essential. Some candidates wrote cumulative and non-cumulative debentures as types of debentures, which are not types of debentures but types of preference shares.

Suggestions for teachers

- Inculcate the habit amongst the students, of writing the differences between two terms in a tabular form along with the basis of difference as this helps in avoiding repetition.
- Teach the topic of financing in depth so that each feature of short term finance is clear to students.
- Conduct a quiz in the class on the features of short term finance raised from the banks and the features of other forms of finance such as trade credit, instalment credit, etc.
- Clearly bring out the meaning, features and differences between different types of preference shares and debentures.
- Insist on the use of the correct terminology in the answers.
- Tell the students that explanation of a heading does not mean its expansion but involves detailing.

MARKING SCHEME

Question 4

(a) Difference between a product and service:

| | Basis | Product | Service |
|----|---|--|--|
| 1 | Tangibility | It can be seen, felt and touched (Tangible) | It cannot be seen, felt and touched (Intangible) |
| 2 | Standardisation | Standardised | Cannot be standardised. |
| 3 | Inseparability between buyer and seller | Fully separable, remote transactions are possible. | Not separable from service provider, remote transactions are not possible. |
| 4 | Quality | Can be measured and controlled. | Difficult to control and measure. |
| 5 | Inventory | Can be stored. | Cannot be stored. |
| 6 | Sensitivity to time | Low sensitivity. | High sensitivity. |
| 7 | Risk | Product can be replaced. | Service once delivered cannot be replaced. |
| 8 | Customisation | Increases cost and restricts sales. | Increases Customer delight. |
| 9 | Perishability | Usually durable. | Usually perishable. |
| 10 | Ownership | Transferable. | Not transferable. |

(Any three)

- (b) Short term financial assistance provided by commercial bank are:
1. **Loans and Advances:** A loan is a direct advance made in lump sum which is credited to a separate loan account in the name of the borrower. The borrower withdraws the full amount and repays it at one go or in instalments. He has to pay an interest on the whole amount. Loans may be secured or unsecured.
 2. **Cash Credits:** It is a revolving credit arrangement under which a borrower is allowed to borrow upto a certain limit. Unlike a loan, it is a running account from which the amounts can be withdrawn as and when needed. Interest is charged only on the amount withdrawn and not the entire amount.
 3. **Bank Overdrafts:** Loan arrangement under which a bank extends credit up to a maximum amount (called overdraft limit) against which a current account customer can write cheques or make withdrawals. Bank charges interest on overdrawn amount.
 4. **Discounting of bills:** The purchase of bills of exchange, promissory notes and hundies by banks before maturity. The bank pays less than the nominal value of the bill, deducting a certain percentage for interest. At maturity, the bank collects the full nominal value from the drawee.
- (All four)*

- (c) Type of debentures:
1. Secured debentures/mortgaged.
 2. Unsecured Debentures/naked.
 3. Redeemable Debentures.
 4. Irredeemable Debentures.
 5. Registered Debentures.
 6. Bearer Debentures.
 7. Convertible Debentures.
 8. Non-convertible debentures.
- (Any five with brief explanation)*

Question 5

- (a) Explain the need for consumer protection. [3]
- (b) 'Planning is not a guarantee of success.' In this context, explain the limitations of Planning. [4]
- (c) Explain the following Principles of management, as advocated by Henry Fayol: [5]
- (i) Stability of tenure
 - (ii) Discipline
 - (iii) Unity of command
 - (iv) Unity of Direction
 - (v) Order

Comments of Examiners

- (a) Instead of explaining the need for consumer protection, many candidates wrote on the rights and methods of consumer protection while a few candidates explained the legislative rights of the consumers.
- (b) A large number of candidates, instead of explaining the limitations of planning wrote either its features or importance. In a few answers, the limitations were repeated/ the points given were not specific.
- (c) Many candidates were unable to explain the concept underlying the principles. For principle of order, instead of writing on material and social order, several candidates wrote that it involves instructions given by the employer or the boss to his employees. Several candidates interchanged the explanation of *unity of command* and *unity of direction*. The explanation of *principle of stability of tenure* was also given vaguely by a large number of candidates.

Suggestions for teachers

- Explain the need for consumer protection from the point of view of the business by giving different types of situations.
- Test the students frequently by giving them a variety of questions so that they are able to understand the requirements of each one of them.
- Stress upon key terms for conceptual clarity.
- Give sufficient written practice which will help the students to formulate better answers.
- Explain all the fourteen principles of management, laying stress on their core concept and cause and effect of each one of them.
- Stress that all the principles of management are equally important.

MARKING SCHEME

Question 5

| | |
|-----|--|
| (a) | <p>Need for consumer protection:</p> <ol style="list-style-type: none">1. Consumer is the purpose of business2. Business is a means of human welfare3. Multiple objectives4. Growth with social justice5. Stakeholder approach6. Responsibility with power7. Theory of trusteeship8. Business ethics9. Self-interest <p style="text-align: right;"><i>(Any three with brief explanation)</i></p> |
| (b) | <p>Limitations of Planning are:</p> <ol style="list-style-type: none">1. Costly process/uneconomical/expensive2. Time-consuming/delayed action3. Rigidity4. Lack of accuracy5. False sense of security6. Psychological barrier7. External limitations8. Human elements <p style="text-align: right;"><i>(Any four with brief explanation)</i></p> |
| (c) | <p>Principles of Management by Henry Fayol:</p> <ol style="list-style-type: none">1. Stability of tenure: It takes time to learn and get used to a job. Therefore, a reasonable security of service should be given to all employees. It helps to develop loyalty on the part of the employees. Unnecessary labour turnover increases the cost of training and lowers the goodwill of the firm.2. Discipline: Good supervision at all levels, clear and fair agreements and judicially applied sanctions [penalties] must be maintained in all organization. Application of this principle is essential for smooth functioning. Mostly implemented as essential for smooth functioning but reward and punishment pattern may vary in different organizations.3. Unity of command: An employee should receive orders from one and only one superior at a time. Non-application of the principle undermine authority, weaken discipline, divide loyalty and create confusion or delay in action and completion.4. Unity of direction: There should be one head and one plan for a group of activities having the same objectives. Non-applicability makes co-ordination and unity of action impossible.5. Order: There must be a material and social order in every organization- a place for everything and everything at its right place as well as a place for everyone and everyone in his appointed place. Material and social order leads to smooth and successful functioning of an organization. <p style="text-align: right;"><i>(All five with brief explanation)</i></p> |

Question 6

- (a) Explain *any three* types of training that can be given to an employee. [3]
- (b) What is *Branding*? Give *any three* advantages of branding to the marketers. [4]
- (c) Explain the various steps involved in the process of *organising*. [5]

Comments of Examiners

- (a) Majority of the candidates explained *on the job training* and *off the job training* as separate points. A large number of candidates wrote the sub divisions of the job training which is considered as one point. In a few answers, the header was missing, while some candidates wrote about their own type of training.
- (b) Majority of the candidates were unable to differentiate between branding, labelling and packaging. Some candidates were able to explain the meaning of branding, but the advantages of branding given by them were either not specific to branding or were merits of branding from the point of view of the consumers.
- (c) Many candidates did not attempt this question and those who did, wrote the steps of *planning* or steps of *controlling* instead of the steps in *organizing*. Several candidates, who did write the steps in organizing, either gave the wrong sequence of steps or wrote just a couple of steps. In a few answers, in the last step of organizing, the word *coordination* was substituted with the word *cooperation*.

Suggestions for teachers

- Make a flow chart showing the proper classification and sub classification of different types of training.
- Reinforce the names of the different types of training with their features through suitable examples.
- Explain the meaning, features and benefits of branding, labelling and packing through a live demonstration by showing a product used in daily life.
- For better clarity, do a project with the students in which they develop a product, create its package, label the product and brand it themselves.
- Explain the benefits of branding, both from the point of view of the manufacturer as well as from the point of view of the consumer.
- Through examples, make students aware of the fact that a question could be framed in various ways, yet its essence remaining the same.
- Stress upon the correct sequence of the steps of the various functions of management.
- Explain clearly the difference between the steps of planning, controlling and organizing.
- Organise an activity in the class in which the students themselves plan, organize and control, thereby going through the steps of the various functions of management to help them retain the sequence of the steps.
- Emphasise the important points which must be included in long answers.
- Insist that the points do not overlap.

MARKING SCHEME

Question 6

| | |
|-----|--|
| (a) | Types of training that can be given to an employee. 1. Orientation training 2. Job training (in job, off job, vestibule or any other type of job training) 3. Safety training 4. Promotional training 5. Refresher training 6. Remedial training <i>(Any three with brief explanation)</i> |
| (b) | Branding is the process of assigning a distinctive name, symbol, term, logo etc. by which the customers can easily differentiate it from the competitors' product. Merits of branding to marketers are: 1. Differentiating the product from competitor's product. 2. Facilitates advertising. 3. Differentiated pricing. 4. Reduces selling costs 5. Ease in introducing new products. 6. Widens market 7. Creates brand usage/goodwill/reputation <i>(Any three)</i> |
| (c) | Steps involved in the process of Organising: 1. Division of work 2. Grouping jobs or activities 3. Assigning duties 4. Delegation of Authority 5. Coordinating activities <i>(All five steps in sequence with brief explanation)</i> |

Question 7

- (a) Explain *any three* disadvantages of borrowing funds from specialised financial institutions. [3]
- (b) Briefly explain *any four* types of working capital required by a business concern. [4]
- (c) Explain Maslow's theory. [5]

Comments of Examiners

- (a) Many candidates wrote the disadvantages of borrowing funds from commercial banks or creditors instead of the disadvantages of borrowing funds from specialized financial institutions. Several candidates gave demerits of various long-term sources like debentures. Some candidates made up their own disadvantages. A common error made by a majority of the candidates was mentioning high rate of interest as a disadvantage.
- (b) Many candidates used the terms assets, fixed assets while explaining the various types of working capital. Several candidates were unable to give a clear and a concise explanation of permanent and variable working capital and hence they made up their own explanation.
- (c) Majority of the candidates did not follow the correct hierarchy of needs. Several candidates wrote correct headings but the explanation under the headings was either inadequate or did not relate to the header. A large number of candidates wrote the word *psychological* in place of *physiological*.

Suggestions for teachers

- Suggest mind mapping and making flash cards to help students to retain the advantages and disadvantages of each source of finance.
- Do a comparative study of different rates of interest charged by banks and financial institutions through a power point presentation followed by a group discussion.
- Clarify the different types of working capital with the help of a flow chart.
- Teach the different types of assets by giving examples from daily life situations.
- Stress upon the fact that the hierarchy of needs has to follow a correct sequence.
- Explain the difference between the words *psychological* and *physiological*.

MARKING SCHEME

Question 7

| | |
|-----|--|
| (a) | <p>Disadvantages of borrowing funds from specialised financial institutions:</p> <ol style="list-style-type: none"> 1. Formalities (Documentation) 2. Investigations/time consuming 3. Security and other conditions 4. Restriction on autonomy of management <p style="text-align: right;"><i>(Any three)</i></p> |
| (b) | <p>Types of working capital: On the basis of operating cycle</p> <ul style="list-style-type: none"> • Permanent working capital • Initial permanent working capital • Regular permanent working capital • Variable/temporary working capital • Seasonal variable working capital • Special variable working capital <p style="text-align: center;">On the basis of Balance Sheet</p> <ul style="list-style-type: none"> • Gross working capital • Net working capital <p style="text-align: right;"><i>(Any four with brief explanation)</i></p> |

| | |
|-----|---|
| (c) | <p>Maslow's Theory:</p> <ul style="list-style-type: none"> • Physiological needs • Safety and Security needs • Social / affiliation needs • Ego / esteem needs • Self-actualization needs <p>(Any five with correct sequence and with brief explanation)</p> |
|-----|---|

Question 8

- (a) Discuss the features of good *packaging*. [3]
- (b) Explain the advantages of equity shares, as a source of finance. [4]
- (c) Discuss *any five* functions of *marketing*. [5]

Comments of Examiners

- (a) Majority of the candidates gave repetitive features of good packaging and the explanation to many of the points was unsatisfactory. Several candidates got confused between the features of *packaging*, branding and *labelling*. A number of candidates wrote features of *packing* instead of *packaging*. Some candidates wrote the *advantages* of packaging instead of the features.
- (b) Candidates largely wrote mixed answers. Some candidates wrote the advantages from the company's point of view, a few wrote from the investors point of view while a few others gave the advantages from the point of view of the shareholders.
- (c) Many candidates wrote the importance of marketing instead of its functions. A few candidates mixed up the objectives, functions and importance while a few others wrote the features of modern marketing. In some answers the headings were simply expanded.

Suggestions for teachers

- Emphasise on conceptual clarity.
- Stress on correct terminology.
- Ask students to read and understand the question and then answer as per the requirements.
- Clearly explain the functions of marketing, their meaning, the merits and demerits of each type of marketing function by giving relevant examples.
- Organise group discussions on various marketing functions to enhance better understanding of the topic.
- Instruct students not to write points that are repetitive/ overlapping.
- Give sufficient written practice to students which will help them to formulate better answers.

MARKING SCHEME

Question 8

| | |
|-----|--|
| (a) | <p>Features of good packaging:</p> <ul style="list-style-type: none">• Should be convenient to handle and use• Should have aesthetic satisfaction – design, colour, neatness• Should provide safety to product• Should establish its own identity• Should build customer’s confidence• Should have distinct personality• Should have resale value <p style="text-align: right;"><i>(Any three)</i></p> |
| (b) | <p>Advantages of equity shares as a source of finance from company point of view:</p> <ul style="list-style-type: none">• No burden on earnings• Permanent capital• No charge on assets• Source of strength• Small nominal value• Unlimited source.• Open chances of borrowing-A company majorly financed by equity shares has a controlled financial leverage ratio. Lower levered companies have a greater chance of borrowing in times of need.• Additional capital through issue of right shares <p style="text-align: right;"><i>(Any four with brief explanation)</i></p> |
| (c) | <p>Functions of Marketing:</p> <ul style="list-style-type: none">• Buying• Assembling• Selling• Distribution.• Transportation• Storage• Marketing Research• Product Planning and Development• Standardisation• Grading• Packing• Packaging.• Branding• Labelling• Pricing• Advertising• Salesmanship• Publicity• Sales Promotion• Financing• Risk taking <p style="text-align: right;"><i>(Any five with brief explanation)</i></p> |

Question 9

Write short notes on the following:

- (a) Meaning and Elements of Product Mix. [4]
- (b) Core banking solutions. [4]
- (c) Coordination, as the essence of management. [4]

Comments of Examiners

- (a) Many candidates gave the meaning of *product* instead of *product mix*. A few candidates wrote on *marketing mix*. Some candidates who gave the meaning of product mix, did not write its elements, while in a few answers only the elements of product mix were mentioned.
- (b) Several candidates wrote that in a CBS enabled bank the customer becomes the customer of the branch rather than the customer of the bank. Many candidates mentioned the concept behind CBS but did not give sufficient points to elaborate upon it. Some candidates explained net banking / RTGS / NEFT instead of CBS.
- (c) Many candidates wrote the *meaning* of coordination instead of its *essence*. Several candidates did not write the role of coordination in every function of management or were unable to connect the coordination function with other functions of management such as planning, directing staffing and controlling. Some candidates gave an ambiguous and obscure explanation.

Suggestions for teachers

- Explain the difference between product and product mix by giving examples of products commonly used in daily life.
- Show a presentation linked to a CBS enabled bank's website to show all the facilities available under it to the customers.
- Ensure that the students are well versed with all the updated information of all the facilities under a CBS enabled bank.
- Discuss the concept behind commercial terms and their features and facilities.
- Discuss the importance and the role of coordination in detail.
- Stress upon the fact that a short note should include meaning, objectives, features, advantages and disadvantages.
- Do systematic revision through mind maps.

MARKING SCHEME

Question 9

| | |
|-----|---|
| (a) | <p>Meaning of Product Mix: Product mix involves planning, developing and producing the right type of products and services to be marketed by the firm.</p> <p>Elements of Product Mix:</p> <ul style="list-style-type: none">• Branding / Trade mark• Labelling• Packing• Packaging <p style="text-align: right;"><i>(Elements of Product Mix with brief explanation)</i></p> |
| (b) | <p>Core banking Solutions (CBS): Under this system, a customer becomes a customer of the bank rather than becoming a customer of the branch. By opening a bank account in one branch (which has CBS facility), the customer can operate the same account in all the CBS branches of the same bank anywhere across the country. The bank gives a unique ID to a CBS customer which gives him the privilege of opening an account with any of the CBS branches without any formalities. CBS is also known as '<u>Centralised Banking Solution</u>'.</p> <p><u>Facilities:-</u></p> <ol style="list-style-type: none">1. Instant transfer of funds between the accounts in CBS branches across the country.2. Cash withdrawal facility from any of the CBS branches.3. Updating of pass book at all CBS branches <ul style="list-style-type: none">• Transactions management• Designing new banking products• Loan disbursement and management• Establishing the criteria for minimum balances, interest rates, number of withdrawals allowed |
| (c) | <p>Coordination is the essence of management because it is inherent in all managerial functions.</p> <ul style="list-style-type: none">• In planning, coordination is required between the master plan of the enterprise and the plans of different departments.• During organizing, there should be coordination between the authority and responsibility of every individual.• While staffing, coordination is achieved by placing the right man at the right job.• While directing, supervision, motivation and leadership are used to ensure proper working of the organization.• During controlling, coordination is achieved by ensuring that the actual results are according to plans. <p style="text-align: right;"><i>(Any four)</i></p> |

GENERAL COMMENTS

Topics found difficult by candidates

- Question 1 (ii): What is meant by *factoring*?
- Question 1(iv): Why is management considered to be a discipline?
- Question 1 (viii): Mention *two types* of markets, on the basis of position of buyers and sellers.
- Question 2 (c): Discuss the need for principles of management.
- Question 3 (a): Discuss *three advantages* of ploughing back of profit, from the company's point of view.
- Question 4 (c): Explain *any five* types of debentures through which a company can collect borrowed capital from the public.
- Question 4 (b): What are the different types of short term financial assistance provided by the commercial banks to business houses?
- Question 5(c): Explain the following Principle of management, as advocated by Henry Fayol:
 - (i) Stability of tenure
 - (v) Order
- Question 9: Write short notes on the following:
 - (a) Meaning and Elements of product mix
 - (c) Coordination, as the essence of management.

Concepts in which candidates got confused

- Branding, labelling and packaging
- Objectives of sales promotion
- Need for consumer protection
- Short term assistance given by commercial banks
- Dimensions of business environment
- Steps in the process of organizing
- Advertising and publicity



Suggestions for candidates

- Understand clearly the meaning of various terms.
- Give equal importance to both, the meaning as well as explanation of every term.
- Identify the features, advantages and disadvantages of the terms.
- Make a note of all the headings.
- Read the financial section of newspapers to establish links between theory and the practical world scenario.
- Make flow charts, comparative charts and mind maps which will help in better retention of the subject matter.
- Solve questions based on case studies for better understanding of the topic.
- Practice writing long answers.
- Revise all topics systematically.
- Avoid selective study
- Solve past years' papers and go through the past years' Analysis of Pupils' Performance.
- Divide the time proportionately between Part I and Part II while writing the examination.
- Read, analyse, understand the requirement of the question before writing its answer.
- Write answers to the point.
- Avoid repetition of points in the answers.
- Underline important terms.