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# MARKING SCHEME

2009

CLASS XII  
COMMERCE SUBJECTS



CENTRAL BOARD OF SECONDARY EDUCATION  
DELHI

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2009

CLASS XII  
COMMERCE SUBJECTS



CENTRAL BOARD OF SECONDARY EDUCATION  
DELHI

CBSE, Delhi-110092

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Manuscript as such highlights the main value points and does not represent a complete ideal answer.  
Manuscript may vary from time to time and year to year.

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## PREFACE

CBSE as a pace setting national Board has constantly been striving to design its evaluation process in a manner that it is used as a powerful means of influencing the quality of teaching and learning in the classroom situation. Also, it has to be so designed that it provides constant feedback regarding the effectiveness of the course content, classroom processes and the growth of individual learners besides the appropriateness of evaluation procedures.

As a move in this direction, CBSE started the practice of publishing the Marking Schemes with twin objectives in mind-(i) making the system more transparent and at the same time, (ii) ensuring high degree of reliability in scoring procedure.

Who are the markers of answer scripts? How do they mark the answer scripts? How can it be ensured that marking is fair, objective and reliable? Questions of these types naturally arise in the minds of candidates appearing in the public examination. These questions are equally pertinent to the teachers who are not adequately exposed to the CBSE system of marking.

Answer Scripts marking is a specialised job. It is assigned to teachers-PGTs for Class XII and TGTs for Class X who are in direct touch with the subject and have a minimum of 3 years experience of teaching the subject at that level. Appointment of examiners is made in accordance with the well-defined norms. Markers examine scripts with the help of detailed guidelines called the 'Marking Schemes'.

It is this tool (Marking Scheme) alongwith the extensive supervisory checks and counter-checks through which CBSE tries to ensure objective and fair marking. The present publication is being brought out with a view to serving the following objectives :

- (i) To give an opportunity to the teachers and students to look into the Marking Schemes that were developed by the Board and supplied to the evaluators in 2008 main examination in some selected main subjects.
- (ii) To receive feedback and suggestions from institutions/subject teachers on the utility and further improvement of Marking Schemes.
- (iii) To encourage institutions to undertake similar exercise of developing marking schemes for classes other than those covered by the Board's examination with a view to increasing teachers' responsiveness to them as the essential tools of evaluation.

## **HOW TO USE**

Teachers and the students preparing for Class XII examination of the Board constitute the primary interest-group of this publication. Marking Schemes of Question Papers in the subjects of English Core, Functional English, Mathematics, Economics, Business Studies, Accountancy and Entrepreneurship administered in Delhi and Outside Delhi during the 2009 main examination have been included in this document. Some tips on their usage are given below :

### **(a) To Teachers :**

- Go through the syllabus and the weightage distribution for the subject carefully.
- Read the question paper to find out how far the question paper set subscribes to the prescribed design. Grade every question by difficulty level for students who have taken the main Board examination.
- Consult the 'Marking Scheme' for each question, with reference to steps into which answers and awards have been divided.
- Work out concrete suggestions for the Board.

### **(b) To Students :**

- Study each question carefully, comprehend them and write down the main points of the answer and note down their difficulties for clarification.
- Examine a question in conjunction with the Marking Scheme and find out the proximity of the answer to that suggested in the Marking Scheme.
- We will feel motivated if this publication is commented upon by practitioners in the context of its impact on their teaching learning strategies. Contribution of the experts and the officials of the Board in bringing out this document is gratefully acknowledged.

We urge the teachers to encourage their students to make use of this publication and at the same time to enrich us with their free and frank reactions.

**M.C. SHARMA**  
CONTROLLER OF EXAMINATIONS

# भारत का संविधान

## उद्देशिका

हम, भारत के लोग, भारत को एक ' [सम्पूर्ण प्रभुत्व-संपन्न समाजवादी पंथनिरपेक्ष लोकतंत्रात्मक गणराज्य] बनाने के लिए, तथा उसके समस्त नागरिकों को:

सामाजिक, आर्थिक और राजनैतिक न्याय,  
विचार, अभिव्यक्ति, विश्वास, धर्म

और उपासना की स्वतंत्रता,  
प्रतिष्ठा और अवसर की समता

प्राप्त कराने के लिए,  
तथा उन सब में,

व्यक्ति की गरिमा और <sup>2</sup> [राष्ट्र की एकता  
और अखण्डता] सुनिश्चित करने वाली बंधुता

बढ़ाने के लिए

दृढसंकल्प होकर अपनी इस संविधान सभा में आज तारीख 26 नवम्बर, 1949 ई० को एतद्वारा इस संविधान को अंगीकृत, अधिनियमित और आत्मार्पित करते हैं।

- 
1. संविधान (बयालीसवां संशोधन) अधिनियम, 1976 की धारा 2 द्वारा (3.1.1977) से "प्रभुत्व-संपन्न लोकतंत्रात्मक गणराज्य" के स्थान पर प्रतिस्थापित।
  2. संविधान (बयालीसवां संशोधन) अधिनियम, 1976 की धारा 2 द्वारा (3.1.1977 से), "राष्ट्र की एकता" के स्थान पर प्रतिस्थापित।
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## भाग 4 क

### मूल कर्तव्य

51 क. मूल कर्तव्य - भारत के प्रत्येक नागरिक का यह कर्तव्य होगा कि वह -

- (क) संविधान का पालन करें और उसके आदर्शों, संस्थाओं, राष्ट्र ध्वज और राष्ट्र गान का आदर करें;
- (ख) स्वतंत्रता के लिए हमारे राष्ट्रीय आंदोलन को प्रेरित करने वाले उच्च आदर्शों को हृदय में संजोए रखें और उनका पालन करें;
- (ग) भारत की प्रभुता, एकता और अखंडता की रक्षा करें और उसे अक्षुण्ण रखें;
- (घ) देश की रक्षा करें और आह्वान किए जाने पर राष्ट्र की सेवा करें;
- (ङ) भारत के सभी लोगों में समरसता और समान भ्रातृत्व की भावना का निर्माण करें जो धर्म, भाषा और प्रदेश या वर्ग पर आधारित सभी भेदभाव से परे हों, ऐसी प्रथाओं का त्याग करें जो स्त्रियों के सम्मान के विरुद्ध हैं;
- (च) हमारी सामासिक संस्कृति की गौरवशाली परंपरा का महत्व समझें और उसका परिरक्षण करें;
- (छ) प्राकृतिक पर्यावरण की जिसके अंतर्गत वन, झील, नदी, और वन्य जीव हैं, रक्षा करें और उसका संवर्धन करें तथा प्राणि मात्र के प्रति दयाभाव रखें;
- (ज) वैज्ञानिक दृष्टिकोण, मानववाद और ज्ञानार्जन तथा सुधार की भावना का विकास करें;
- (झ) सार्वजनिक संपत्ति को सुरक्षित रखें और हिंसा से दूर रहें;
- (ञ) व्यक्तिगत और सामूहिक गतिविधियों के सभी क्षेत्रों में उत्कर्ष की ओर बढ़ने का सतत प्रयास करें जिससे राष्ट्र निरंतर बढ़ते हुए प्रयत्न और उपलब्धि की नई ऊंचाइयों को छू लें।

# THE CONSTITUTION OF INDIA

## PREAMBLE

**WE, THE PEOPLE OF INDIA**, having solemnly resolved to constitute India into a <sup>1</sup> **[SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC]** and to secure to all its citizens :

**JUSTICE**, social, economic and political;

**LIBERTY** of thought, expression, belief, faith and worship;

**EQUALITY** of status and of opportunity; and to promote among them all

**FRATERNITY** assuring the dignity of the individual and the <sup>2</sup> [unity and integrity of the Nation];

**IN OUR CONSTITUENT ASSEMBLY** this twenty-sixth day of November, 1949, do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

1. Subs, by the Constitution (Forty-Second Amendment) Act. 1976, sec. 2, for "Sovereign Democratic Republic (w.e.f. 3.1.1977)
2. Subs, by the Constitution (Forty-Second Amendment) Act. 1976, sec. 2, for "unity of the Nation (w.e.f. 3.1.1977)

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# THE CONSTITUTION OF INDIA

## Chapter IV A

### Fundamental Duties

#### ARTICLE 51A

**Fundamental Duties** - It shall be the duty of every citizen of India-

- (a) to abide the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;
- (b) to cherish and follow the noble ideals which inspired our national struggle for freedom;
- (c) to uphold and protect the sovereignty, unity and integrity of India;
- (d) to defend the country and render national service when called upon to do so;
- (e) To promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;
- (f) to value and preserve the rich heritage of our composite culture;
- (g) to protect and improve the natural environment including forests, lakes, rivers, wild life and to have compassion for living creatures;
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;
- (i) to safeguard public property and to abjure violence;
- (j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement.

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EXAMINATION, 2008**

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# ENGLISH (Core)

*Time allowed : 3 hours*

*Maximum Marks : 100*

## **General Instructions:**

- (i) *This paper is divided into three Sections: A, B and C. All the sections are compulsory.*
- (ii) *Separate instructions are given with each section and question, wherever necessary. Read these instructions very carefully and follow them faithfully.*
- (iii) *Do not exceed the prescribed word limit while answering the questions.*

## **QUESTION PAPER CODE 1/1/1**

### **SECTION A : READING**

**20 Marks**

**1.** Read the passage given below and answer the questions that follow: 12 marks

1. The role friends play in our lives has become significantly greater than at any other time in our history. Today many of us live and work great distances from where we were born or grew up and are separated from our original families. The pain we feel when we are away from our families can be significant.
2. The happiness of the individual relies on friendships which form a necessary human connection. It is perfectly normal to need and want friends and depression is more prevalent among those who lack friends. They lack the intimacy and richness friends can bring into our lives. Frequently friends reflect similar values to us. Yet these values are often different from the ones we grew up with; they are the values we created for ourselves in our adult lives.
3. Communication skills are fundamental in all friendships. The more friends and acquaintances one has, the greater are one's communication skills. Some call these, people skills.
4. Like watering a plant, we grow our friendships (and all our relationships) by nurturing them. Friendships need the same attention as other relationships if they are to continue. These relationships can be delightfully non-judgemental, supportive, understanding and fun.
5. Sometimes a friendship can bring out the positive side that you never show in any other relationship. This may be because the pressure of playing a 'role' (daughter, partner or child) is removed. With a friend you are to be yourself and free to change. Of course you are free to do this in all other relationships

as well but in friendships you get to have lots of rehearsals and discussion about changes as you experience them. It is an unconditional experience where you receive as much as you give. You can explain yourself to a friend openly without the fear of hurting a family member. How do friendships grow? The answer is simple. By revealing yourself; being attentive; remembering what is most important to your friend and asking them about it; putting yourself in their position; showing empathy; seeing the world through the eyes of your friend, you will understand the value of friendship. All this means learning to accept a person from a completely different family to your own or perhaps someone from a completely different cultural background. This is the way we learn tolerance. In turn we gain tolerance and acceptance for our own differences.

6. Friendships are made by being considerate which means all the communication skills come into play: active listening skills, questioning skills, negotiation skills, reflecting content skills, reflecting emotion skills, and editing yourself.
  7. Friendships offer a great opportunity to learn about yourself because a friend can reflect back to you 'how you come across in the world'. They also allow you to practice skills in dealing with 'personal boundaries' by looking after yourself as well as your friend. They help you develop resilience in relation to the wider social world beyond your family.
    - (a)
      - (i) Why do friends play a more significant role today than ever before? 2
      - (ii) Why is friendship considered an essential human need? 2
      - (iii) How is friendship different from other relationships? 2
      - (iv) Mention two essential human values that help friendship to grow. 1
      - (v) Which communication skills help in building friendship? 2
    - (b) Pick out words from the passage which mean the same as each of the following: 1 x 3 = 3
      - (i) basic / essential (para 3)
      - (ii) mutual discussion to reach an agreement (para 6)
      - (iii) chance (para 7)
2. Read the passage given below and answer the questions that follow: **8 marks**

Effective speaking depends on effective listening. It takes energy to concentrate on hearing and concentrate on understanding what has been heard.



Incompetent listeners fail in a number of ways. First, they may drift. Their attention drifts from what the speaker is saying. Second, they may counter. They find counter arguments to whatever a speaker may be saying. Third, they compete. Then, they filter. They exclude from their understanding those parts of the message which do not readily fit with their own frame of reference. Finally they react. They let personal feelings about speaker or subject override the significance of the message which is being sent.

What can a listener do to be more effective? The first key to effective listening is the art of concentration. If a listener positively wishes to concentrate on receiving a message his chances of success are high. It may need determination. Some speakers are difficult to follow, either because of voice problems, or because of the form in which they send a message. There is then particular need for the determination of a listener to concentrate on what is being said.

Concentration is helped by alertness. Mental alertness is helped by physical alertness. It is not simply physical fitness, but also positioning of the body, the limbs and the head. Some people also find it helpful to their concentration if they hold the head slightly to one side. One useful way for achieving this is intensive note-taking, by trying to capture the critical headings and sub-headings the speaker is referring to.

Note-taking has been recommended as an aid to the listener. It also helps the speaker. It gives him confidence when he sees that listeners are sufficiently interested to take notes; the patterns of eye-contact when the note-taker looks up can be very positive; and the speaker's timing is aided - he can see when a note-taker is writing hard and can then make effective use of pauses.

Posture too is important. Consider the impact made by a less competent listener who pushes his chair backwards and slouches. An upright posture helps a listener's concentration. At the same time it is seen by the speaker to be a positive feature amongst his listeners. Effective listening skills have an impact on both the listener and the speaker.

- (a) On the basis of your reading of the above passage make notes on it using headings and sub-headings. Use recognizable abbreviations wherever necessary. 5
- (b) Write a summary of the passage in not more than 80 words using the notes made and also suggest a suitable title. 3

### **SECTION B : ADVANCED WRITING SKILLS**

**35 Marks**

- 3. Samta Public School in Delhi requires cricket and hockey coaches. Draft a suitable advertisement in not more than 50 words for the 'Situations Vacant' column of the 'Daily Herald', stating your requirements regarding age, qualification, experience etc. You are Principal of the School. 5 marks

**OR**

As Librarian of Crescent International School, Gwalior, draft a notice in not more than 50 words asking all students and teachers to return the library books they have borrowed, two days before the commencement of the examination.

4. You are Naren, a class XI student of Preet Public School, Chennai. You attended a week-long training programme organized by The Debating Society, Chennai to develop debating skills. Mentioning the number of participants, speakers and the skills taught such as listening, concentration, effective speaking etc., write a report in 100 - 125 words for your school magazine.

**10 marks**

**OR**

Write a factual description of the new library-cum-reading room in your school for the primary class students in 100 - 125 words. Include details of the layout, display facility, seating arrangement etc.

5. SAF Public School, Chandigarh is planning to take a group of 40 senior students to Shimla on an excursion during the summer vacation. Mr. Mohan Das, the teacher in-charge of 'Excursions & Field Trips' writes a letter to JJ Tours & Travels, Chandigarh asking them to organize the tour. Write this letter giving details of preference such as dates of journey, transport, accommodation etc.

**10 marks**

**OR**

You are Navneet of 65, P.H. Road, Mangalore. Recently you bought a mobile phone from 'The Phone Point', 83, Mount Road, Mangalore. The phone instrument developed a problem within a month of purchase. Write a letter to the dealer giving details of the nature of the problem and asking him/her to rectify the defect or replace the set.

6. Teenage is commonly perceived as the most joyful period of an individual's life. Vidya who represents the teenagers of today feels that the pressure of the competitive world they live in has made teen years less exciting and expresses her ideas in an article entitled, 'On Being a Teenager' for the 'Youth Times'. Write the article in 150 - 200 words.

**10 marks**

**OR**

Every activity that man indulges in creates waste of some kind. Some of the waste can be recycled or reused. In fact the need of the hour is to conserve the earth's resources in all possible ways. Write an article on the topic 'Conservation, Need of the Hour' in 150 - 200 words. You are Brinda, a keen environmentalist.

**SECTION C : LITERATURE**

**45 Marks**

7. (a) Read the extract given below and answer the questions that follow: **4 marks**

Therefore, on every morrow, are we wreathing  
A flowery band to bind us to the earth,  
Spite of despondence, of the inhuman dearth  
Of noble natures, of the gloomy days,  
Of all the unhealthy and o'er-darkened ways  
Made for our searching :

- (i) What are the flowery bands that bind us to the earth? **2**  
(ii) What message do the above lines convey? **2**

**OR**

.....and felt that old  
familiar ache, my childhood's fear,  
but all I said was, see you soon, Amma,  
all I did was smile and smile and smile...

- (i) What was the childhood fear that now troubled the poet? **1**  
(ii) What do the poet's parting words suggest? **2**  
(iii) Why did the poet smile and smile? **1**

- (b) Answer any **three** of the following questions in 30 - 40 words each: **2 x 3 = 6 marks**

- (i) Why does Stephen Spender say that the pictures and maps in the elementary school classroom are meaningless?  
(ii) What is the exotic moment the poet Pablo Neruda wishes for?  
(iii) Describe the tigers created by Aunt Jennifer.  
(iv) Why does Robert Frost sympathise with the rural poor?

8. Answer the following questions in 30 - 40 words each: **2 x 5 = 10 marks**

- (a) What was the mood in the classroom when M. Hamel gave his last French lesson?  
(b) What does the writer mean when she says, 'Saheb is no longer his own master' ?  
(c) Why did Gandhi agree to the planters' offer of a 25% refund to the farmers?  
(d) How did Douglas finally get rid of the fear he had of water?  
(e) What were the positive qualities of Subbu that the writer admired?

9. Answer the following in 125 - 150 words: **10 marks**

Describe how the story, 'The Rattrap' shows that basic human goodness can be brought out by understanding and love.

**OR**

Contrast Sophie's real world with her fantasies.

10. Answer the following in 125 - 150 words: **7 marks**

How did Dr. Sadao rise above narrow prejudices of race and country to help a human being in need?

**OR**

Why did Jo disapprove of Jack's ending of the story of Roger Skunk? How did she want it to end?

11. Answer the following questions in 30 - 40 words each: **2 x 4 = 8 marks**

- (a) How did the tiger king acquire his name?
- (b) What was the objective of the 'Students on Ice Programme' ?
- (c) What clues did the answer sheet of Evans provide to the Governor?
- (d) When did Bama first come to know of the social discrimination faced by the people of her community?

### **QUESTION PAPER CODE 1/1**

#### **SECTION A : READING**

**20 Marks**

1. Read the passage given below and answer the questions that follow: **12 marks**

1. The role friends play in our lives has become significantly greater than at any other time in our history. Today many of us live and work at great distances from where we were born or we grew up and are separated from our original families. The pain we feel when we are away from our families can be significant.
2. The happiness of the individual relies on friendships which form a necessary human connection. It is perfectly normal to need and want friends and depression is more prevalent among those who lack friends. They lack the intimacy and richness friends can bring into our lives. Frequently friends reflect similar values to us. Yet these values are often different from the ones we grew up with; they are the values we created for ourselves in our adult lives.

3. Communication skills are fundamental in all friendships. The more friends and acquaintances one has, the greater are one's communication skills. Some call these, people skills.
4. Like watering a plant, we grow our friendships (and all our relationships) by nurturing them. Friendships need the same attention as other relationships, if they are to continue. These relationships can be delightfully non-judgemental, supportive, understanding and fun.
5. Sometimes a friendship can bring out the positive side that you never show in any other relationship. This may be because the pressure of playing a 'role' (daughter, partner or child) is removed. With a friend you can be yourself and are free to change. Of course you are free to do this in all other relationships as well, but in friendships you get to have lots of rehearsals and discussion about changes as you experience them. It is an unconditional experience where you receive as much as you give. You can explain yourself to a friend openly without the fear of hurting a family member. How do friendships grow? The answer is simple. By revealing yourself; being attentive; remembering what is most important to your friend and asking them about it; putting yourself in their position; showing empathy; seeing the world through the eyes of your friend, you will understand the value of friendship. All this means learning to accept a person from a completely different family to your own or perhaps someone from a completely different cultural background. This is the way we learn tolerance. In turn we gain tolerance and acceptance for our own differences.
6. Friendships are made by being considerate which means all the communication skills come into play: active listening skills, questioning skills, negotiation skills, reflecting content skills, reflecting emotion skills, and editing yourself.
7. Friendships offer a great opportunity to learn about yourself because a friend can reflect back to you 'how you come across in the world'. They also allow you to practice skills in dealing with 'personal boundaries' by looking after yourself as well as your friend. They help you develop resilience in relation to the wider social world beyond your family.
  - (a) (i) Why do friends play a more significant role today than ever before? 2
  - (ii) Why is friendship considered an essential human need? 2
  - (iii) How is friendship different from other relationships? 2
  - (iv) Mention two essential human values that help friendship to grow. 1
  - (v) Which communication skills help in building friendship? 2

(b) Pick out words from the passage which mean the same as each of the following:

**1x3 = 3**

(i) basic essential (para 3)

(ii) mutual discussion to reach an agreement (para 6)

(iii) chance (para 7)

2. Read the passage given below and answer the questions that follow:

**8 marks**

Effective speaking depends on effective listening. It takes energy to concentrate on hearing and to concentrate on understanding what has been heard. Incompetent listeners fail in a number of ways. First, they may drift. Their attention drifts from what the speaker is saying. Second, they may counter. They find counter arguments to whatever a speaker may be saying. Third, they compete. Then, they filter. They exclude from their understanding those parts of the 'message which do not readily fit with their own frame of reference. Finally they react. They let personal feelings about speaker or subject override the significance of the message which is being sent.

What can a listener do to be more effective. The first key to effective listening is the art of concentration. If a listener positively wishes to concentrate on receiving a message his chances of success are high.

It may need determination. Some speakers are difficult to follow, either because of voice problems, or because of the form in which they send a message. There is then a particular need for the determination of a listener to concentrate on what is being said.

Concentration is helped by alertness. Mental alertness is helped by physical alertness. It is not simply physical fitness, but also positioning of the body, the limbs and the head. Some people also find it helpful to their concentration if they hold the head slightly to one side. One useful way for achieving this is intensive note-taking, by trying to capture the critical headings and sub-headings the speaker is referring to.

Note-taking has been recommended as an aid to the listener. It also helps the speaker. It gives him confidence when he sees that listeners are sufficiently interested to take notes; the patterns of eye-contact when the note-taker looks up can be very positive; and the speaker's timing is aided - he can see when a note-taker is writing hard and can then make effective use of pauses.

Posture too is important. Consider the impact made by a less competent listener who pushes his chair backwards and slouches. An upright posture helps a listener's concentration. At the same time it is seen by the speaker to be a positive feature amongst his listeners. Effective listening skills have an impact on both the listener and the speaker.

- (a) On the basis of your reading of the above passage make notes on it using headings and sub-headings. Use recognizable abbreviations, wherever necessary. 5
- (b) Write a summary of the passage in not more than 80 words using the notes made and also suggest a suitable title. 3

**SECTION B : ADVANCED WRITING SKILLS**

**35 Marks**

3. You want to sell your newly built flat. Draft a suitable advertisement in not more than 50 words to be inserted in the classified columns of 'The Hindu' giving all necessary details. You are Nirranjan, 247, J.P. Nagar, Bangalore. 5 marks

**OR**

As Secretary of the 'Eco Club' of St. Anne's School, Ahmedabad, draft a notice in not more than 50 words informing the club members about the screening of Al Gore's film, 'Inconvenient Truth' in the school's audio visual room.

4. Alpha School recently organized a course in First Aid for students of senior classes. Vivek of Class XII writes a report on the programme giving necessary details for the school magazine. Write a report in 100 - 125 words. 10 marks

**OR**

Write a factual description of the multi-storeyed shopping mall in your locality in 100 - 125 words. Include details of layout, special facilities like ATM, restaurants, escalators etc.

5. Sheela, a Class XII student of 15, M.G. Road, Bangalore desires to be a fashion designer. She writes to the National Institute of Fashion Technology, Ahmedabad seeking information about their courses, admission procedure, eligibility criteria, fee structure, placement opportunities etc. Write her letter. 10 marks

**OR**

As Mr. R. Singh, HOD Chemistry, Cambridge High School, Pune, you had placed an order with Messrs. Scientific Equipments, Dadar, Mumbai for test tubes and jars for the lab. When the parcel was received you observed that markings on the test tubes were not clear and some of the jars were damaged. Write a letter of complaint seeking immediate replacement.

6. Children living in cities are rarely seen playing outdoors in the neighbourhood. Being busy with other attractions like the television and computer games, they miss the joy of outdoor play. Write an article in 150 - 200 words for the magazine, 'Kids Talk' highlighting the need and value of outdoor games. You are Vidya / Vinod. 10 marks

**OR**

Today the 24-hour television news channels give us instant news from every nook and corner of the world. But the fact remains that the importance of the newspaper remains intact. Write an article in 150 - 200 words expressing your views on 'The Relevance of Newspapers'. You are Sunil / Sunita.

**SECTION C : LITERATURE**

**45 Marks**

7. (a) Read the extract given below and answer the questions that follow: **4 marks**

The little old house was out with a little new shed  
In front at the edge of the road where the traffic sped,  
A roadside stand that too pathetically pled,  
It would not be fair to say for a dole of bread,  
But for some of the money, the cash, whose flow supports  
The flower of cities from sinking and withering faint.

- (i) Where was the new shed put up ? What was its purpose? **2**  
(ii) Why does the poet use the word 'pathetic' ? **1**  
(iii) Who are referred to as 'the flower of cities' ? **1**

**OR**

Now we will count to twelve  
and we will all keep still.  
For once on the face of the Earth  
let's not speak in any language,  
let's stop for one second,  
and not move our arms so much.

- (i) How long does the poet want to stay still ? **1**  
(ii) What does he hope to achieve by keeping quiet? **2**  
(iii) What does the poet mean by 'not move our arms so much' ? **1**

- (b) Answer any three of the following questions in 30 - 40 words each: **2x3=6 marks**

- (i) How does the world depicted on the classroom walls differ from the world of the slum children?  
(ii) According to Keats, what makes man love life in spite of all its problems and miseries?  
(iii) Why did Aunt Jennifer choose to embroider tigers on the panel?  
(iv) What do the poet's parting words to her mother signify?



**8.** Answer the following questions in 30 - 40 words each: **2x5 = 10 marks**

- (a) How did the incident at the Y.M.C.A. pool affect Douglas?
- (b) How was Gandhiji able to influence the lawyers at Champaran ?
- (c) Why did the peddler sign himself as Captain von Stahle?
- (d) Is it possible for Mukesh to realize his dream? Justify your answer.
- (e) Account for Subbu's importance in Gemini Studios.

**9.** Answer the following question in 125 - 150 words: **10 marks**

Jansie is just as old as Sophie but she is very different from her. Bring out the contrast between the two friends citing relevant instances from the story, 'Going Places'.

**OR**

What did the French teacher tell his students in his last French lesson? What impact did it have on them? Why ?

**10.** Answer the following question in 125 - 150 words: **7 marks**

What are the similarities in the lives of Bama and Zitkala though they belong to different cultures?

**OR**

How did the Tiger King meet his end? What is ironical about his fate?

**11.** Answer the following questions in 30 - 40 words each: **2x4 = 8 marks**

- (a) Why is Antarctica and its understanding important for the survival of the world?
- (b) Why did the General spare the American soldier?
- (c) What qualities of Mr. Lamb attracted Derry to him?
- (d) How did the wizard help Roger Skunk?

## Marking Scheme — English Core

### *General Instructions :*

1. Evaluation is to be done as per instructions provided in the Marking Scheme.
2. The Marking Scheme provides suggested guidelines and not the complete answers.
3. Answer scripts should not be given to the evaluators for evaluation till the given Marking Scheme has been thoroughly discussed with them in groups or individually.
4. On the first day of marking, the Head-Examiners have to go through the first five answer-scripts evaluated by each evaluator to ensure that the evaluation has been carried out as per the Marking Scheme only. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant deviation from the Marking Scheme.
5. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written on the left hand margin and circled.
6. If a question does not have any parts, marks must be awarded on the left-hand margin.
7. Where marks are allotted separately for content and expression as per the Marking Scheme, they have to be reflected separately and then totalled up.. This is a mandatory requirement.
8. A slash (/) in the Marking Scheme indicates alternative answers to a question. If a student writes an answer which is not given in the Marking Scheme but which seems to be equally acceptable, marks should be awarded only in consultation with the Head-Examiner.
9. If a child has attempted an extra-question, answer of the question deserving more marks should be retained and the other answer scored out.
10. Q1 under Section A (reading skills) and Q7 (a) under Section C (Literature) have been designed to test students' ability to comprehend the given passage / extract so the examinees need not be unnecessarily penalised for language errors.
11. Where questions have been designed to test the writing skills of students, the expression (grammatical accuracy, appropriate use of words, style, spelling, organization and presentation of relevant matter in a coherent and logical way) is important.

12. Identify major mistakes and weaknesses before awarding marks.
13. Wherever the word limit is given, no marks be deducted for exceeding the word limit. However, due credit should be given for precise answers.
14. If a student, in response to a short-answer-type question, writes a single word answer which constitutes the core of the answer. It may be accepted and awarded marks.
15. If a student literally lifts a portion of the given passage / extract from the question paper as an answer to a question, no mark(s) be deducted as long as it is relevant and indicative of the desired understanding on the part of the student [reference questions under Q1 and Q7(a)].
16. A full scale of marks - 0 to 100 is to be used. In case of an answer book deserving 95 marks and above, marks be awarded in consultation with the Head Examiner only.

QUESTION PAPER CODE 1/1/1

EXPECTED ANSWERS/VALUE POINTS

SECTION A: READING

20 Marks

1 COMPREHENSION PASSAGE

12 marks

(a) NOTE: No mark(s) should be deducted for mistakes of grammar, spelling, or word limit. Full marks may be awarded if a student has been able to identify the core ideas. If a student literally lifts a portion of the given passage as an answer to a question, no mark(s) to be deducted for this as long as it is relevant.

(i) live and work great distances from native places / separated from original families / company of friends reduces the pain 2 marks

(ii) brings happiness, intimacy and richness 2 marks  
saves from depression  
reflects the value system we developed in our adult life  
value system different from the one that we grew up with  
(any two)

(iii) brings out the positive side 2 marks  
you explain yourself openly to a friend  
no fear of hurting any family member  
it is an unconditional experience  
non judgemental  
supportive  
understanding and fun  
(any two)

(iv) tolerance 1 mark  
acceptance  
empathy  
attentiveness  
seeing the world through the eyes of your friend  
(any two)

(v) active listening skills 2 marks  
questioning skills

negotiation skills  
 reflecting content skills  
 reflecting emotion skills and editing yourself  
 (any two)

- (b) (i) fundamental 1 mark  
 (ii) negotiation 1 mark  
 (iii) opportunity 1 mark
- 2 Note** 8 marks

- **If a student has attempted only summary or only notes, due credit should be given.**
- **1 mark allotted for title be given if the student has written the title either in Q2(a) or Q2(b)**
- **Min. 3 main headings and 3 sub-headings to form content**

The notes provided below are only guidelines. Any other title, main points and sub-points should be accepted if they are indicative of the candidate's understanding of the given passage, and the notes include the main points, with suitable and recognizable abbreviations. Complete sentences are not to be accepted as notes. (In such cases ½ -1 mark may be deducted from marks allotted to content)

Numbering of points can be indicated in different ways, and these should be accepted as long as a consistent pattern is followed.

(a) **NOTE MAKING**

Distribution of Marks

**Abbreviations / Symbols** (with /without key) - any four 1 mark

**Title** 1 mark

**Content** (minimum 3 sub-headings, with proper indentation and notes) 3 marks

**Suggested Notes**

**Title:** Effective Listening Skills / Listening Skills / Competent Listeners / Effective Communication / any other suitable title)

- 1 Effective speaking  
 1.1 depends on eff. list'ng

- 1.2 takes energy to conc. on hearing
- 1.3 conc. on underst'ng
- 2 Incompetent listeners
  - 2.1 fail in a no. of ways
  - 2.2 attention drifts
  - 2.3 find counter argum'ts
  - 2.4 filter message to suit own frame of ref.
  - 2.5 react
- 3 How can a listener be more effective
  - 3.1 art of conc.
    - i) helped by alert'ess
    - ii) alert'ess helped by phy. fitn's & posit'ng of body
  - 3.2 intensive note-taking
    - i) aid to listen'r
    - ii) helps the spk'r by eye contact
    - iii) spkr's timing is aided
  - 3.3 posture
    - i) upright postur' helps in conc.
    - ii) +ve feature of listn'rs

(b) **Summary**

The summary should include all the important points given in the notes.

**Content** 2 marks

**Expression** 1 mark

**SECTION B: ADVANCED WRITING SKILLS** **35 Marks**

**NOTE:** The objective of the section on Advanced Writing Skills is to test a candidate's writing ability. Hence, expression assumes as much importance as the content of the answer.

- 3 **ADVERTISEMENT** 5 marks
  - Content** 3 marks
  - Expression** 2 marks

**Suggested value points**

(SITUATIONS VACANT - CRICKET AND HOCKEY COACHES REQUIRED)

- Qualities essential: young, active, agile, good communication skills, pleasing personality
  - Qualifications: degree or diploma from recognised institute of sports, experience of training (mention period)
  - Apply: within specified period
  - remuneration
  - contact details
  - any other relevant details
- (due credit should be given for economy of words used)

OR

**NOTICE**

5 marks

**Format**

1 mark

The format should include: NOTICE / TITLE, DATE, and WRITER'S NAME WITH DESIGNATION. The candidate should not be penalized if he has used capital letters for writing a notice within or without a box.

**Content**

2 marks

**Expression**

2 marks

**Suggested value points**

(RETURN OF LIBRARY BOOKS)

- to return library books
- last date for return of the books
- fine for late submission and damaged books
- any other relevant details

**4 REPORT WRITING**

10 marks

**Format**

1. title, reporter's name

1 mark

**Content**

4 marks

**Expression**

5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested value points:**

(DEBATING SKILLS ENHANCEMENT PROGRAMME/ ENHANCING DEBATING SKILLS / any other suitable heading)

- week long training programme for students
- organised by Debating Society, Chennai
- participants
- eminent speakers / resource persons
- presentations
- programme
- skills taught
- students' participation
- any other relevant points

OR

**FACTUAL DESCRIPTION**

10 marks

**Title**

1 mark

**Content**

4 marks

**Expression**

5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested value points**

(NEW LIBRARY CUM READING ROOM)

what

- a library cum reading room where one can sit, browse through books, read for fun and knowledge
- location - in the school building

description

- size
- general ambience



- seating arrangements
- seating capacity, comfortable chairs, tables, benches
- number and variety of books
- well planned, well lit, well ventilated, well equipped
- tastefully decorated, display boards with latest book covers
- computer catalogues, internet facility
- librarian to see to the smooth running
- any other relevant details

(min 4)

## 5 LETTER WRITING

10 marks

[Note: - No marks are to be awarded if only the format is given. Credit should be given to the candidate's creativity in presentation of ideas. Use of both the traditional and the new format is permitted.]

### **Format**

2 marks

1. sender's address, 2. date, 3. receiver's address, 4. subject heading, 5. salutation, 6. complimentary close.

### **Content**

4 marks

### **Expression**

4 marks

- grammatical accuracy, appropriate words and spelling [2]
- coherence and relevance of ideas and style [2]

(SCHOOL EXCURSION)

### **Suggested Value Points**

- size of group
- date and duration
- transport, accommodation, facilities required - sightseeing
- charges
- concession
- any other relevant details

(any 4)

OR

(COMPLAINT ABOUT FAULTY MOBILE PHONE)

**Suggested Value Points**

- details of purchase - date, receipt no.
- nature of defect
- warranty
- request to rectify / replace

**6 ARTICLE WRITING** 10 marks

**Format:** (Title and writer's name) 1 mark

**Content** 4 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested Value Points**

(ON BEING A TEENAGER / any other suitable title)

- teenage best phase in one's life (maximum enjoyment, fewer responsibilities)
- turned into complicated stage due to immense pressure of competition
- pressure from parents to perform better for future admission
- physical and emotional changes
- any other relevant point

suggestions (if any) for making less stressful

- need a lot of emotional support, guidance, patience, understanding and counselling
- parents to spend quality time with teenagers

(min 4)

OR

**Suggested Value Points**

(CONSERVATION, NEED OF THE HOUR/ CONSERVING THE EARTH'S RESOURCES / any other suitable title)

- why conserve
- to avoid waste

- balance between natural resources and population
- for future generations
- role of students, govt., community
- water conservation (rainwater harvesting)
- waste to be recycled / reused

(min 4)

Solutions (optional)

- creating awareness
- alternative sources of energy like wind, sun, rivers should be tapped
- govt initiatives in promoting alternative resources
- conservation essentials for human life and progress
- any other relevant point

### **SECTION C: LITERATURE**

**45 Marks**

**NOTE:** The objective of the section on Literature is to test a candidate’s ability to understand and interpret the prescribed text through short answer and long answer type questions. Hence both content and expression in answer to the given questions deserve equal importance while awarding marks.

7 [This question has been designed to test the students’ understanding of the text and their ability to interpret, evaluate and respond to the questions based on the given stanza. In other words, it attempts to test their reading comprehension ONLY.] 10 marks

(a) **Value points:** 4 marks

- (i) the beautiful objects of nature / beautiful sights and sounds of nature (sun, moon, blooming flowers and plants that lift our spirits) 2
- (ii) beautiful things dispel sadness and darkness from our lives / man is inspired by beautiful things on earth to live happily / a thing of beauty is a joy forever 2

OR

- (i) fear of separation from her mother due to death / one day she would lose her mother / the fear of growing old 1

- (ii) words of assurance that they would meet again / life must go on / comforting herself as well as her mother / parting on an optimistic note 2
- (iii) does not want to show her agony and fear to her mother / her outer smile hides her inner pain of separation / comforts her mother / wants to part from her mother on a pleasant note 1

(b) **Short answer type questions (poetry)** 2x3= 6 marks

Distribution of marks:

**Content:** 1 mark

**Expression** 1 mark

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

- (i) students cannot connect themselves with the pictures and maps / do not derive any inspiration / on the map they see beautiful cities but not their slum / these pictures are different from their real world 2

(any two)

- (ii) – total silence 2  
 – all cruel activities to come to an end  
 – break from all activities  
 – all humanity in togetherness

(any two)

- (iii) exactly the opposite to aunt's life / bright topaz denizens of a world of green / unafraid / proud / chivalric / bright eyed / prancing 2

(any two)

- (iv) – feels sorry for the miserable lives of the poor people 2  
 – no city bred stops to buy things from them  
 – poor people wait like children for the customers to come  
 – know the rich have money but not the desire to help

(any two)

**8 Short answer type questions (Prose)** 2x5= 10 marks

Questions are to be answered in 30-40 words.

Distribution of marks:

Content: 1 mark

Expression 1 mark

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

- (a) - students were all quiet / sad 2 marks  
- no hustle and bustle  
- even the village elders were sitting on the back benches  
- there was total attention given by the students  
- Hamel himself was very emotional  
(any two)
- (b) - had started working in the tea stall / earlier a self employed rag picker 2 marks  
- earns rupees eight hundred  
- became a worker under the tea stall owner  
- lost the joy on his face  
- lost his freedom  
(any two)
- (c) - amount of the refund not important 2 marks  
- moral victory for Gandhiji and the peasants  
- landlords were forced to surrender a part of their money and part of their prestige  
(any two)
- (d) - learnt swimming under the guidance of an instructor 2 marks  
- the instructor played a very positive role  
- taught swimming to Douglas in parts  
- challenged himself by practising to cross many water bodies
- (e) - many sided genius, a poet and a trouble shooter 2 marks  
- didn't have formal education but a lot of exposure to situations and people  
- sense of loyalty / genuine love for everybody

- used all his creativity and energy in his work
- charitable and cheerful
- amazing actor - performed better than main players
- hospitable to dozens of near and far relations

(any two)

Q 9 & 10 [These questions have been set to test the students' understanding of the text and their ability to interpret, evaluate and respond to the issues raised therein. Hence no particular answer can be accepted as the only correct answer. All presentations may be accepted as equally correct provided they have been duly supported by the facts drawn from the text. The important thing is that the student should be able to justify his or her viewpoint.]

9 Distribution of marks: 10 marks

**Content** 5 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Value points:**

- act of kindness really changed the peddler
- in the beginning he was dejected, disillusioned
- had no positive experiences of life and considered the whole world a rattrap
- the crofter treated him well - shared with him all his secrets
- the ironmaster's daughter treated him with respect and showed compassion and understanding
- gave him a grand treat on the Christmas day
- persuaded the ironmaster not to send the man away even when the true identity of the peddler was revealed
- accorded him the respect due to a captain
- compassion, love and understanding shown by the daughter brought about the change

(any five points)

OR

- Sophie a day dreamer (lost in a world of fantasy)
- aspires to have a boutique
- wants to become a manager or actress
- imagines meeting Danny Casey in the arcade
- wants to see the vast world

real world

- belongs to poor middle class family
- is earmarked for biscuit factory after schooling
- no one believes her fanciful stories
- refuses to come to terms with reality

(any five points)

10 Distribution of marks: 7 marks

**Content:** 4 marks

**Expression** 3 marks

grammatical accuracy, appropriate words and spelling [1½]

coherence and relevance of ideas and style [1½]

**Value Points:**

- in the beginning faces a dilemma - whether to help the POW or to assert loyalty to his country
- finally gives in to the call of humanity
- inspite of all opposition brings the POW inside his house
- servants consider him a traitor
- his role as a doctor - treats him and saves his life
- risks his life and reputation
- does not hand over the prisoner to the police
- helps the soldier to escape - gives him his boat and food
- considers humanity above narrow prejudices of race and country

(any four points)

OR

Jo did not approve of the ending

- was disturbed
- thought about lonely Roger without his friends
- Jack behaved in a very insensitive manner
- Jo upset with Skunk's mother and called her stupid

(any two points)

Jo wanted a different ending

- wanted the wizard to punish the mother / wanted the rose smell for the skunk
- was not convinced by the father's version of the story

11 Distribution of marks: 2x4=8 marks

**Content:** 1 mark

**Expression** 1 mark

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

- (a) - prediction at the time of his birth 2 marks
- killed 99 tigers
  - was killed by the 100th tiger
  - was obsessed with the killing of tigers
- (any two)

- (b) - make the students realise the reality of global warming 2 marks
- provide opportunities to foster new understanding
  - develop respect for the earth
  - they are future policymakers and can make a big difference
  - future generation has a life changing experience - to absorb, learn and act
- (any two)

- (c) - how the plan for escape from prison conveyed to Evans in German text 2 marks
- a photocopied sheet had been superimposed on the last blank page of the question paper
  - a correction slip carried index no. 313 and centre no. 271 which helped the Governor to know about his whereabouts
- (any two)



- (d) - one day, while coming from school, she saw an elderly man of her community carrying vadai packet by a string 2 marks
- the man took care not to touch the packet
  - narrated the amusing incident to her brother
  - brother told her about the plight of the people in their community and attitude of the upper caste people towards people of lower caste
- (any two)

QUESTION PAPER CODE 1/1

**EXPECTED ANSWERS/VALUE POINTS**

**SECTION A: READING**

**20 Marks**

**1 COMPREHENSION PASSAGE**

12 marks

- (a) **NOTE:** No mark(s) should be deducted for mistakes of grammar, spelling, or word limit. Full marks may be awarded if a student has been able to identify the core ideas. If a student literally lifts a portion of the given passage as an answer to a question, no mark(s) to be deducted for this as long as it is relevant.

- (i) - live and work great distances from native places / separated from original families / company of friends reduces the pain 2 marks

- (ii) - brings happiness, intimacy and richness 2 marks
- saves from depression
  - reflects the value system we developed in our adult life
  - value system different from the one that we grew up with
- (any two)

- (iii) - brings out the positive side 2 marks
- you explain yourself openly to a friend
  - no fear of hurting any family member
  - it is an unconditional experience
  - non judgemental
  - supportive
  - understanding and fun
- (any two)

- (iv) - tolerance 1 mark  
- acceptance  
- empathy  
- attentiveness  
- seeing the world through the eyes of your friend  
(any two)

- (v) - active listening skills 2 marks  
- questioning skills  
- negotiation skills  
- reflecting content skills  
- reflecting emotion skills and editing yourself  
(any two)

- (b) (i) fundamental 1 mark  
(ii) negotiation 1 mark  
(iii) opportunity 1 mark

2 **Note** 8 marks

- **If a student has attempted only summary or only notes, due credit should be given.**
- **1 mark allotted for title be given if the student has written the title either in Q2(a) or Q2(b)**
- **Min. 3 main headings and 3 sub-headings to form content**

The notes provided below are only guidelines. Any other title, main points and sub-points should be accepted if they are indicative of the candidate's understanding of the given passage, and the notes include the main points, with suitable and recognizable abbreviations. Complete sentences are not to be accepted as notes. (In such cases ½ -1 mark may be deducted from marks allotted to content)

Numbering of points can be indicated in different ways, and these should be accepted as long as a consistent pattern is followed.

(a) **NOTE MAKING**

Distribution of Marks

**Abbreviations / Symbols** (with/without key) - any four 1 mark

**Title** 1 mark

**Content** (minimum 3 sub-headings, with proper indentation and notes) 3 marks

**Suggested Notes**

**Title:** Effective Listening Skills / Listening Skills / Competent Listeners /  
Effective Communication / any other suitable title)

- 1 Effective speaking
  - 1.1 depends on eff. list'ng
  - 1.2 takes energy to conc. on hearing
  - 1.3 conc. on underst'ng
- 2 Incompetent listeners
  - 2.1 fail in a no. of ways
  - 2.2 attention drifts
  - 2.3 find counter argum'ts
  - 2.4 filter message to suit own frame of ref.
  - 2.5 react
- 3 How can a listener be more effective
  - 3.1 art of conc.
    - i) helped by alert'ess
    - ii) alert'ess helped by phy. fitn's & posit'ng of body
  - 3.2 intensive note-taking
    - i) aid to listen'r
    - ii) helps the spk'r by eye contact
    - iii) spkr's timing is aided
  - 3.3 posture
    - i) upright postur' helps in conc.
    - ii) +ve feature of listn'rs

(b) **Summary**

The summary should include all the important points given in the notes.

<b>Content</b>	2 marks
<b>Expression</b>	1 mark

**SECTION B: ADVANCED WRITING SKILLS** **35 Marks**

**NOTE:** The objective of the section on Advanced Writing Skills is to test a candidate's writing ability. Hence, expression assumes as much importance as the content of the answer.

<b>3</b>	<b>ADVERTISEMENT</b>	5 marks
	<b>Content</b>	3 marks
	<b>Expression</b>	2 marks

**Suggested value points**

(FOR SALE / HOUSE FOR SALE / PROPERTY FOR SALE / FLAT FOR SALE)

- new house / flat
- no of rooms / physical description / fixtures / fittings
- proximity to important places
- location
- other amenities
- price (optional)
- contact details
- any other relevant details

(any four)

OR

<b>NOTICE</b>	5 marks
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<b>Format</b>	1 mark
---------------	--------

The format should include: NOTICE / TITLE, DATE, and WRITER'S NAME WITH DESIGNATION. The candidate should not be penalized if he has used capital letters for writing a notice within or without a box.

<b>Content</b>	2 marks
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<b>Expression</b>	2 marks
-------------------	---------

**Suggested value points**

(SCREENING OF AL GORE'S FILM / any other suitable title)

- what
- when
- where
- for whom
- impact
- any other relevant details

**4 REPORT WRITING** 10 marks

**Format**

1. title, reporter's name 1 mark

**Content** 4 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested value points:**

(FIRST AID TRAINING FOR SENIORS / any other suitable heading)

- what
- when
- who conducted it
- where
- for whom
- skills learnt / highlights
- response of students
- usefulness of the programme
- any other relevant points.

(any four)

OR

**FACTUAL DESCRIPTION** 10 marks

**Title** 1 mark

**Content** 4 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested value points**

(MULTI-STOREYED SHOPPING MALL / any other suitable title)

- what / name
- location
- layout
- special facilities like (ATM, coffee shop, ice cream parlour, restaurants, escalators etc.)
- any other relevant details / specialities

(any four)

**5 LETTER WRITING**

10 marks

[Note: - No marks are to be awarded if only the format is given. Credit should be given to the candidate's creativity in presentation of ideas. Use of both the traditional and the new format is permitted.]

**Format**

2 marks

1. sender's address, 2. date, 3. receiver's address, 4. subject heading, 5. salutation, 6. complimentary close.

**Content**

4 marks

**Expression**

4 marks

- grammatical accuracy, appropriate words and spelling [2]
- coherence and relevance of ideas and style [2]

(INFORMATION ON FASHION DESIGNING)

**Suggested Value Points**

- introduction of sender
- details about admission procedures, eligibility criteria, fee structure, duration of course, hostel facilities, placement opportunities
- any other relevant details

OR

(REPLACEMENT OF DAMAGED CONSIGNMENT)

**Suggested Value Points**

- details of order placed / reference / invoice
- unclear markings on the test tubes
- details of items damaged
- demand for immediate replacement
- any other relevant point

**6 ARTICLE WRITING** 10 marks

**Format:** (Title and writer's name) 1 mark

**Content** 4 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Suggested Value Points**

(THE NEED FOR OUTDOOR GAMES / any other suitable title)

Reasons for city children not playing outdoor games

- children in cities - no outdoor activities / not enough space in cities
- all entertainment confined to indoors - TV, computer games, music systems
- pressure of tuitions, coaching, hobby classes

(any two)

The need to play outdoor games

- missing the joy of outdoor play
- improving the health of children
- to develop team spirit
- to extend friend circle

(any two)

OR

**Suggested Value Points**

(THE RELEVANCE OF NEWSPAPERS / any other suitable title)

Relevance

- source of news
- wider reach

- affordable
- can be preserved for future reference
- can be read leisurely while travelling etc.
- readers can be selective
- promote reading skills
- better credibility
- any other relevant point

(any four)

### SECTION C: LITERATURE

45 Marks

**NOTE:** The objective of the section on Literature is to test a candidate's ability to understand and interpret the prescribed text through short answer and long answer type questions. Hence both content and expression in answer to the given questions deserve equal importance while awarding marks.

- 7 [This question has been designed to test the students' understanding of the text and their ability to interpret, evaluate and respond to the questions based on the given stanza. In other words, it attempts to test their reading comprehension ONLY.] 10 marks

(a) **Value points:** 4 marks

- |       |  |   |
|-------|--|---|
| (i)   | - in front of the edge of the road / by the roadside                                   | 2 |
|       | - in order to sell their items / earn some money / livelihood                          |   |
| (ii)  | - their condition very poor / miserable / pitiable / nobody stops to buy anything      | 1 |
| (iii) | - the rich people from cities enjoying a lavish lifestyle / city people / urban people | 1 |

OR

- |       |  |   |
|-------|--|---|
| (i)   | - till we count to 12 / for a very short time / for one second   | 1 |
| (ii)  | - to stop all harmful activities / to bring about peace / to bring about togetherness / to have an exotic moment / to stop wars / to have an introspection | 2 |
|       | (any two)  |   |
| (iii) | - not to harm others / not to be aggressive / to be still / to stop all movement / not to be agitated  | 1 |



(b) **Short answer type questions (poetry)** 2x3 = 6 marks

Distribution of marks:

**Content:** 1

**Expression** 1

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

(i) World on the classroom wall 2

- clear sky / civilised domes / belled and flowery cities -  
indication of richness and happiness

World of slum children

- miserable - foggy future, narrow streets, far from rivers, etc.

(ii) the things of beauty - sun, moon, trees, daffodils, clear rills, the  
mid forest brakes, great tales of mighty nobles (any two) 2

(iii) - as an escape from her miserable married life 2

- to compensate for all that she could not be in her life
- creates an alternative world of freedom
- tigers symbol of freedom, chivalry, fearlessness

(any two)

(iv) - her love and concern for her mother 2

- apprehension that she would not meet her again
- to console her by saying that she would return soon
- the hope that she would meet her soon

(any two)

**8 Short answer type questions (Prose)** 2x5 = 10 marks

Questions are to be answered in 30-40 words.

Distribution of marks:

**Content:** 1 mark

**Expression** 1 mark

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

- (a) - never went back to pool 2 marks  
- avoided water  
- any connection with water brought back the terror  
- the haunting fear ruined his enjoyment of fishing / canoeing / boating / swimming

(any two)

- (b) - they were impressed by his sincerity, convincing arguments and logical approach 2 marks  
- reprimanded them for overcharging the peasants  
- ready to go to prison  
- they felt inspired to do the same  
- made them understand the need to unite and fight

(any two)

- (c) - peddler's attitude was refined by Edla's understanding and compassion despite her knowing that he was not a real captain 2 marks  
- she treated him as a captain so he wished to respond to her in the same way  
- wanted to convey that he had resolved to come out of the rattrap

(any two)

- (d) If yes, it is possible 2 marks  
- Mukesh wants to become a motor mechanic  
- determined to go to a garage and learn  
- ready to walk the long distance  
- practical minded  
- thinks dream within reach

(any two)

If no

- everyone in their community engaged in bangle making  
- working for generations  
- no body hopes to become anything else  
- according to elders god given lineage not to be broken (Karma / destiny)

(any two)

- (e) - close to the boss 2 marks  
 - had a creative mind with ready solutions  
 - versatile genius  
 - was poet actor

(any two)

Q 9 & 10 [These questions have been set to test the students' understanding of the text and their ability to interpret, evaluate and respond to the issues raised therein. Hence no particular answer can be accepted as the only correct answer. All presentations may be accepted as equally correct provided they have been duly supported by the facts drawn from the text. The important thing is that the student should be able to justify his or her viewpoint.]

**9 Distribution of marks:** 10 marks

**Content** 5 marks

**Expression** 5 marks

- grammatical accuracy, appropriate words and spelling [2½]
- coherence and relevance of ideas and style [2½]

**Value points:**

- Sophie and Jansie, classmates, of same age
- both belong to lower middle class families
- Sophie a dreamer
- Sophie dreams of big and beautiful things
- wishes to open a boutique, wants to become an actress, a fashion designer - all unrealistic dreams
- Sophie considers Jansie 'nosey' who can spread a story in the whole neighbourhood
- develops a fascination for Danny Casey
- Sophie's meeting with Danny Casey
- Her waiting for him at a park
- Jansie is realistic, practical
- knows both earmarked for the biscuit factory

(any five)

OR

- M. Hamel said it would be his last lesson
- orders from Berlin not to teach French
- new master to come the next day
- urged students to be attentive
- blamed parents as well as himself for the poor learning
- said French the most beautiful language in the world - the clearest and most logical
- asked them to guard it and never forget it
- said the language is their key to freedom

(any three points)

Impact

- students became nostalgic / emotional
- regretted their earlier carelessness in being inattentive
- developed a spirit of patriotism and love for language

(anyone point)

Why?

- they realised that it was their last lesson / had lost the opportunity to learn it

10 Distribution of marks:

7 marks

**Content:**

4 marks

**Expression**

3 marks

- grammatical accuracy, appropriate words and spelling [1½]
- coherence and relevance of ideas and style [1½]

**Value Points:**

- both Zitkala Sa and Bama, victims of discrimination
- Zitkala Sa faced racial discrimination (cutting of hair, destroying her cultural identity / the strange rules at the boarding school with regard to dress, food, etc)
- Bama - caste discrimination
- Though both belonged to different cultures, different times, suffered similar humiliation
- both rebelled against the injustice

(any four)

OR

- predicted by the astrologers at the time of his birth that he would be killed by a tiger
- Tiger King strives to disprove the astrologers' predictions
- begins the tiger hunting expedition
- kills up to 99 tigers
- believes that he has killed the 100<sup>th</sup> tiger too
- the sliver of the toy tiger pierces his hand which develops infection
- the wooden tiger is actually the 100<sup>th</sup> and causes his death
- ironical that he meets his end through a wooden toy tiger and not by a real tiger
- in a twist of fate the prediction proved right

(any four)

11 Distribution of marks: 2x4 = 8 marks

**Content:** 1 mark

**Expression** 1 mark

(deduct ½ mark for two or more grammatical/spelling mistakes)

**Value points:**

- (a) 2 marks
- Antarctic has a simple eco system
  - lacks in bio diversity
  - gives an insight into the evolution of the earth
  - can predict the future of the planet
  - shows the pristine state of the planet
  - the study of Antarctica tells us how little changes in the environment can have big consequences

(any two)

- (b) 2 marks
- the General critically ill
  - guided by self interest
  - depended totally on Dr Sadao for his health
  - forgot his promise to Sadao to take care of the POW
  - afraid the assassins might harm the doctor and endanger the General's life

(any two)

- (c) - both Derry and Lamb suffer physical impairment 2 marks
- Lamb, the only person to treat Derry as a normal individual
  - Lamb instilled in Derry a positive attitude to life
  - his enthusiasm for life
  - had a friendly cheerful attitude

(any two)

- (d) - with his magical powers changed Roger Skunk's bad smell into sweet 2 marks  
smell of roses
- enabled Roger to play with his friends

# FUNCTIONAL ENGLISH

*Time allowed : 3 hours*

*Maximum Marks : 100*

## **General Instructions:**

- (i) *This paper is divided into four Sections: A, B, C and D. All the sections are compulsory.*
- (ii) *Separate instructions are given with each section and question, wherever necessary. Read these instructions very carefully and follow them faithfully.*
- (iii) *Do not exceed the prescribed word limit while answering the questions.*

## **QUESTION PAPER CODE 212/1**

### **SECTION A : READING**

**(20 Marks)**

**1.** Read the passage given below and answer the questions that follow:

**12 marks**

- (1) I was at a camp in Tamil Nadu, where some of those affected by the tsunami are housed. There I met nine-year-old Murugeshwari. On the morning of January 26, 2004, she was on her way to buy tomatoes for her sister. Her mother was outside, cleaning fish. Suddenly Murugeshwari heard a strange sound. She turned and saw the sea rushing towards her. Her first thought was to run and warn her sister and mother, but before that thought could turn into any kind of action she saw the sea swallow them both.
- (2) Today Murugeshwari is at a tsunami camp. Her bright eyes fill with tears as she tells me her story. Some children playing nearby see her wiping her eyes and come running over. "We are her friends, whenever she cries, we try and make her happy," they said.
- (3) "How do you make her happy?" I asked them.
- (4) I thought a present would make her happy. "I gave her this," pointing to a beautiful, black, red and gold bead necklace Murugeshwari was wearing.
- (5) "Where did you buy it?" I asked her.
- (6) "I didn't buy it," she said, "The sea swallowed my mother and my sisters also, so I don't have anyone to ask money from. It was mine; it was round my neck when the tsunami came. I gave it to her," she said.

- (7) Love came so naturally to these children who had lost all that was important to them – their families, homes, and little possessions. While I was with them, I noticed that they were constantly looking out for those who needed some form of care – taking the older people to the bathroom, fetching water for women who were not their mothers, drying someone’s clothes in the sun, or just carrying someone’s baby on their hips as if it was their own brother or sister.
- (8) Contrast the above with this story. Two young women were applying for research grants. Although both were applying for different grants, there seemed to be some rivalry between them. Their boss told them to help each other with the applications and check on the last dates to make sure that they submitted them well on time. One of the girls did not want her colleague to get her grant, so she quietly sabotaged her application. We see this kind of behaviour all around us – mean, selfish, hurtful, and destructive.
- (9) Why does such behaviour come easily to us who have so much? Is it because in our materialistic society we respect things more than people? Is our own personal selfishness, greed for material luxury, and desire to be the sole keepers of anything good, hindering us from being sensitive and caring? How do we turn our behaviour around so that it becomes nurturing and powerful ?
- (10) At the tsunami camp, I learnt that ahimsa and love had to be self-sacrificial to be real and truly meaningful. We need to put away the “I” of the ego, and look beyond at someone else’s well being. Two women were due for a promotion and were short-listed for it. One lady knew that she was qualified, had the right experience and had put in the required number of years in service. She knew too that if chosen, she would perform well. But after a while, she went to her boss and asked that the post be given to the other person. The reason? Her colleague had recently been through a series of personal tragedies and was desperately looking for something that would bring meaning to her life. The woman felt that the promotion would help her friend find stability and fulfillment at a time when so much in her life was painful. (623 words)
- (a) On the basis of your understanding of the passage answer the following in your own words:
- (i) What was the first thought that Murugeshwari had when she saw the sea rushing towards her? Was she able to fulfill her desire? Give reasons for your answer.



- |   |   |
|---|---|
| (ii) Why did the girl gift the necklace to Murugeshwari ? What does it reveal about the girl's character? | 2 |
| (iii) List out any two instances of selfless love exhibited by the children at the camp.                  | 2 |
| (iv) How are the adults of the materialistic world different from these children?                         | 1 |
| (v) What made the lady in the last incident decide to sacrifice her promotion in favour of her friend?    | 1 |
| (b) Pick out a word each from the passage which is similar in meaning to the following:                   | 4 |
| (i) scholarship (para 8)  |   |
| (ii) money minded (para 9)  |   |
| (iii) fostering (para 9)  |   |
| (iv) co-worker/associate (para 10)  |   |

**2. Read the passage given below and answer the questions that follow: 8 marks**

Technological change is one reason for companies to look again at how they manage and develop human resources, and in particular the essential powers of creativity and adaptability. But there is another: the changing demography of world populations and of national work forces. Here again we are faced with an exponential curve of change. The global workforce is changing in size and shape. It took all of human history until the early 1800s for the world's population to reach the first billion. It took 130 years to reach the second billion in 1930, 30 years to add the third in 1960, 14 years to add the fourth in 1974 and 13 years to add the fifth in 1987. In 1999, the world's population reached 6 billion. This billion increase in 12 years was the most rapid increase ever. The United Nations medium projections show that another billion people will be added in just 14 years and that world population will be about 9.4 billion by 2050.

Most of the world's population growth is taking place in less developed countries. Currently, 84 million people are being added every year in less developed countries compared with only about 1.5 million in more developed countries. According to

the UN, today's more developed country populations are projected to remain relatively constant throughout the next century, while less developed country populations are projected to keep growing.

- China is the world's most populous nation with a 1998 population of 1.2 billion. Its population is increasing by 1 % each year, assuming minimal migration. India has fewer inhabitants (989 million) but a higher annual growth rate of about 1.9%. India is likely to surpass China as the world's most populous country by the middle of the 21st century.
- In the 1990s, most of the world's fastest-growing countries were in the Middle East and Africa. Kuwait's 1998 population of 1.9 million grew by about 3.7% a year. At that rate the population will double in 19 years unless there is a significant decline in fertility or increase in emigration. The population of the African continent is growing at 2.5%, yielding a doubling time of only 27 years.
- In contrast many countries are experiencing extremely slow growth and even natural decrease because death rates have risen above birth rates. Deaths exceeded births in 13 European countries including Russia, Germany and the Czech Republic in the late 1990s. In some countries net immigration provides the only population growth.
- The United States is the third most populous nation in the world behind China and India. The US population increased by an estimated 2.5 million people during 1997. Legal and illegal migrants accounted for one quarter of population growth during the 1980s and about one-third of growth during the 1990s. According to the US Census Bureau projections, the US population could reach 394 million by 2050.

The changing patterns and demography of world population will have profound effects on the patterns of economic activity and trade.

- (a) Make notes on the passage given above in any format using recognizable abbreviations. Give a suitable title to the passage.
- (b) Write a summary based on the notes you have made in about 80 words.

**5 marks**

**3 marks**

**SECTION - B (WRITING)**

**25 Marks**

3. Given below is a letter of invitation. Read it and reply either accepting the invitation or declining it. (50-80 words)

15 Jan, 2009  
Cochin.  
Dear Raj,  
How are you? It gives me great pleasure to inform you that my daughter is getting married on 7th April, 2009 at Taj Residency, Cochin. The engagement ceremony will be held on 5th April at the Grand Hotel, Cochin. Please keep the dates free. We hope to meet you and expect you all to join us in the celebrations.  
Your friend,  
Lata

**5 marks**

**OR**

Your school is celebrating 'Fight Obesity Day'. Design a poster to create awareness on the importance of eating right and exercising regularly. (50-80 words)

4. Read the following headlines:

SAINA WINS WORLD BADMINTON CHAMPIONSHIP

SACHIN HIGHEST RUN GETTER IN THE WORLD

BINDRA WINS OLYMPIC GOLD

VISHWANATHAN ANAND: WORLD CHESS CHAMPION

Write a letter to the editor of a national daily, expressing your happiness at the new emerging faces of Indian sports. Discuss the reasons for this rise and suggest some measures that could further enhance the situation. (125-150 words)

**10 marks**

**OR**

Write a letter registering a polite complaint to the President of your Resident Welfare Association (RWA) regarding the extremely high levels of music blaring from

loudspeakers during the festive season. Mention the fact that you are a student and your studies are getting affected by the noise. You are Uma/Umesh. (125-150 words)

5. Read the following poster:

**KNOW YOUR RIGHTS**

*CONSUMER CAUGHT IN THE WEB BECAUSE.....*

- Lacks quality consciousness
- Lacks consumer awareness
- Lack of stringent enforcement of laws
- Misleading advertisements
- Corrupt practices of shopkeepers

*Issued in Public interest by- Ministry for Consumer Affairs*

Reeju Ray attended a seminar where the rights of a consumer were discussed and the above poster was displayed. Taking help from the points raised in the poster and your own ideas write an article for the school magazine on the importance of consumer awareness. Give your article a suitable heading. (200 words)

**10 marks**

**OR**

Read the following poster:

**Malnutrition: The New Aids?**

Why can't we feed our children?

- Almost a third of the world's malnourished children - Indians
- Over last 10 years figures fallen by only 2%
- 125 hunger deaths of children in MP in past 5 months

**Some facts on global malnutrition:**

40.4% Indian children

28% African

13% West Asian

Rita Roy reads the above poster and is disturbed at the alarming figures quoted above in a country on the path of development. Write a speech she has to deliver on

Children’s Day in school stating reasons and giving suggestions on how to deal with this grave problem. (200 words)

**SECTION - C (GRAMMAR)**

**20 Marks**

6. Re-arrange the following sentences sequentially to make complete sense:

**5 marks**

- (a) And like all arts it can be learnt
- (b) You must know who they are and what they want
- (c) Public speaking is an art
- (d) Though everyone feels nervous before a public speaking performance, the trick is to master it
- (e) You also have to focus on your audience

7. Harsh Diwan, a journalist has been asked to interview Dr. Anwar Ali, one of the scientists who was part of the team that sent the rocket Chandrayan I to the moon. Based on the input given below complete the conversation. The first one has been done as an example:

**5 marks**

- research conducted
- the time taken
- Government aid
- problems encountered and
- how they solved them

Example:

Harsh: Good morning, Sir. Congratulations on the success of the ‘Mission Moon’.  
There are a few things that our readers would like to know about this ‘Mission’

Dr. Ali : Sure! What would you like to know?

8. The following passage has ten errors. Identify the error in each line and write them along with the corrections as shown in the example:

**5 marks**

Cells are the ultimate multitasker. multitasker-multitaskers

- (a) They could switch on genes and carry
- (b) out their orders, talk to each other, divided

- (c) in two, and much more, all at a same time.
- (d) But they can't do any of these trick without
- (e) a power source of generate movement. The inside
- (f) of a cell bustles with most traffic than on Delhi roads,
- (g) but like all vehicles, the cell's moving parts
- (h) need engines. Physicians and biologists has looked
- (i) under the hood of the cell and lay out the nuts
- (j) and bolts in molecular engines

9. Mr. Ramesh, an official with the Sports Ministry, and a part of the Indian delegation went to Beijing for the Olympic Games. On his return he was asked to give his impression on the various aspects of the organization of the games by the Beijing officials. Frame ten questions that he could be asked on the following issues:

**5 marks**

- the opening ceremony
- accommodation
- transportation
- practice facilities
- food
- condition of the venues
- leisure time activities of the sportspersons
- arrangement for local sightseeing
- security arrangements
- interaction with locals

#### **SECTION - D (LITERATURE)**

**35 Marks**

10. Choose any one of the following extracts and answer the questions that follow:

**7 marks**

I know why the caged bird beats his wing  
 Till its blood is red on the cruel bars;  
 For he must fly back to his perch and cling  
 When he fain would be on the bough a-swing;  
 And a pain still throbs in the old, old scars.

- (a) Name the poem and the poet. 1
- (b) Why does the narrator use the phrase 'I know' ? 1
- (c) Identify and explain the literary device used in these lines. 1
- (d) What do the 'old' scars refer to? 1
- (e) What would the bird like to do after it breaks free? 1
- (f) What does this poem teach you? 2

**OR**

Their dreams that drip with murder; and they'll be proud  
 Of glorious war that shattered all their pride....  
 Men who went out to battle, grim and glad;  
 Children, with eyes that hate you, broken and mad.

- (a) Name the poem and the poet. 1
- (b) Who are the 'they' being referred to in these lines? 1
- (c) What do they dream of and why do the 'dreams drip with murder' ? 2
- (d) How have the 'men' changed into 'children' ? 2
- (e) Contrast 'glorious' with 'shattered' in the second line. 1

**11.** Answer any two of the following in about 50 words each: **2 x 4 = 8 marks**

- (a) 'The narrator truly loves Sally'. Do you agree with this statement?  
Give reasons for your answer.
- (b) Discuss any two qualities of a good poem as described in the poem 'Ars Poetica.'
- (c) Bring out the contrast between the mother in her youth and her old age as described in the poem, 'Of Mothers, Among Other Things'.

**12.** Answer anyone of the following in 80-100 words: **5 marks**

'God-O-God - this is a brutal joke you are playing.

What was the brutal joke and who had played it ? Do you agree with the speaker's point of view? Give reasons for your answer.

**OR**

What is the Monkey's paw? How do the Whites react to it ?

**13.** Answer any two of the following in about 50 words each. **2 x 4 = 8 marks**

- (a) Why did the beggar from the lesson, 'What's your Dream?' stop by to talk to the narrator? What was his advice to the young boy?
- (b) Unable to share his grief with his passengers, Iona turns to others. Who were they and how did they react to him?
- (c) According to Robert Lynd, how can we recapture the lost enchantment of childhood?

**14.** Answer anyone of the following in 100-120 words: **7 marks**

Mrs. Malik from the lesson, "A Room 10' x 8" writes a letter to her sister describing her daughter-in-law's plans to move into their own house finally. She writes about the daughter-in-law's enthusiasm and contrasts it with her own reactions to the changed circumstances. Write the letter.

**OR**

On her return from the war front, Lisa writes a diary entry describing her experiences there, her meeting Doronin and the effect this has had on her life. Write the diary entry.

**QUESTION PAPER CODE 212**

**SECTION A : READING**

**20 Marks**

**1.** Read the following passage and answer the questions that follow: **12 marks**

- 1 Some people in the corporate sector believe that the highest job satisfaction is enjoyed by those in least-paying jobs, like in NGOs and social organizations. This sounded ironical but still exciting enough to mull over for those of us in the corporate world who chase a mirage called job satisfaction and often confuse it with high salaries.
- 2 Five years ago, I was posted in Kolkata. This is where I had the soul-stirring experience of meeting Ravikant at Belur Math, the Ramkrishna Mission's headquarters. Away from the city's boisterous roads, Belur is tranquility personified. It had been 18 years since Ravikant and I had passed out from IIT Kanpur, where we spent our days in neighbouring hostel rooms. In the course of lunch that day at Belur, he unfolded his post-IIT story, which marked a turning point for my own view towards life.



- 3 Ravikant Jadhav was ranked second across India in the JEE and completed his B.Tech. in computer science with a perfect 10 CPI. A recipient of the President's gold medal at IIT, he spurned all offers of plum scholarships from top foreign universities. Instead, he went on to do his Ph.D. from IIT, Kanpur. As his neighbour I was familiar with Ravikant's leanings towards Swami Vivekananda and Ramkrishna Paramhans. Often, when I barged into his room for a chat session, I would find him deep into reading their teachings. These had an impact on his day-to-day actions as well. An example of his austerity was the fact that he managed to pass those four years with just a pair of white kurta-pyjamas. He spent a lot of time teaching the mess workers' children besides other poor employees of IIT. Top brain that he was, the toughest assignments were cracked by him in a jiffy.
- 4 His entire family along with many of us, egged him on to study abroad. I occasionally mocked his convictions and told his parents he would eventually succumb to the lure of dollars, just like several of his batch-mates. But, he couldn't be deterred from his single-minded pursuit of serving humanity. He would explain, "Just like Silicon Valley, social sectors too desperately need intelligent people."
- 5 He continues to positively impact the lowest rung of the social ladder. Recently, he helped save the life of 12-year-old Rashi, who developed a hole in her heart. Her operation in Bangalore cost Rs. 3 lakh and on reading Ravikant's email, I had contributed my bit, but was doubtful if he would meet the target. But, as I recently found out, Rashi was back home in Kanpur after a successful surgery, making me put my faith in Ravikant's words that, "There are a lot of good people in the world, we just need to reach out to them."
- 6 Unmarried, he has dedicated his entire life towards a social cause. He joined the Ramkrishna Mission after his doctorate and, by now has taught computer science to several thousand students at their university, besides managing various projects spread across the country. He also humbly believes that Belur Math has given him the opportunity to achieve his mission. Yet, his journey continues.
- 7 Ravikant's story is beyond inspiration. When I look around at my batch-mates, many of whom head companies, I consider Ravikant the biggest success story of IIT. His story should be a catalyst for all those who want to bridge the social abyss created by market forces and government inaction. As I write a cheque for Rs. 15,000 for my three-year-old son's quarterly fee, I'm reminded

of an education system gone horrendously wrong. Unlike many of us who keep trodding known paths, Ravikant Maharaj - as he is popularly known in Belur - has clearly found his own path and left a trail.

- *Off the Beaten Track (Times News Network)*

- (a) On the basis of your reading of the passage, answer the following questions:
- (i) Why, according to the author, is job satisfaction a mirage? 1
  - (ii) Mention two interests of Ravikant other than studies. 2
  - (iii) Why did the author mock at Ravikant's convictions? How did Ravikant prove him wrong? 2
  - (iv) What were Ravikant's pursuits after he completed his doctorate? 2
  - (v) Explain - He clearly found his own path and left a trail. 1
- (b) Pick out words/phrases from the passage which are similar in meaning to the following: 4
- (i) noisy and energetic (para 2)
  - (ii) lack of luxuries and comfort (para 3)
  - (iii) to lose the determination to oppose something (para 4)
  - (iv) person that causes great change (para 7)

2. Read the given passage carefully and answer the questions that follow: 8 marks

Technological change is one reason for companies to look again at how they manage and develop human resources, and in particular the essential powers of creativity and adaptability. But there is another: the changing demography of world populations and of national work forces. Here again we are faced with an exponential curve of change. The global workforce is changing in size and shape. It took all of human history until the early 1800s for the world's population to reach the first billion. It took 130 years to reach the second billion in 1930, 30 years to add the third in 1960, 14 years to add the fourth in 1974 and 13 years to add the fifth in 1987. In 1999, the world's population reached 6 billion. This billion increase in 12 years was the most rapid increase ever. The United Nations medium projections show that another billion people will be added in just 14 years and that world population will be about 9.4 billion by 2050.

Most of the world's population growth is taking place in less developed countries. Currently, 84 million people are being added every year in less developed countries

compared with only about 1.5 million in more developed countries. According to the UN, today's more developed country populations are projected to remain relatively constant throughout the next century, while less developed country populations are projected to keep growing.

- China is the world's most populous nation with a 1998 population of 1.2 billion. Its population is increasing by 1% each year, assuming minimal migration. India has fewer inhabitants (989 million) but a higher annual growth rate of about 1.9%. India is likely to surpass China as the world's most populous country by the middle of the 21st century.
- In the 1990s, most of the world's fastest-growing countries were in the Middle East and Africa. Kuwait's 1998 population of 1.9 million grew by about 3.7% a year. At that rate the population will double in 19 years unless there is a significant decline in fertility or increase in emigration. The population of the African continent is growing at 2.5%, yielding a doubling time of only 27 years.
- In contrast many countries are experiencing extremely slow growth and even natural decrease because death rates have risen above birth rates. Deaths exceeded births in 13 European countries including Russia, Germany and the Czech Republic in the late 1990s. In some countries net immigration provides the only population growth.
- The United States is the third most populous nation in the world, behind China and India. The US population increased by an estimated 2.5 million people during 1997. Legal and illegal migrants accounted for one quarter of population growth during the 1980s and about one-third of growth during the 1990s. According to the US Census Bureau projections, the US population could reach 394 million by 2050.

The changing patterns and demography of world population will have profound effects on the patterns of economic activity and trade.

- (a) Make notes on the passage given above in any format using recognizable abbreviations. Give a suitable title to the passage. 5
- (b) Write a summary based on the notes you have made in about 80 words. 3

### SECTION B - WRITING

**25 Marks**

3. Parul / Puneet has lost her/his school bag in a public bus. She/He drafts an advertisement to be put in the newspapers. Draft an advertisement giving the relevant details. (Word limit 50 words)

**5 marks**

**OR**

Your school is leading an awareness campaign against Environmental Pollution in the neighbourhood. Design a poster highlighting the dangers of pollution and the measures to be undertaken to fight it. (Word limit 50 - 80 words)

4. Mr. Raj, the Physics Department head wants to place an order for some lab equipment like lenses, galvanometers, prisms, glass cubes, etc. He writes a letter placing the order to M/s Scientific Equipment Ltd., Nai Sarak, Delhi-41. Write this letter. (Word limit 100 words)

**10 marks**

**OR**

Read the following headlines:

SAINA WINS WORLD BADMINTON CHAMPIONSHIP

SACHIN HIGHEST RUN GETTER IN THE WORLD

BINDRA WINS OLYMPIC GOLD

VISHWANATHAN ANAND: WORLD CHESS CHAMPION

Write a letter to the editor of a national daily expressing your happiness at the new emerging faces of Indian Sports. Discuss the reasons for this rise and suggest some measures that could further enhance the situation. (Word limit 150 words)

5. Sohini / Sohan reads the following statistics showing the male - female ratio in many of the states in India:

State	Male	Female
Haryana	1000	863
Bihar	1000	756
Kerala	1000	902
Uttar Pradesh	1000	888

She/He is extremely disturbed after reading the above statistics about the condition of the girl child which is still a matter of deep concern. Referring to these figures she/he writes an article for the school magazine discussing the reasons for this imbalance

in the population and the consequences of this trend. She/He also suggests measures that could be taken to combat this problem. As Sohini / Sohan, write the article. (Word limit 200 words)

**10 marks**

**OR**

Read the following poster:

<p style="text-align: center;"><b>KNOW YOUR RIGHTS</b></p> <p style="text-align: center;"><i>CONSUMER CAUGHT IN THE WEB BECAUSE.....</i></p> <ul style="list-style-type: none"><li>- Lacks quality consciousness</li><li>- Lacks consumer awareness</li><li>- Misleading advertisements</li><li>- Corrupt practices of shopkeepers</li></ul> <p style="text-align: center;"><i>Issued in Public interest by - Ministry for Consumer affairs</i></p>
---

Reeju Ray attended a seminar where the rights of a consumer were discussed and the above poster was displayed. Taking help from the points raised in the poster she prepared a speech to be given on National Consumer Day in school. As Reeju, write the speech. (Word limit 200 words)

**SECTION C - GRAMMAR**

**20 Marks**

6. Rearrange the following sentences sequentially to make complete sense:

**5 marks**

- (a) At the root of this decrease in numbers is the elephant intrusion in villages.
- (b) Though the numbers have officially increased, the population has declined in the southern and north-eastern states.
- (c) The elephant is fighting a grim battle for survival in the wild as well as in captivity.
- (d) Lately they have resorted to poisoning the beasts, killing at least 122 in Assam.
- (e) Elephants are thus killed for fear of attacks.

7. As a member of your School Social Service Club, Rajesh has been asked to interview a flood victim in Bihar. Based on the input given below complete the conversation. The first one has been done as an example.

**5 marks**

- losses incurred
- saved some cattle

- { ● time taken for help to arrive
- { ● after 24 hours
- { ● food supply
- { ● packets dropped from helicopters
- { ● medical aid
- { ● few doctors and nurses visited
- { ● problems faced in the camps
- { ● unhygienic conditions/inadequate drinking water/insufficient food
- { ● support from state government
- { ● minimal

Example –

Rajesh : Namaste, I would like to express my sympathy at your loss. Were you able to save anything from the floods?

Villager : Well I was a bit luckier than my neighbours. I have managed to save some of my cattle.

8. The following passage has ten errors. Identify the errors in each line and write them along with the corrections as shown in the example:

**5 marks**

Most people with stable heart disease who is                      who - which

- (a) monitored and controlled should has no problem
  - (b) travelling. However, travel was not recommended for
  - (c) people by uncontrolled angina, abnormal heart
  - (d) arrhythmia, but uncontrolled congestive heart failure.
  - (e) In general, air travel does not pose great risk to
  - (f) more heart patients. Cardiac “incidents” occur only
  - (g) in one or two patient per million during air travel.
  - (h) However, some patients need to avoid flying, on least
  - (i) temporarily, because of a increased risk posed by
  - (j) being confined with a high-altitude (and therefore low-oxygen) compartment.
9. Anil Kumble retired after a fulfilling career in cricket. As a sports journalist you have been asked to interview him. Frame ten questions you would like to ask him based on the items given below:

**5 marks**

age started playing - coaching where - debut match - career best - family support - favourite fellow cricketer - any regrets - toughest opponent - favourite playing ground - plans after retirement

### SECTION D - LITERATURE

35 Marks

10. Choose anyone of the following extracts and answer the questions that follow: 7 marks

My cold parchment tongue licks bark  
in the mouth when I see her four  
still sensible fingers slowly flex  
to pick a grain of rice from the kitchen floor.

- (a) Name the poem and the poet. 1
- (b) What characteristics of the mother are being highlighted in the above lines? Mention any two. 1
- (c) Why does the narrator refer to the four fingers still being 'sensible'? 2
- (d) What impact does this have on the narrator? 1
- (e) Identify and explain anyone literary device used in the above lines. 2

### OR

A poem should be motionless in time  
As the moon climbs,  
Leaving, as the moon releases  
Twig by twig the night-entangled trees,

- (a) Name the poem and the poet. 1
- (b) Explain the contradiction in the first two lines. 2
- (c) What is being meant by the phrase 'night-entangled tree' ? 1
- (d) What effect does the moon have on these trees? 1
- (e) Mention any two characteristics of a good poem as described in the above lines. 2

11. Answer any two of the following in about 50 words each: 2x4=8 marks

- (a) How does the title 'Curtain' bring out the central theme of the poem?

- (b) Discuss the statement, 'Autumn is a season of abundance', with reference to the poem 'Ode to Autumn'.
- (c) What are the future plans that the narrator has for himself and Sally in the poem 'Sally in our Alley'? What prompted him to make these plans?

12. Answer anyone of the following in 80 - 100 words:

5 marks

- (a) 'I shall be remembered for not what I am but for what I did.'

What do these lines reveal about Alexander's character? How did this philosophy control his actions throughout his life?

OR

- (b) 'As I wished it twisted in my hand like a snake.'

(i) What does 'it' refer to ?

1

(ii) Did it really twist in the speaker's hand? Give reasons for your answer.

2

(iii) How did his family members react to his statement?

2

13. Answer any two of the following in about 50 words each:

2x4=8 marks

- (a) How does Mrs. Malik respond to the sketch of the woman drawn by the architect? How does it prove to be ironic later on in the story, 'A Room 10' x 8' ?
- (b) Discuss the role of ambition in motivating students as explained in the lesson, 'On Education'. Comment on both its positive as well as negative aspects.
- (c) What influence did Doronin have on Lisa's life?

14. Answer any one of the following in 100 -120 words:

7 marks

Suzanne is tired of warding off the proposals from the two comedians. She writes to her friend Janette expressing her feelings for both the suitors and how she is going to deal with the problem without hurting their feelings.

OR

After the war of Kalinga, Asoka is deeply moved by the magnitude of the death and destruction caused by him. He writes a diary entry recording his feelings about his change of heart and planning the changes he was going to bring about in his method of ruling his kingdom.



## Marking Scheme — Functional English

### *General Instructions :*

1. The Marking Scheme carries only suggested value points for the answers. These are only guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the marks be awarded accordingly.
2. Answer scripts should not be given to the evaluators for evaluation until and unless the given Marking Scheme has been thoroughly discussed with them in a group or individually on the first day of evaluation.
3. The Head Examiner must go through the first five answer scripts evaluated by each evaluator to ensure that the evaluation has been carried out as per the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
4. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. However the Marking Scheme carries only suggested value points and does not constitute the complete answer.
5. If a question has parts please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and circled.
6. If a question does not have any parts, marks must be awarded in the left-hand margin.
7. Where marks are allotted separately for content and expression as per the Marking Scheme they have to be reflected separately and then totalled. **This is a mandatory requirement.**
8. A slash (/) in the Marking Scheme indicates alternative answers. If a student writes an answer which is not given in the Marking Scheme but which is equally acceptable, marks should be awarded only in consultation with the Head Examiner.
9. If a candidate has attempted an extra question, marks obtained in the question attempted first should be retained and the other answer should be scored out.
10. If a student writes a single word in response to a short answer type question and it constitutes the core of the answer it should be accepted and awarded full marks.

11. If a student literally lifts a portion of the given passage as an answer to a question no marks should be deducted for this so long as it is relevant and indicative of the desired understanding on the part of the student especially in Q.1 (Section A) and Q.10 (Section D).
12. Some of the questions may relate to Higher Order Thinking Skills. These, questions are to be evaluated carefully and the student's understanding/analytical ability may be judged.
13. Wherever the word limit is given, no marks are to be deducted for exceeding the word limit. However, due credit should be given for precise answers.

QUESTION PAPER CODE 212/1

**EXPECTED ANSWERS/VALUE POINTS**

**SECTION A: (READING) 20 Marks**

**Q1. READING**

**TSUNAMI**

**TOTAL MARKS: 12**

Under Section A, Reading (Q1) question has been designed to test a student's understanding of the passage and his/her ability to interpret, evaluate and respond to the given passage. As such, content assumes more importance than expression in the answers to these questions. Please do not hesitate to award full marks if the answer deserves it.

**Objective** : To identify and understand main parts of the text.

**Marking** : As marked in the question paper. No penalty for spelling and grammar.

Accept any other word equivalent in meaning to the answers given below.

**Answers** : a)

- |      |   |  |            |
|------|---|--|------------|
| i.   | ● | Wanted to run and warn mother and sister   | 1 mark     |
|      | ● | No, sea swallowed them before she could react  | ½ + ½ mark |
| ii.  | ● | To make Murugeshwari happy   | 1 mark     |
|      | ● | She was generous/large hearted/loving/caring/selfless                                  | 1 mark     |
| iii. | ● | Taking old people to bathrooms/fetching water/drying clothes/carrying babies (Any two) | 2 marks    |
| iv.  | ● | They are materialistic/hurtful/selfish/destructive/greedy (Any two)                    | ½ + ½ Mark |

- v ● She felt it would bring stability and fulfillment to her friend/  
her friend had been through a series of personal tragedies/  
to bring some meaning to her painful life. 1 mark

**Q1 (b) VOCABULARY**

**Objective :** To deduce the meanings of unfamiliar lexical items.

**Marking :** 1 mark each (4 marks)

- Answers :** i) grant  
ii) materialistic  
iii) nurturing  
iv) colleague

**Q 2. Note making and Summarizing**

**Total Marks: 8**

**Objective :** To develop the skill of taking down notes

To develop the extracted ideas into a sustained piece of writing.

**Marking : Note making**

**5 marks**

Heading

1 mark

Abbreviations / Symbols

1 mark

(with or without key)

(minimum four)

Content

3 marks

(minimum three sub headings)

**Important instructions:**

The notes provided below are only guidelines. Any other title, main points and sub points should be accepted if they are indicative of the students understanding of the given passage and the notes include the main points with suitable and recognizable abbreviations.

**Complete sentence should not be accepted as notes. Half a mark should be deducted from the total if the student writes complete sentences.**

**Numbering of points can be indicated in different ways and these should be accepted as long as it follows a consistent pattern.**

**Q 2. a Note making**

**Note: If the student has attempted only the summary or only the notes, due credit should be given.**

**Suggested Notes :**

**Title : World population and changing demography / world population/  
Global work force/ Managing human resource**

1. Challenges faced
  - a. Tech. changes
    - i. managing human resources
    - ii. devng. creativity & adaptability
2. Work force
  - a. Changing size and shape
    - i. 1800 – 1<sup>st</sup> billion
    - ii. 1930-2<sup>nd</sup> billion
    - iii. 1999 – 6<sup>th</sup> billion
  - b. Projn. for 2050- 9.4 billion
3. Population growth in different countries
  - a. Likely to remain constant in developed countries
  - b. Higher growth rate in less dev. countries –
    - i. China – most populous
    - ii. India – likely to surpass China
    - iii. Fastest Growing countries in 1990's
      - a. Africa
      - b. Middle East
4. Contrasting Trends
  - a. European countries
    - i. Slow Growth
    - ii. Reasons-increasing death rates
5. USA – 3<sup>rd</sup> most populous nation
  - a. Increased by 2.5 mill. during 1997
  - b. Reasons – leg. and illegal migrants

**Key**

1. Projn. – projection
2. Dev. – developed
3. Mill. – million
4. Leg. – Legal
5. Devng – developing
6. & – and
7. Tech. – technological

**Note:** 1. Any abbreviations done by the students should be accepted.

2. No student to be penalized if they have not given a key to abbreviations separately.

**Q2. b. SUMMARY**

- Objective:** 1) To expand notes ( headings and sub-headings ) into a summary  
2) To test ability of expression

- Marking:** Content 2 marks  
Expression 1 mark

**Note:** Considering the numerous facts mentioned in the notes about the population growth, due consideration should be given to the students if they do not cover all the points in the summary which is expected to be concise. The summary should cover the essential details only.

**SECTION B (WRITING)****TOTAL - 25 MARKS**

In Section B, where questions have been designed to test the writing skills of the students, expression (grammatical accuracy, appropriate vocabulary and style, spellings, organization and presentation of relevant matter in a coherent and logical way) is important.

**Q.3. OPTION-1****ACCEPTING /DECLINING INVITATION****TOTAL – 5 MARKS**

**Objective :** To use an appropriate style to draft an informal invitation

**Marking :** Content 3 marks

(To include writer's address and date.

Salutation and complementary close optional)

### Suggested Value Points

- Accepting
1. Acknowledge invitation
  2. Confirm acceptance
- Declining
1. Acknowledge invitation
  2. Decline
  3. State reasons
  4. Greetings and good wishes

### Expression

(Coherence and relevance of ideas, accuracy and style)

2 marks

### Option-2

#### POSTER

#### FIGHT OBESITY/ OBESITY DAY

TOTAL – 5 MARKS

**Objective :** To write in an appropriate style of a poster (blurbs, bullets, different font size etc. may be considered)

**Marking :** Content

(to include heading and issuing authority)

3 marks

### Expression

(Coherence and relevance of ideas and style)

2 marks

**Suggested Value points** - Create awareness about:

1. eating right
2. regular exercise

- appropriate slogans

### Q.4. Option -1

#### LETTER TO THE EDITOR - SPORTS

TOTAL -10 MARKS

**Objectives:** To use an appropriate style to write a formal letter.

To plan, organize and present ideas coherently

**Marking:** Format

2 marks

1. Sender's address
2. date
3. address of the addressee
4. salutation
5. subject
6. complimentary close
7. sender's signature/name

Content

4 marks

**Suggested value points**

- Mention famous Indian sports persons
- State reasons for the rise
  - a. Increased awareness due to exposure to mass media
  - b. Support from government / sponsors
  - c. Better opportunities for identifying talents and training/ improvement in infrastructure
  - d. Promoting sports as a career
  - e. Any relevant suggestions for enhancement

**Expression:**

4 marks

- Grammatical accuracy, appropriate words and spellings 2 marks
- Coherence and relevance of ideas and style 2 marks

**Or****Option -2****LETTER OF COMPLAINT****TOTAL -10 MARKS**

**Objectives:** To use an appropriate style to write a formal letter.  
To plan, organize and present ideas coherently

**Marking:** Format

2 marks

1. Sender's address 2. date
3. address of the addressee
4. salutation 5. subject
6. complimentary close
7. sender's signature/name

Content

4 marks

**Suggested value points**

- Introduction
- The purpose of letter
- Details
  - Studies affected
  - Disturbed sleep / peace of mind

- Headaches
- Affects hearing
- Suggest suitable measures to control it

**Expression**

4 marks

- Grammatical accuracy, appropriate words and spellings 2 marks
- Coherence and relevance of ideas and style 2 marks

**Q.5. Option -1**

**ARTICLE – CONSUMER AWARENESS**

**Objective:** To write in a style appropriate to the given situation.

To plan, organize and present ideas coherently.

**Marking:** Format

1 mark

(heading and writer's name)

Content

4 marks

**Expression**

5 marks

- Grammatical accuracy, appropriate words and spellings 2½marks
- Coherence and relevance of ideas and style 2½marks)

**Suggested value points**

- Rights of a consumer
- Exploitation of consumer
- Reasons
  - o Lack of quality consciousness
  - o Lack of consumer awareness
  - o Lack of stringent enforcement of laws
  - o Misleading advertisements
  - o Corrupt practices of shopkeepers
- Imp. of consumer education
- Measures to safeguard the right of consumers

**Or**



**Option - 2**

**SPEECH – MALNUTRITION**

**TOTAL – 10 MARKS**

**Objective:** To write in a style appropriate to the given situation.

To plan, organize and present ideas coherently.

**Marking:** Content

5 mark

(to include greetings and thanks)

**Suggested Value Points**

- Statistics on malnutrition(based on the given input)
- State reasons –
  - Overpopulation
  - Poverty
  - Unemployment
  - Illiteracy / lack of awareness
  - Natural calamities
  - Poor government policies
- Suggestions to deal with the problem

**Expression**

5 marks

- Grammatical accuracy, appropriate words and spellings 2½ marks
- Coherence and relevance of ideas and style (2½marks)

**SECTION C (GRAMMAR)**

**20 MARKS**

In Section C care should be taken not to award marks to any inaccurate answer carrying errors in grammar and punctuation.

**Q6. REARRANGING**

**TOTAL: 5 MARKS**

**Objectives:** To be able to present ideas in grammatically logical sequence

**Marking:** 1 mark for every correct answer

5 marks

**Answer**

1. Public speaking is an art
2. And like all arts it can be learned

3. Though everyone feels nervous before a public speaking performance, the trick is to master it
4. You also have to focus on your audience
5. You must know who they are and what they want

**Q7. DIALOGUE WRITING**

**TOTAL-5 MARKS**

**Objectives:** To be able to extend a situation into a meaningful dialogue.

**Marking:** 1 mark each for every correct exchange provided it is accurately and appropriately expressed. No marks should be awarded if there is any inaccuracy. This includes inaccuracies in grammar, spelling or punctuation.

5 marks

**Note:** The dialogues given below are merely suggestive. Any other exchange which is equally correct is acceptable and deserves full credit.

**Sample Answers**

1. H: Did you have to conduct a lot of research?  
Dr: Yes, it is the result of a lot of research and experiments that culminated in “mission moon”
2. H: How much of time did you take in planning the mission?  
Dr: Well, it took about a decade of planning for execution.
3. H: Did you receive any aid from the government?  
Dr: Yes, we got all the support we needed from the government agencies.
4. H: Did you encounter any problem during the planning and the execution?  
Dr: Not really, just a few
5. H: How did you tackle them?  
Dr: We would meet and brainstorm and find the solutions to the problem.

**Q.8. EDITING**

**TOTAL: 5 MARKS**

**Objectives:** To use grammatical items appropriately

**Marking:** ½ mark each

If the candidate copies the sentence and replaces the incorrect word with the correct answer marks should be awarded. However no marks are to be deducted if the candidate has given only the correct words.

	<u>Incorrect</u>		<u>Correct</u>
a)	could	-	can
b)	divided	-	divide
c)	a	-	the
d)	trick	-	tricks
e)	of	-	to
f)	most	-	more
g)	but	-	and
h)	has	-	have
i)	lay	-	laid
j)	in	-	of

#### **Q9. FRAMING QUESTIONS**

**TOTAL-5 MARKS**

**Objectives:** To understand the context and frame relevant and appropriate questions.

**Marking:** ½ mark each for every accurate question framed

**Note:** No marks to be awarded if there is any inaccuracy. The ten questions should cover at least any of the two areas specified for the interview in the given question. Any other suitable questions may be acceptable

#### **Sample questions:**

- a) Can you tell us something about the opening ceremony of Beijing Olympic Games?
- b) Were you satisfied with the accommodation provided to you?
- c) Was the transport facility adequate?
- d) Did the athletes have adequate facilities for practice?
- e) Did you get Indian food there?
- f) Were you impressed with the venues where the various events were held?
- g) Were there any arrangements for leisure time activities for the sports persons?

- h) Did they have any provision for local sight seeing?
- i) Were the security arrangements for the sports persons good/adequate?
- j) Did you get any opportunity to interact with the locals?

**SECTION D: LITERATURE**

**TOTAL -35 MARKS**

**Q10. REFERENCE TO CONTEXT**

**TOTAL- 7 MARKS**

Under Section D, (Q10) question has been designed to test a student's understanding of the passage and his/her ability to interpret, evaluate and respond to the given passage. As such, content assumes more importance than expression in the answers to these questions. Please do not hesitate to award full marks if the answer deserves it especially in the long answers.

**Objective:** To test students' comprehension of poetry- local, global, interpretative, inferential and evaluative

**Marking:**

7 marks

**Answers:**

**OPTION (1) SYMPATHY**

- a) "Sympathy" by Paul Laurence Dunbar 1
- b) To show his complete identification with the pain of the bird  
He had probably suffered/or known about a similar pain in the past 1/2 + 1/2
- c) Cruel bars; transferred epithet / Inanimate object 'bars' personified as living creature/cruelty of man transferred to the bars  
(Any one) 1
- d) The scars that have been formed by the bird beating its wings on the bars of the cage 1
- e) It would like to swing on the boughs of the tree / fly back to his perch and cling 1
- f) freedom / freedom priceless / not to curb the freedom of others to fight against all forms of oppression/ exploitation 2

**OPTION (2) SURVIVORS**

- a) Survivors by Siegfried Sassoon 1/2 + 1/2

- b) The soldiers who have survived a war/survivors. 1
- c) - dream of their dead comrades/scenes from the battle field/they see the scenes of death and destruction at the battle field 1+1
- they spend sleepless nights and they are haunted by the ghosts of their friends killed in war.
- d) They have been reduced to the helpless stage of children after the trauma of the war; broken physically mentally and emotionally e.g. like children learning to walk again. 1 + 1
- e) The glory of war shattered by the reality / illusion of war started by technology/ propaganda promoted by politicians and war mongers shattered by war 1

### Q11. POETRY

**TOTAL 4X2=8 MARKS**

**Objectives:** To test students' comprehension of poetry – local and global

**Marking:** Content: 3 marks

Expression: 1 mark

- a) Yes, because he is ready to give all that he has to Sally and wait till he is a free man to marry her. He faces the cruel beating from his master for her sake/ calls her the prettiest lady of he land/ the darling of his heart/ any other
- b) Explain any two relevant examples from the poem
- c) Mother in her youth – beautiful/elegant/active/agile/caring/well dressed/ healthy. Mother in her old age – bent/slowed down/ frail/less agile/still concerned/meticulous

(Any two)

### Q12. PLAY

**TOTAL-5 MARKS**

**Objectives:** To test the students' ability to comprehend plays, understand characters etc.

**Marking:** Content: 3 marks

Expression: 2 marks

#### OPTION (1) AN ADVENTURE STORY

- Master of the world dying of a mere chill at such a young age
- Played by god / destiny / fate / his ambition unquenchable
- Yes / No

**OR**

**OPTION (2) MONKEY'S PAW**

- It is a dried paw of a monkey given by a Fakir to Morrison, who had cast a spell on it
- Mr. White – excited – not fully convinced/wanted to test its magical power
- Mrs. White – apprehensive – wants to have nothing to do with it
- Herbert – mocks and ridicules it – has a lot of fun at its expense

**Q13. FICTION**

**TOTAL 4X2=8 MARKS**

**Objective:** To test student's ability to comprehend, interpret and evaluate prose texts

**Marking:** Content:

3 marks

Expression:

1 mark

- a) The narrator was all alone on the litchi tree /unusual/ not the litchi season/ the boy seemed to be a dreamer

Advice – have a dream ; follow it; work for it diligently; do not take any one else's dream; do not take it for granted / do not expect too much too soon / discard all those things that come in the way of finding it

- b) Approaches a hall porter who ignored him, a fellow cab driver at the stable – turns around and falls asleep, horse – listens to him in silence
- c) - by going back to nature, recollecting simple pleasures of our childhood  
- to cultivate the innocent attitude of a child to look upon the world as a toy

**Q14. LONG ANSWERS - FICTION**

**Total 7 marks**

**Objectives:** To test students' ability to comprehend prose texts globally, interpret and evaluate them.

**Marking:** Content

4 marks

Expression

3 marks

**Option -1 ROOM 10 × 8 (LETTER)**

**Note:** Marks should be awarded for the student's creativity

**Suggested Value Points:**

- Daughter-in-law excited, getting new furniture, house painted, decides to shift
- Mrs. Malik – lacks enthusiasm, realizes she has lost her position as the mistress of the house, husband dead, feels ignored / a state of resignation / recollects the difficulties she faced in the construction of the house / remembers her plans to cultivate friends

**Option- 2 THE ACTRESS (DIARY ENTRY)**

**Suggested Value Points:**

- Traumatic experiences – first hand experience of war – mutilated corpses, burnt houses etc.
- Undergoes tremendous change in her understanding of human life
- Meets Doronin, falls in love, ready to give up acting for the sake of love
- Lot of optimism and hope for the future
- First time she feels she has seriously fallen in love with someone
- Matures as an actress

QUESTION PAPER CODE 212

**EXPECTED ANSWERS/VALUE POINTS**

**SECTION A: (READING) 20 Marks**

**Q1. READING**

**OFF THE BEATEN TRACK**

**TOTAL MARKS: 12**

Under Section A, Reading (Q1) question has been designed to test a student's understanding of the passage and his/her ability to interpret, evaluate and respond to the given passage. As such, content assumes more importance than expression in the answers to these questions. Please do not hesitate to award full marks if the answer deserves it.

**Objective :** To identify and understand the main parts of the text.

**Marking :** As marked in the question paper. No penalty for spelling and grammar.

Accept any other answer equivalent in meaning to the answers given below.

**Answers :** (a) i. Job satisfaction often confused with high salaries / certain jobs appear to offer satisfaction but in reality not enjoyable

1

- |      |   |        |
|------|---|--------|
| ii.  | - Reading the teachings of Swami Vivekananda and Ramkrishna Paramhans<br>- Teaching the children of mess workers and poor employees of IIT.   | 1+1    |
| iii. | - the author mocked at Ravikant saying that he would finally succumb to the lure of dollars<br>- couldn't be deterred from his goal/ joined Ramakrishna Mission/ dedicated his life to serve humanity | 1+1    |
| iv.  | - Joined the Ramkrishna Mission and taught computer science to several thousand students<br>- Managed various projects  | 1+1    |
| v.   | Ravikant chosee the untrodden path, left a mark / made an impact on others to follow  | 1 mark |

**Q1. (b) VOCABULARY**

1x4 = 4 marks

**Objective :** To deduce the meanings of unfamiliar lexical items.

**Marking :** 1 mark each (4 marks)

- Answers :**
- i. boisterous
  - ii. austerity
  - ii. succumb
  - iv. catalyst

**Q 2. Note making and Summarizing**

**Total Marks: 8**

**Objective:** To develop the skill of taking down notes

To develop the extracted ideas into a sustained piece of writing.

**Marking : Note making**

**5 marks**

Heading

1 mark

Abbreviations / Symbols

1 mark

(with or without key)

(minimum four)

Content

3 marks

(minimum three sub headings)



**Important instructions:**

The notes provided below are only guidelines. Any other title, main points and sub points should be accepted if they are indicative of the student's understanding of the given passage and the notes include the main points with suitable and recognizable abbreviations.

**Complete sentence should not be accepted as notes. Half a mark should be deducted from the total if the student writes complete sentences.**

**Numbering of points can be indicated in different ways and these should be accepted as long as it follows a consistent pattern.**

**Q 2. a Note making**

**Note: If the student has attempted only the summary or only the notes, due credit should be given.**

**Suggested Notes**

**Title : World population and changing demography / world population/ Global work force/ Managing human resource**

1. Challenges faced
  - a Tech. changes
    - i. managing human resources
    - ii. devng. creativity & adaptability
2. Work force
  - a Changing size and shape
    - i. 1800 – 1<sup>st</sup> billion
    - ii. 1930-2<sup>nd</sup> billion
    - iii. 1999 – 6<sup>th</sup> billion
  - b Projn. for 2050- 9.4 billion
3. Population growth in different countries
  - a Likely to remain constant in developed countries
  - b Higher growth rate in less dev. countries –
    - i. China – most populous
    - ii. India – likely to surpass China
    - iii. Fastest Growing countries in 1990's

- a. Africa
  - b. Middle East
- 4 Contrasting Trends
- a European countries
    - i. Slow Growth
    - ii. Reasons-increasing death rates
- 5 US – 3<sup>rd</sup> most populous nation
- a Increased by 2.5 mill. during 1997
  - b Reasons – leg. and illegal migrants

**Key**

- 1. Projn. – projection
- 2. Dev. – developed
- 3. Mill. – million
- 4. Leg. – Legal
- 5. Devng – developing
- 6. & - and
- 7. Tech. - technological

- Note:**
- 1. Any other suitable abbreviations done by the students may be accepted.
  - 2. No student to be penalized if they have not given a key to abbreviations separately.

**Q2. b. SUMMARY**

- Objective:**
- 1) To expand notes ( headings and sub-headings ) into a summary
  - 2) To test ability of expression

- Marking:**
- |            |         |
|------------|---------|
| Content    | 2 marks |
| Expression | 1 mark  |

**Note:** Considering the numerous facts mentioned in the notes about the population growth, due consideration should be given to the students if they do not cover all the points in the summary which is expected to be concise. The summary should cover the essential details only.

**SECTION B (WRITING)****TOTAL - 25 MARKS**

In Section B, where questions have been designed to test the writing skills of the students, expression (grammatical accuracy, appropriate vocabulary and style, spellings, organization and presentation of relevant matter in a coherent and logical way) is important.

**Q.3. OPTION 1****ADVERTISEMENT****TOTAL – 5 MARKS**

**Objective:** To draft an advertisement using an appropriate style

**Marking :**

Content 3 marks

(to include title and contact address)

**Suggested Value Points**

- what (details for identification)
- Where
- When

Expression 2 marks

Coherence and relevance of ideas and style

**OPTION 2****POSTER****ENVIRONMENTAL POLLUTION****TOTAL – 5 MARKS**

**Objective:** To write in an appropriate style of a poster (blurbs, bullets, different font size etc. may be considered)

**Marking :** Content 3 marks

(to include heading and issuing authority)

**Suggested Value points**

- Causes
- Dangers / hazards
- Measures to be taken
- Appropriate slogans

Expression 2 marks

(Coherence and relevance of ideas and style)

**Q.4. LETTER**

**TOTAL -10 MARKS**

**OPTION ( 1) LETTER PLACING AN ORDER**

**Objectives:** To use an appropriate style to write a formal letter.  
To plan, organize and present ideas coherently

**Marking:** Format 2 marks

1. Sender's address
2. date
3. address of the addressee
4. salutation
5. subject
6. complimentary close
7. sender's signature/name

Content 4 marks

**Suggested value points**

- State purpose of letter
- Include list of items required with specifications i.e number, size, brand
- Mode of payment
- Due date of delivery
- Discount if any

**Expression** 4 marks

- (Grammatical accuracy, appropriate words and spellings) 2 marks
- Coherence and relevance of ideas and style 2 marks

**Or**

**OPTION – 2**

**LETTER TO THE EDITOR - SPORTS**

**TOTAL -10 MARKS**

**Objectives:** To use an appropriate style to write a formal letter.  
To plan, organize and present ideas coherently

**Marking:** Format 2 marks

1. Sender's address
2. date
3. address of the addressee
4. salutation
5. subject

- 6. complimentary close
- 7. sender's signature/name

Content 4 marks

**Suggested value points**

- Mention famous Indian sports persons
- State reasons for the rise
  - a. Increased awareness due to exposure to mass media
  - b. Support from government / sponsors
  - c. Better opportunities for identifying talents and training/improvement in infrastructure
  - d. Promoting sports as a career
  - e. Any relevant suggestions for enhancement

**Expression:** 4 marks

- Grammatical accuracy, appropriate words and spellings 2 marks
- Coherence and relevance of ideas and style 2 marks

**Q.5. ARTICLE – GIRL CHILD**

**Objective:** To write in a style appropriate to the given situation.  
To plan, organize and present ideas coherently.

**Marking:** Format 1 mark  
(heading and writer's name)

Content 4 marks

Expression 5 marks

- Grammatical accuracy, appropriate words and spellings 2½marks
- Coherence and relevance of ideas and style 2½marks

**Suggested value points**

- Refer / interpret the statistics given in the input
- Current status of girl child
- Reasons for gender imbalance

- Consequences
- Corrective measures

**Suggestions**

- any suitable suggestions

**Or**

**OPTION - 2**

**SPEECH – CONSUMER RIGHTS/NATIONAL CONSUMER DAY**

**TOTAL – 10 MARKS**

**Objective:** To write in a style appropriate to the given situation.  
To plan, organize and present ideas coherently.

**Marking:**

Content 5 marks  
( to include greetings and thanks)

**Suggested value points**

- Rights of a consumer
- Exploitation of consumer
- Reasons :
  - o Lack of quality consciousness
  - o Lack of consumer awareness
  - o Lack of stringent enforcement of laws
  - o Misleading advertisements
  - o Corrupt practices of shopkeepers
- Imp. of consumer education
- Measures to safeguard the right of consumers

Expression 5 marks  
(Grammatical accuracy, spellings 2½marks  
Coherence and relevance of ideas and style) 2½marks

**SECTION C (GRAMMAR)**

**20 MARKS**

In Section C care should be taken not to award marks to any inaccurate answer carrying errors in grammar and punctuation.

**Q6. REARRANGING****TOTAL: 5 MARKS**

**Objectives:** To be able to present ideas in grammatically logical sequence

**Marking:** 1 mark for every correct answer 5 marks

**Answer****Sequence : c, b, a, d, e**

- a. The elephant is fighting a grim battle for survival in the wild as well as in captivity
- b. Though the numbers have officially increased, the population has declined in the southern and north - eastern states.
- c. At the root of this decrease in numbers is the elephant intrusion in Villages
- d. Lately they have resorted to poisoning the beasts, killing atleast 122 in Assam
- e. Elephants are thus killed for fear of attacks

**Q7. DIALOGUE WRITING****TOTAL-5 MARKS**

**Objectives:** To be able to extend a situation into a meaningful dialogue.

**Marking:** 1 mark each for every correct dialogue provided it is accurately and appropriately expressed. No marks should be awarded if there is any inaccuracy. This includes inaccuracies in grammar, spelling or punctuation. 5 marks

**Sample Answers:**

1. Rajesh: When did help arrive? / How long did it take for help to arrive?  
Villager: Help arrived after 24 hours / It took 24 hrs for help to arrive
2. R: How was food supplied?  
V: Packets were dropped from helicopters.
3. R: Did you get medical aid? / Was medical aid provided?  
V: Yes. A few doctors and nurses visited the camps.
4. R: What problems did you face in the camps? / What were the problems faced in the camps?

V: Unhygienic conditions prevailed / We didn't get adequate drinking water / food supply was insufficient.

5. R: Did you get any support from the state government?

V: Help was minimal.

**(Any other suitable exchange may be accepted)**

### Q.8. EDITING

**TOTAL: 5 MARKS**

**Objectives:** To use grammatical items appropriately

**Marking:** ½ mark each

If the candidate copies the sentence and replaces the incorrect word with the correct answer, marks should be awarded. However, if only the correct words are given marks are to be awarded.

<u>Incorrect</u>		<u>Correct</u>
a) <u>has</u>	-	have
b) was	-	is
c) by	-	with
d) but	-	or
e) no error	-	(award half a mark if attempted)
f) more	-	most
g) patient	-	patients
h) on	-	at
i) a	-	an / the
j) with	-	to/within

### Q9. FRAMING QUESTIONS

**TOTAL-5 MARKS**

**Objectives:** To understand the context and frame relevant and appropriate questions.

**Marking:** ½ mark each for every accurate question framed

**Note:** No marks to be awarded if there is any inaccuracy. The ten questions should cover at least any of the two areas specified for the interview in the given question.

**Sample questions:**

- a) When did you start playing cricket? At what age did you start Playing cricket?



- b) Where were you coached? / Where did you get your coaching from?
  - c) Where was your debut match? / Against which team did you play your debut match? How old were you when you played your debut match?
  - d) Which according to you is your career best performance?
  - e) Was your family supportive? / Did your family support you?
  - f) Who is your favourite fellow cricketer?
  - g) Do you have any regrets?
  - h) Who was your toughest opponent?
  - i) Which was your favourite playground?
  - j) What are your plans after retirement?
- (any other suitable questions may be accepted)

**SECTION D: LITERATURE**

**TOTAL -35 MARKS**

Under Section D, (Q10) question has been designed to test a students understanding of the passage and his/her ability to interpret, evaluate and respond to the given passage. As such, content assumes more importance than expression in the answers to these question. Please do not hesitate to award full marks if the answer deserves it especially in the long answers.

**Q10. REFERENCE TO CONTEXT**

**TOTAL- 7 MARKS**

**Objective:** To test students' comprehension of poetry- local, global, interpretative, inferential and evaluative

**Marking:**

7 marks

**Answers:**

**OPTION (1) OF MOTHERS, AMONG OTHER THINGS**

- a) Of Mothers among other things ; A.K. Ramanujan - ½ + ½
- b) frugal, runs the house meticulously ,industrious, active inspite of her age (any two) - ½ + ½
- c) Had lost the use of one finger while laying a mouse trap but her other four fingers are functional / flexible / sensible/one finger crippled - 2
- d) Sad, tongue goes dry, overwhelmed with emotion, expresses the intensity of his grief (Any one) - 1

- e) Parchment tongue – metaphor (explain)  
 Still sensible – alliteration (explain)  
 Note: identification of phrase / word - 1  
 Naming the literary device - 1

**OPTION (2) ARS-POETICA**

- a) Ars Poetica - Archibald MacLeish - ½ + ½  
 b) Contradiction – Motionless in time as the moon climbs - 1  
 Explanation - 1  
 c) Trees shrouded in darkness of the night / ignorance - 1  
 d) Lights up the tree twig by twig / removes the darkness gradually - 1  
 e) Motionless in time / timeless appeal / gradual in its impact/ enlightens the reader  
 (Any two) 2

**Q11. POETRY ANSWERS**

**TOTAL 4X2=8 MARKS**

**Objectives:** To test students' comprehension of poetry – local and global

**Marking:** Content: 2 marks  
 Expression: 1 mark

- a) Theme of separation compared to the drawing of a curtain to be explained – in the context of the separation between two lovers
- b) Explain the images in the poem that picturizes autumn as a season of abundance
- Load and bless the vines
  - Bend cottage trees with apples
  - Fill fruits with ripeness to the core
  - Swell the gourd, plump the hazelnuts
  - Set more flowers budding
  - Reaping the harvest
  - Storing the grains
  - Gleaner with large bundle crossing the brook
- (Any 3 points)

- c) ● He plans to marry Sally after 7 years when he will be free, not in the alley
- He was under a contract
- He loves her dearly
- People in the alley mock him

**Q12. DRAMA**

**TOTAL-5 MARKS**

**Objectives:** To test the students' ability to comprehend plays, understand character etc.

**Marking:** Content:

3 marks

Expression:

2 marks

**OPTION (1) THE ADVENTURE STORY**

Spirit of adventure – lust for power/ambitious/man of action/impulsive/ wanted to be the master of the world (any two)

Relevant incidents – embarks on his conquest of India despite warning, refused to name his successor

Undeterred by Queen Mother's /pythia's warning (he would face a bitter end)

**OR**

**OPTION (2) THE MONKEY'S PAW**

- (i) The Monkey's paw 1
- (ii) Yes – supernatural power of the paw 2
- No – figment of his imagination
- (any one)
- (iii) Reaction of Mr. White's family. Herbert called it a nonsense. Mrs. White thought it was his fancy. 1 + 1

**Q13. PROSE**

**TOTAL 4X2=8 MARKS**

**Objective:** To test the student's ability to comprehend, interpret and evaluate prose texts

**Marking:** Content: 3 marks

Expression: 1 mark

- a) - Earlier – identified herself with the sketch of the woman – her sense of ownership and pride about the house
- Later – Ironical she was no more the lady of the house – wondered whether the architect had mocked at her because in the changed circumstances the sketch resembled her daughter-in-law, maroon was not her preference.
- b) - Ambition / aiming at recognition as a form of motivation lies firmly in the human mind. Both constructive and destructive desire. Excessive desire to outdo others is injurious to both the individual and society.
- c) - Lisa met Doronin at the battle front – fell in love –was willing to give up acting for the sake of love / Lisa underwent emotional changes
- Doronin’s death made her understand the true meaning of love, realizes the immortality of love
- grows into a mature actress

**Q14. PROSE (LONG ANSWERS)**

**Total 7 marks**

**Objectives:** To test the students’ ability to comprehend prose texts globally, interpret and evaluate them.

**Marking:** Content - 4 marks

Expression - 3 marks

**OPTION (1) THE JUDGEMENT OF PARIS (LETTER)**

**Note:** Marks should be awarded for the student’s creativity

**Suggested Value Points:**

- Flirted with both equally – liked both – admired their acting ability – not keen to marry either – didn’t want to hurt their feelings. Writes about her plan to throw a challenge to marry the better actor of the two – to be judged by the people of paris – an impossible thing to do because each one was as good as the other – she would not be compelled to marry either of the two

## **OPTION (2) ASOKA (DIARY ENTRY)**

### **Suggested Value Points:**

- Change of heart – expresses regret/remorse – publically apologises – newly found convictions – becomes a Buddhist monk – stops slaughter of animals – law of piety and right living – practises what he preaches – works for public benefit – renounces violence

(Any four of the above)

# ECONOMICS

*Time allowed : 3 hours*

*Maximum Marks : 100*

## **General Instructions:**

- (i) *All questions in both the sections are compulsory.*
- (ii) *Marks for questions are indicated against each.*
- (iii) *Question Nos. 1 - 5 and 17 - 21 are very short answer questions carrying 1 mark each. They are required to be answered in one sentence each.*
- (iv) *Question Nos. 6 - 10 and 22 - 26 are short answer questions carrying 3 marks each. Answer to them should normally not exceed 60 words each.*
- (v) *Question Nos. 11 - 13 and 27 - 29 are also short answer questions carrying 4 marks each. Answer to them should normally not exceed 70 words each.*
- (vi) *Question Nos. 14 - 16 and 30 - 32 are long answer questions carrying 6 marks each. Answer to them should normally not exceed 100 words each.*
- (vii) *Answers should be brief and to the point and the above word limits should be adhered to as far as possible.*

## **QUESTION PAPER CODE 58/1/1**

### **SECTION - A**

- |    |   |   |
|----|---|---|
| 1. | Give two examples of Microeconomic studies.             | 1 |
| 2. | When is the demand of a commodity said to be inelastic? | 1 |
| 3. | Define fixed cost.                                      | 1 |
| 4. | What causes a downward movement along a supply curve?   | 1 |
| 5. | Define monopoly.  | 1 |
| 6. | Why does an economic problem arise? Explain.            | 3 |

**OR**

Explain the problem of 'What to produce'.

7. Distinguish between a normal good and an inferior good. Give example in each case. 3
8. How is the price elasticity of demand of a commodity affected by the number of its substitutes? Explain. 3
9. Explain the meaning of 'increase in supply' and 'increase in quantity supplied' with the help of a schedule. 3
10. Why is a firm under Perfect Competition a price-taker? Explain. 3
11. Complete the following table:

Output (Units)	Average Variable Cost (Rs.)	Total Cost (Rs.)	Marginal Cost (Rs.)	4
1	---	60	20	
2	18	---	---	
3	---	---	18	
4	20	120	---	
5	22	---	---	

**OR**

Complete the following table:

Output (Units)	Price (Rs.)	Total Revenue (Rs.)	Marginal Revenue (Rs.)
4	9	36	
5	---	---	4
6	---	42	---
7	6	---	---
8	---	40	---

12. Commodities X and Y have equal price elasticity of supply. The supply of X rises from 400 units to 500 units due to a 20 percent rise in its price. Calculate the percentage fall in supply of Y if its price falls by 8 percent. 4

13. From the following schedule find out the level of output at which the producer is in equilibrium. Give reasons for your answer. 4

Output (Units)	Price (Rs.)	Total Cost (Rs.)
1	24	26
2	24	50
3	24	72
4	24	92
5	24	115
6	24	139
7	24	165

14. Explain the causes of a rightward shift in demand curve of a commodity of an individual consumer. 6

**OR**

Explain the conditions of consumer's equilibrium in case of (i) single commodity and (ii) two commodities. Use utility approach.

15. Giving reasons, state whether the following statements are true or false: 6
- (i) When there are diminishing returns to a factor, total product always decreases.
  - (ii) Total product will increase only when marginal product increases.
  - (iii) When marginal revenue is zero, average revenue will be constant.

16. With the help of a diagram explain the effect of "decrease" in demand of a commodity on its equilibrium price and quantity. 6

**For blind 'candidates only in lieu of Q. No. 16 :**

Define equilibrium price. How is it affected by a "decrease" in demand of a commodity?

### SECTION - B

17. Why is repayment of loan a capital expenditure? 1
18. What is meant by excess demand in Macroeconomics? 1
19. What can be the minimum value of investment multiplier? 1



20. Define bank rate. 1

21. Define involuntary unemployment. 1

22. Complete the following table: 3

Income	Saving	Marginal Propensity to Consume	Average Propensity to Save
0	-12		
20	-6	.....	.....
40	0	.....	.....
60	6	.....	.....

23. State any three points of distinction between Central Bank and Commercial Banks. 3

24. How can a government budget help in reducing inequalities of income? Explain. 3

25. Explain the circular flow of income. 3

**OR**

Distinguish between intermediate products and final products. Give examples.

26. List the items of the current account of balance of payments account. Also define 'balance of trade'. 3

27. Explain the meaning and two merits of fixed foreign exchange rate. 4

**OR**

Explain **two** sources each of demand and supply of foreign exchange.

28. State the four functions of money. Explain anyone of them. 4

29. Distinguish between: 4

(i) Direct tax and indirect tax

(ii) Revenue deficit and fiscal deficit

30. How will you treat the following while estimating domestic factor income of India? Give reasons for your answer. 6

- (i) Remittances from non-resident Indians to their families in India.
- (ii) Rent paid by the embassy of Japan in India to a resident Indian.
- (iii) Profits earned by branches of foreign bank in India.

31. Given consumption function  $C = 100 + 0.75 Y$  (where  $C$  = consumption expenditure and  $Y$  = national income) and investment expenditure Rs. 1000, calculate:

6

- (i) Equilibrium level of national income.
- (ii) Consumption expenditure at equilibrium level of national income.

**OR**

What changes will take place to bring an economy in equilibrium if

- (i) planned savings are greater than planned investment and
- (ii) planned savings are less than planned investment.

32. Calculate “gross national product at factor cost” from the following data by (i) income method, and (ii) expenditure method:

6

	(Rs. in crores)
(i) Private final consumption expenditure	1,000
(ii) Net domestic capital formation	200
(iii) Profits	400
(iv) Compensation of employees	800
(v) Rent	250
(vi) Government final consumption expenditure	500
(vii) Consumption of fixed capital	60
(viii) Interest	150
(ix) Net current transfers from rest of the world	(-) 80
(x) Net factor income from abroad	(-) 10
(xi) Net exports	(-) 20
(xii) Net indirect taxes	80

**QUESTION PAPER CODE 58/1**

**SECTION - A**

1. Give the meaning of opportunity cost. 1
2. What is meant by inferior good in economics? 1
3. Define marginal cost. 1
4. Give one reason for a rightward shift in supply curve. 1
5. Why is average total cost greater than average variable cost? 1
6. State the law of demand and show it with the help of a schedule. 3
7. Explain the geometric method of measuring price elasticity of demand. 3
8. Why do problems related to allocation of resources in an economy arise? Explain. 3

**OR**

Explain the problem of 'for whom to produce'.

9. Complete the following table: 3

Output (Units)	Total Revenue (Rs.)	Marginal Revenue (Rs.)	Average Revenue (Rs.)
1	---	---	8
2	---	4	---
3	12	---	4
4	8	---	2

10. Explain the effect of fall in prices of other goods on the supply of a given good. 3
11. Explain two points of distinction between monopoly and monopolistic competition. 4

**OR**

Explain any two main features of perfect competition.

12. The price elasticity of supply of commodity Y is half the price elasticity of supply of commodity X. 16 percent rise in the price of X results in a 40 percent rise in its supply. If the price of Y falls by 8 percent, calculate the percentage fall in its supply. **4**

13. Given below is a cost and revenue schedule of a producer. At what level of output is the producer in equilibrium? Give reasons for your answer. **4**

Output (Units)	Price (Rs.)	Total Cost (Rs.)
1	10	13
2	10	22
3	10	30
4	10	38
5	10	47
6	10	57
7	10	71

14. With the help of a demand and supply schedule, explain the meaning of excess demand and its effect on price of a commodity. **6**

**OR**

Define equilibrium price of a commodity. How is it determined? Explain with the help of a schedule.

15. Giving reasons, state whether the following statements are true or false: **6**

- (i) Average cost falls only when marginal cost falls.
- (ii) The difference between average total cost and average variable cost is constant.
- (iii) When total revenue is maximum, marginal revenue is also maximum.

16. Explain the effect of the following on the market demand of a commodity : **6**

- (i) Change in price of related goods
- (ii) Change in the number of its buyers

## SECTION - B

17. Give meaning of aggregate supply. 1
18. Why are taxes received by the government not capital receipts? 1
19. Give the meaning of excess demand in an economy. 1
20. What is meant by cash reserve ratio? 1
21. Define involuntary unemployment. 1
22. Complete the following table: 3

Income	Marginal Propensity to Consume	Saving	Average Propensity to Save
0		-90	
100	0.6	---	---
200	0.6	---	---
300	0.6	---	---

23. Give the meaning of factor income to abroad and factor income from abroad. Also give an example of each. 3

**OR**

Distinguish between domestic product and national product. When can domestic product be more than national product?

24. Distinguish between balance on trade account and balance on current account. 3
25. State three main functions of a commercial bank. Explain any one of them. 3
26. Give the meaning of revenue deficit, fiscal deficit and primary deficit. 3
27. Describe the evolution of money. 4

**OR**

Explain any two functions of money.

28. Explain any two objectives of a government budget. 4
29. Explain two merits each of flexible foreign exchange rate and fixed foreign exchange rate. 4
30. While estimating national income, how will you treat the following?  
Give reasons for your answer. 6
- (i) Imputed rent of self occupied houses.
- (ii) Interest received on debentures.
- (iii) Financial help received by flood victims.
31. In an economy  $S = - 50 + 0.5 Y$  is the saving function (where S = saving and Y = national income) and investment expenditure is 7000. Calculate: 6
- (i) Equilibrium level of national income.
- (ii) Consumption expenditure at equilibrium level of national income.

**OR**

From the following information about an economy, calculate (i) its equilibrium level of national income, and (ii) savings at equilibrium level of national income.

Consumption function:  $C = 200 + 0.9 Y$

(where C = consumption expenditure and Y = national income)

Investment expenditure:  $I = 3000$ .

32. From the following data, calculate “national income” by (a) income method and (b) expenditure method: 6

	(Rs. in crores)
(i) Interest	150
(ii) Rent	250
(iii) Government final consumption expenditure	600
(iv) Private final consumption expenditure	1200
(v) Profits	640
(vi) Compensation of employees	1000

(vii)	Net factor income to abroad	30
(viii)	Net indirect taxes	60
(ix)	Net exports	(-) 40
(x)	Consumption of fixed capital	50
(xi)	Net domestic capital formation	340

## Marking Scheme — Economics

Questions with \* mark are higher order thinking questions.

### *General Instructions*

1. Please examine each part of a question carefully and allocate the marks allotted for the part as given in the marking scheme below. TOTAL MARKS FOR ANY ANSWER MAY BE PUT IN A CIRCLE ON THE LEFT SIDE WHERE THE ANSWER ENDS.
2. Expected suggested answers have been given in the Marking Scheme. To evaluate the answers the value points indicated in the marking scheme be followed.
3. For questions asking the candidate to explain or define, the detailed explanations and definitions have been indicated alongwith the value points.
4. For mere arithmetical' errors, there should be minimal deduction. Only ½ mark be deducted for such an error.
5. Wherever only two / three or a “given” number of examples / factors / points are expected only the first two / three or expected number should be read. The rest are irrelevant and must not be examined.
6. There should be no effort at “moderation” of the marks by the evaluating teachers. The actual total marks obtained by the candidate may be of no concern to the evaluators.
7. Higher order thinking ability questions are assessing student’s understanding / analytical ability.

*General Note* : In case of numerical question no mark is to be given if only the final answer is given.

QUESTION PAPER CODE 58/1/1

<u>Q.No.</u>	<u>EXPECTED ANSWERS/VALUE POINTS</u>	<u>Distribution of marks</u>
<b>Section – A</b>		
1	(i) Demand by a consumer.	½
	(ii) Price determination of a commodity or any other relevant example.	½
2	When the proportionate rise in demand is less then the proportionate fall in price.	1

**OR**



- Proportionate fall in demand is less than proportionate rise in price.
- 3 Fixed costs are costs that do not change with change in output. Or, Costs incurred on fixed inputs. 1
- 4 A fall in price of given commodity. 1
- 5 It is a market in which there is only one seller / producer of a product. 1
- 6 The problem arises due to:
- (i) Limited resources ½  
Resources, i.e. land, labour, capital etc. are available in limited quantities in an economy and cannot produce all what people want. ½
- (ii) Unlimited wants ½  
Wants of the people are unlimited and keep on multiplying and cannot be satisfied due to limited resources. ½
- (iii) Resources have alternative uses ½  
A resource can be used for producing more than one product. This creates a problem. Which product should be produced or which want should be satisfied first. ½

OR

- The problem arises due to unlimited wants, limited resources and alternative uses of resources.
- Therefore, every society must decide what to produce and how much to produce. The choice arises because if the society produced more of one good it must produce less of others due to limited resources.
- (To be marked as a whole) 3
- 7 A normal good is one whose demand increases when income increases while an inferior good is one whose demand decreases with rise in income. 2
- Suppose income of a consumer increases. As a result the consumer reduces consumption of toned milk and increases consumption of full cream milk. In this case toned milk is an inferior good for the consumer and full cream milk is a normal good. OR, Any other relevant example. 1

- 8 More the number of substitutes of a commodity, more elastic is likely to be demand of that commodity.

For example, suppose the price of the given good rises and the good has many substitutes. In this case the consumer has the option of switching over to the substitutes. As a result the demand of the given good is likely to fall sharply. It makes demand more elastic.

3

- 9 Increase in supply

It refers to rise in supply of a good due to change in a factor other than the own price of the good. For example, in the schedule own price of the good remaining the same at Rs. 10 per unit, supply rises from 100 units to 150 units.

<u>Price (Rs. per Unit)</u>	<u>Supply (Units)</u>
10	100
10	150

1½

Increase in quantity supplied

It refers to rise in supply of a good due to rise in own price of the good only. For example in the schedule own price rises from Rs.10 to Rs. 11 per unit and as a result, supply rises from 100 units to 200 units.

<u>Price (Rs. per Unit)</u>	<u>Supply (Units)</u>
10	100
11	200

1½

(Schedule in any other form but relevant must be given credit)

- 10 Price taker means that an individual firm has no option but to sell at a price determined by the industry. It is because the individual firm cannot influence the price on its own further because the individual firm's share in total market supply is negligible.

3

- 11

Output (Units)	AVC (Rs.)	TC (Rs.)	MC (Rs.)
1	<u>20</u>	60	20
2	18	<u>76</u>	<u>16</u>
3	<u>18</u>	<u>94</u>	18
4	20	120	<u>26</u>
5	22	<u>150</u>	30

½ x 8

**OR**

Output (Units)	Price (Rs.)	TR (Rs.)	MR (Rs.)
4	9	36	-
5	<u>8</u>	<u>40</u>	4
6	<u>7</u>	42	<u>2</u>
7	6	<u>42</u>	<u>0</u>
8	<u>5</u>	40	<u>-2</u>

½ x 8

\*12 Es of X =  $\frac{\text{Percentage change in supply of X}}{\text{Percentage change in price of X}}$  1

$$= \frac{100 \times 100}{400} = 25$$

$$= \frac{25}{20} = 1.25$$
1

Therefore Es of Y = 1.25 ½

Es of Y =  $\frac{\text{Percentage fall in supply of Y}}{\text{Percentage fall in price of Y}}$  1

1.25 =  $\frac{\text{Percentage fall in supply of Y}}{8}$

Percentage fall in supply of Y = 1.25 x 8 = 10 percent. ½

\*13

<u>Output</u>	<u>TR</u>	<u>TC</u>	<u>Profit</u>
1	24	26	-2
2	48	50	-2
3	72	72	0
4	96	92	4
5	120	115	5
6	144	139	5
7	168	165	3

2

- The producer is in equilibrium at 6 units of output because: 1
- (i) at this level profits are maximum and ½
- (ii) any Increase in output reduces profits. ½
- 14 Causes of a rightward shift in demand curve:
- (i) Increase in income (Normal Good) : When income increases, buyer of the commodity can buy more at same price. This causes a rightward shift in demand curve.
- (ii) Rise in price of substitutes : When price of substitutes rises the given commodity becomes relatively cheaper than its substitutes. So it is purchased in place of its substitutes. Hence demand for commodity increase, resulting in right ward shift in demand curve.
- (iii) Fall in price of complimentary good : When price of complementary good falls, its demand rises, this will also result in increase in demand for the given good as the two are complementary.
- (iv) Favourable change in taste for the good : Favourable change in taste for good will result in more demand of it at the same price. Existing buyer of it may buy more of it.
- (if explanation of causes is not given only ½ mark be given for each cause) 1½ x 4

**OR**

- (i) Single commodity
- The condition is  $MU = P$ . 1
- So long as MU is greater than P, the consumer goes on buying because benefit is greater than cost. As he buys more MU falls because of the operation of the law of diminishing marginal utility. When  $MU = P$ , consumer gets the maximum benefits and is in equilibrium.
- (ii) Two commodities 1
- The conditions (1) :  $\frac{M.U_1}{P_1} = \frac{M.U_2}{P_2}$  1
- (2): Law of diminishing marginal utility is operating.
- The ratio  $MU/P$  is the per rupee MU. Suppose  $\frac{M.U_1}{P_1} > \frac{M.U_2}{P_2}$  1

the consumer gets more per rupee MU from commodity 1 as compared to commodity 2. As a result, the consumer will divert expenditure from commodity 2 to commodity 1. This will lead to fall in  $MU_1$  and rise in  $MU_2$ .

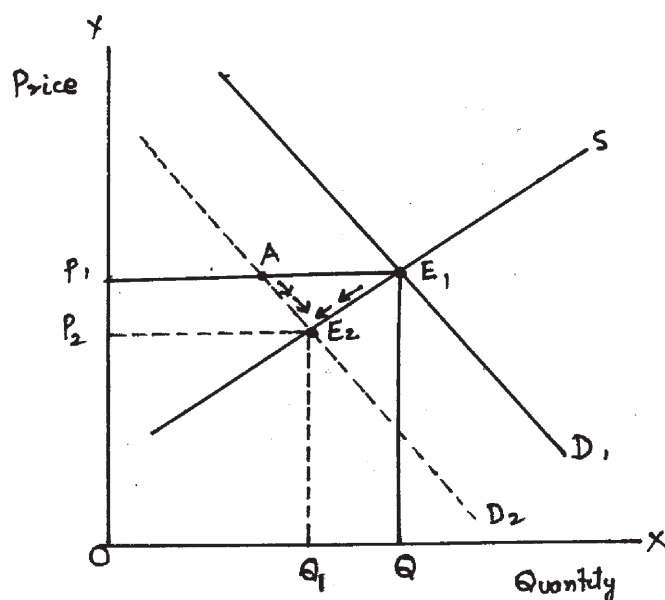
This will continue till  $\frac{MU_1}{P_1}$  becomes equal to  $\frac{MU_2}{P_2}$ . 1½

Operation of the law of diminishing marginal utility is responsible for bringing the equality. ½

- 15 (i) False because diminishing returns means diminishing MP, and so long as MP is positive, TP increases even though MP is falling. 2
- (ii) False because when MP decreases TP will increase so long as MP is positive. 2
- (iii) False because  $MR = 0$  is possible when TR is constant and as TR is constant AR will fall as output is increased. 2

16

Diagram



Decrease in demand means less demand at the same price. This leads to shift of demand curve to the left from  $D_1$  to  $D_2$ . 1

- Given equilibrium at  $E_1$  shift of demand curve leads to excess supply =  $AE_1$  at price  $OP_1$ . 1
- This creates a situation where producers are not able to sell all they want to sell at price  $OP_1$ . They start offering lower price. As a result price starts falling. 1

- As price falls, supply begins to fall along the supply curve S and demand begins to rise along the demand curve  $D_2$ . 1  
This continues till the new equilibrium at  $E_2$ .
- At new equilibrium, price falls to  $OP_2$  and quantity falls to  $OQ_1$ . 1

For blind candidates:

Equilibrium price is that price at which demand equals supply.

How affected by decrease in demand?

Answer is on the same lines as above.

### SECTION - B

- 17 Because ,it leads to reduction in liability. 1
- 18 When, at full employment level of income, AD exceeds AS. 1
- 19 Minimum value is 1. 1
- 20 The rate at which Central Bank lends to commercial banks. 1
- 21 Refers to that part of labour force which is able to work and willing to work at prevailing wage rate but is not able to find work. 1

22

<u>Y</u>	<u>ΔY</u>	<u>S</u>	<u>C</u>	<u>MPC</u>	<u>APS</u>
0		-12	12	-	-
20	20	-6	26	<u>0.7</u>	(-) <u>0.3</u>
40	20	0	40	<u>0.7</u>	<u>0</u>
60	20	6	54	<u>0.7</u>	<u>0.1</u>

MPC: ½ x 3

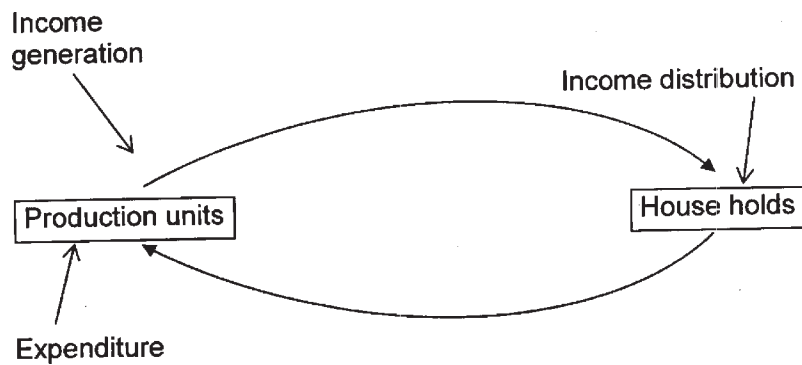
APS: ½ x 3

- 23
1. Central bank acts in public interest while commercial banks work with profit motive.
  2. Central bank does not do the ordinary banking business of accepting deposits and giving loans while commercial banks do.
  3. Central bank has the power of printing notes while commercial banks do not have such power. Or, any other relevant distinction. 1 x 3 = 3

24 Government can help in two ways:

- (i) Can impose higher tax rates on incomes of the rich and on the goods consumed by the rich. This will reduce disposable income of the rich. 1½
- (ii) Can spend more on providing free services that of health, education, etc. to the poor. This will raise disposable income of the poor. 1½

25



The circular flow of income refers to generation of income in production units leading to distribution of this income between households as factor payments which in turn households spend on goods and services produced by production units. In this way income generated in production units reaches back to production units and makes the circular flow complete.

(Note: Correct description without the use of flow chart be given credit).

3

**OR**

Goods and services purchased by one production units from other production units resold, or completely used up during the year, are called intermediate products while goods and services purchased for final consumption and investment are called final products.

2

For example, milk purchased by a restaurant is intermediate product while purchased by households is a final product. Or, any other relevant example.

1

26 Items of current account:

- (i) Export and import of goods
- (ii) Export and import of services.
- (iii) Income from and to abroad.
- (iv) Transfers from and to abroad.

½ x 4 = 2

Balance of trade is the difference between 'exports of goods' and 'imports of goods'?

1

27 Fixed exchange rate is the rate fixed by government. 1

Merits: (i) It ensures stability in exchange rate. The exporters and importers have not to operate under uncertainty about the exchange rate. Thus it promotes foreign trade.

(ii) It promotes capital movements. Fixed exchange rate system attracts foreign capital because a . stable currency does not involve any uncertainties about exchange rate that may cause capital loss.

Any other relevant merit with explanation. (Any two) 1½ x 2

(if explanation of merits is not given only ½ mark be given for each merit)

**OR**

Sources of demand for a foreign currency:

(i) For imports payment is to be made in foreign currency. So it is a source of its demand.

(ii) For transfer payments to other country in the form of gifts or remittance etc., foreign currency is needed.

(iii) For making investments in other countries foreign currency is needed

Or any other relevant source with explanation. Any two 1 x 2

Sources of supply of a foreign currency:

(i) Payment for exports are received in foreign currency. So exports are a source of its supply.

(ii) Factor income earned from abroad is a source of supply of foreign currency as it is received in foreign currency.

(iii) Remittances from abroad are also in foreign currency.

So it is also a source of supply of foreign currency.

or any other relevant source with explanation. Any two 1 x 2

28 Statement of functions.

(1) Medium of exchange.

(2) Store of value.

(3) Unit of account

(4) Standard of deferred payment ½ x 4



Explanation:

Medium of exchange : Buying and selling is done with money. It has facilitated -trade.  
Or, any other function. 2

29 (i) Direct tax is a tax whose liability to pay and incidence lie on the same person whereas in case of indirect tax incidence can be shifted to some other person. 2

(ii) Revenue deficit is the excess of total revenue expenditure over total revenue receipts whereas Fiscal deficit is the excess of total budgeted expenditure (both capital and revenue) over total budgeted receipts excluding borrowings. 2

30 (i) Not included because it is a transfer payment. 2

(ii) Not included because embassy of Japan is not a part of domestic territory of India. 2

(iii) Included because the branch of the foreign bank is located within the domestic territory of India 2

(No marks be given if the reason is not given)

31 (i)  $Y = C + I$  At equilibrium I 1  
 $Y = 100 + 0.75Y + 1000$  } 1½  
 $0.25Y = 1100$  }  
 $Y = 4400$  This is equilibrium level of income. ½

(ii)  $C = 100 + (0.75 \times 4400)$  }  $Y = C + I$  1½  
 $= 100 + 3300$  } OR  $4400 = C + 1000$  1  
 $= 3400$  }  $C = 3400$  ½

**OR**

(i) Planned  $S >$  Planned  $I$

- It means that  $AD < AS$ .
- Leads to rise in inventory level.
- Output is reduced, income falls,  $AD$  falls.
- Trend continues till  $AD = AS$  once again 3

- (ii) Planned  $S < \text{Planned } I$
- It mean that  $AD > AS$ .
  - Leads to fall in inventory level.
  - Output increased, income rises,  $AD$  rises.
  - Trend continues till  $AD = AS$  once again
- 3
- 32 (i) Income method
- GNP f.c. =  $iii + iv + v + viii + vii + x$  1
- =  $400 + 800 + 250 + 150 + 60 + (-10)$  1½
- = Rs. 1650 Crores. ½
- (ii) Expenditure method
- GNP f.c. =  $i + vi + ii + vii + xi + x - xii$  1
- =  $1000 + 500 + 200 + 60 - 20 + (-10) - 80$  1½
- = Rs. 1650 Crores. ½

QUESTION PAPER CODE 58/1

**EXPECTED ANSWERS/VALUE POINTS**

**Section – A**

- 1 It is the value of the best alternative foregone. 1
- 2 When demand of a commodity is inversely related to income of the consumer, then the commodity is said to be inferior. OR, An inferior good is one whose demand decreases with rise in income of its buyer. 1
- 3 Marginal cost is addition to total cost when output is increased by one unit. OR, It is the difference between  $TC_n$  and  $TC_{n-1}$  1
- 4 Reasons for a rightward shift of supply curve:
- (i) Fall in prices of factor inputs.
  - (ii) Improvement in technology.
  - (iii) Reduction in excise duty etc.
  - (iv) Decrease in prices of other goods.
- OR, any other relevant reason.
- Anyone 1

- 5 ATC = AFC + AVC and AFC is always positive, so ATC is greater than AVC. 1
- 6 Other things remaining the same, there is an inverse relationship between price and quantity demanded of a commodity. This is the law of demand. 1

**Demand Schedule**

<u>Price</u> (Rs.)	<u>Quantity Demanded</u> (Units)	
3	20	
4	15	
5	13	2

(Or any other relevant schedule)

This schedule shows the inverse relationship between price and quantity demanded of a commodity.

- 7 Take a point on a negatively sloped straight line demand curve touching both the axis. It divides the demand curve into two segments, the lower and upper segments. Elasticity of demand is the ratio of lower segment and upper segment of the demand curve. 3

$$Ed = \frac{\text{Lower segment}}{\text{Upper segment}}$$

**Note:** Explanation given with the help of diagram is also correct.

- 8 What to produce, how to produce and for whom to produce are the problems related to allocation of resources in an economy. These arise because resources are scarce and have alternative uses. The economy has to decide on how much of the many possible goods and services it will produce. It has to decide whether to use more labour or more machines. It has also to decide about the distribution of goods among individuals. 3

**OR**

This problem relates to the distribution of goods and services produced. Since resources are limited all goods and services needed by the people cannot be produced. Whatever is produced it cannot be in unlimited quantity. How should the produce of the economy be distributed among individuals in the economy? Who gets more and who gets less? This depends upon who earns how much' So it is a problem of distribution of income.

To be marked as a whole 3

9

<u>Output</u>	<u>TR</u>	<u>MR</u>	<u>AR</u>
1	<u>8</u>	<u>8</u>	8
2	<u>12</u>	4	<u>6</u>
3	12	<u>0</u>	4
4	8	<u>-4</u>	2

 $\frac{1}{2} \times 6$ 

10 When prices of other goods fall, their production becomes less profitable in comparison to the production of given good. So the producers of other goods will reallocate the resources and use them for production of given good. So the supply of the given good will increase.

3

11 Points of distinction between monopoly and monopolistic competition:

- (i) Under monopoly there is a single seller / producer of the commodity where as under monopolistic competition there are large number of sellers. So the firm under monopoly has greater influence over price then under monopolistic competition.
- (ii) There is freedom of entry of new firms under monopolistic competition whereas there is no such freedom under monopoly. As a result a monopolist can earn abnormal profits in the long run.
- (iii) Under monopolistic competition the product is heterogeneous while under monopoly there are no close substitutes of the product.
- (iv) The demand in a monopoly market is less elastic than the demand under monopolistic competition because under monopoly there are no close substitutes of the product.

2 x 2

Or, any other relevant point with explanation.

Any Two

**OR**

Main features of perfect competition

- (i) Large number of buyers and sellers. The share of a single seller in total output is insignificant, so he has no influence over price of the product. Similarly a single buyer has no influence over price.
- (ii) The product is homogeneous. The products produced by different producers are taken to be homogeneous by buyers, so no producer is able to charge a different price for his produce.

- (iii) There is freedom of entry and exit of firms. As a result of this no firm will earn abnormal profits or incur losses in the long run.

Or any other relevant feature with explanation.

Any two

2 x 2

(If explanation is not given only ½ mark for each explanation be given)

\*12  $E_{ss} \text{ of } X = \frac{\% \text{ rise in supply } x}{\% \text{ rise in price } x}$  1

$= \frac{40}{16} = 2.5$  ½

$\therefore E_{ss} \text{ of } Y = \frac{2.5}{2} = 1.25$  ½

$1.25 = \frac{\% \text{ fall in supply } y}{\% \text{ fall in price } y}$  1

$1.25 = \frac{\% \text{ fall in supply } y}{8\%}$  ½

Percentage fall in supply of Y = 10 percent ½

*13	Output (Unit)	TR (Rs)	TC (Rs)	Profit (Rs)	
	1	10	13	-3	
	2	20	22	-2	
	3	30	30	0	
	4	40	38	2	
	5	50	47	3	
	6	60	57	3	
	7	70	71	1	2

The producer will be in equilibrium when he produces 6 units because, 1

- (i) at this level of production he gets maximum profits, ½
- (ii) and beyond this level profits fall. ½

**Demand and supply schedule**

Price (per unit) (Rs.)	Market demand (units)	Market supply (units)
3	40	20
4	30	30
5	20	40

2

(Or any other relevant schedule)

The above schedule shows the market demand and market supply of the commodity at different prices. At the price of Rs. 3 the market demand is greater than market supply. This is the situation of excess demand. There will be competition among buyers resulting in a rise in price. Rise in price will result in fall in market demand and rise in market supply. This reduces the excess demand. These changes continue till price rises to Rs. 4 at which excess demand is zero.

3

Thus excess demand results in a rise in the price of the commodity.

1

**OR****Demand and supply schedule**

Price (per unit) (Rs.)	Market demand (units)	Market supply (units)
3	40	20
4	30	30
5	20	40

2

(Or any other relevant schedule)

Equilibrium price is the price at which market demand and market supply are equal. In the schedule such price is Rs. 4 At any other price i.e. Rs. 3 or Rs. 5, there is excess demand or excess supply. When there is excess demand or excess supply changes in price, demand and supply take place. So the price at which there is excess demand (Rs. 3) or excess supply (Rs. 5) cannot be equilibrium price.

1

At price of Rs. 3, there is excess demand. There will be competition among buyers leading to rise in price, fall in demand and rise in supply. These changes continue till price rises to Rs. 4 which is equilibrium price.

1½

- At price of Rs. 5, there is excess supply. There will be competition among sellers resulting in fall in price, rise in demand and fall in supply. These changes continues till price falls to Rs. 4 which is the equilibrium price. 1½
- 15 (i) It is false. Average cost falls only when marginal cost is less then average cost. Even when MC is rising but is less than AC AC will fall. 2
- (ii) It is false. The difference between ATC and AVC is AFC and AFC is never constant. 2
- (iii) It is false. Total revenue is maximum when marginal revenue is zero. 2  
(No marks be given if reason is not given)
- 16 (i) Related goods are of two types:  
Substitute goods and Complementary goods
- (a) Substitute goods. When the price of substitute goods rise/fall, they become dearer / cheaper than the given good. So the consumers will substitute given good for the other substitutes (when price of substitute goods rise). The given good will be substituted by substitute goods (when price of substitute goods fall). In this way the demand for a good is affected by changes in price of substitute good. 2
- (b) Complementary goods. When the price of complementary good falls, alongwith the rise in its demand, the demand for given good will also rise. When price of complementary good rises, alongwith a fall in its demand, the demand for given good will also fall. 2
- (ii) The larger the number of buyers of a commodity the more will be its market demand. The smaller the number of buyers of a commodity the lesser would be its market demand. 2

### Section - B

- 17 It is the value of planned output in an economy. 1
- 18 Taxes neither create any liability nor reduce any asset, so they are not capital receipts. 1
- 19 Excess demand exists when aggregate demand exceeds aggregate supply at full employment level. OR, It is the excess of aggregate demand over aggregate supply at full employment. 1
- 20 It is the ratio of bank deposits that the bank has to keep with the central bank. 1

21 Involuntary unemployment occurs when those who are able and willing to work at the going wage rate do not get work. 1

Income	<u>Y</u>	<u>MPC</u>	<u>C</u>	<u>S</u>	<u>APS</u>	
0	-	-	90	-90	-	
100	100	0.6	150	<u>-50</u>	<u>-0.5</u>	
200	100	0.6	210	<u>-10</u>	<u>-0.05</u>	
300	100	0.6	270	<u>30</u>	<u>0.1</u>	½ x 6

23 Factor income earned by a resident of a country from outside the domestic territory of that country is called factor income from abroad. 1

Example :

Profit earned by an Indian Bank from its branches abroad etc. ½

Factor income earned by a non resident within the domestic territory of a country is factor income to abroad. 1

Example:

Profit earned by a branch of a foreign bank in India etc. ½

Δ  
**OR**

Domestic product is the value of final goods and services produced within the domestic territory of the country whereas national product is the value of the final goods and services produced within the domestic territory increased by net factor income from abroad. 2

Domestic product can be higher than national product if net factor income from abroad is negative. 1

24 Balance on trade account is the difference between value of exports and imports of goods whereas balance on current account is the difference between receipts and payments on account of trade in goods, services, factor income and unilateral transfers. 3

25 a) Acceptance of Deposits : Commercial bank accepts deposits from the public. Deposits are broadly of two types demand deposits and time deposits.

b) Giving loans : Lending by commercial banks consists mainly of cash credit, loan to private investors.



- c) Investment of funds: Commercial banks invests their surplus funds in different types of securities. 1 x 3
- Any other relevant function with a brief explanation.  
(If no explanation is given only ½ marks for each of three functions be given)
- 26 Revenue deficit is the excess of revenue expenditure over revenue receipts. 1  
Fiscal deficit is the excess of total expenditure over total receipts excluding borrowing. 1  
Primary deficit is the difference between fiscal deficit and interest payment. 1
- 27 Evolution of money
- Money is anything that can serve as a medium of exchange. All types of things like animals, agricultural produce, metals had been used as a medium for exchange. The commodities served well as long as the volume of trade was small. Later on metals like gold and silver were used as money. They were durable, they could be divided into monetary units and they were limited in supply. The inconvenience of metals in handling large transactions, lack of safety during transportation etc. were the main problems faced. This led to use of paper currency as a medium of exchange. With further increase in volume of transactions bank money in the form of Cheques, Credit Cards, etc. is now also used as money. 4

**OR**

Functions of money are:

- (i) Medium of exchange : Buying and selling is done in exchange for money. It has facilitated trade.
- (ii) Store of value : Money acts as a store of value. It is acceptable at any point of time. It is not perishable so it can be stored for future use.
- (iii) Unit of account : The value of all goods and services can be expressed in monetary units. This facilitates exchange.
- (iv) Standard of deferred payment : It also serves as a standard of payment contracted to be made at some future date.

Any two

2 x 2

(If explanation is not given only ½ mark for each of two functions be given).

28 Objectives of a government budget:

- (i) Reducing inequalities of income. It is done by taking measures such as imposing higher rate of tax on income of the rich, spending more on providing free services to the poor, etc.

- (ii) Reallocation of resources in the economy. This is done by imposing higher rates of taxation on goods the production of which is to be discouraged. Subsidies are provided on production of goods whose production is to be promoted.
  - (iii) Reducing regional disparities. The government uses its taxation and expenditure policy for encouraging setting up of production unit in economically backward regions, etc.
- or any other relevant objective with explanation.

Any two

2 x 2

(If explanation of the objective is not given only ½ mark for each of the two objectives be given).

29 **Merits of fixed exchange rate:**

- 1. It ensures stability in exchange rate. The exporters and importers have not to operate under uncertainty about the exchange rate. Thus it promotes foreign trade.
  - 2. It promotes capital movements. Fixed exchange rate system attracts foreign capital because a stable currency does not involve any uncertainties about exchange rate that may cause capital loss.
- Or any other merit with explanation.

1 x 2

**Merits of flexible exchange rate system**

- 1. It eliminates the problem of overvaluation or undervaluation of currencies, Deficit or surplus in balance of payments is automatically corrected under this system.
  - 2. It frees the government from problem of balance of payments, as it is taken care of by the forces of demand and supply.
- Or any other merit with explanation.

1 x 2

(If explanation is not given only ½ mark for each merit be given).

- \*30 (i) It would be included in national income as a part of rent as it is payment to self for housing services. 2
- (ii) It is factor earning so it will be included in the national income. 2
- (iii) It is transfer receipt, so it will not be included in national income. 2

(No marks be given if reasons are not given)

\*31 (i) At equilibrium level of income  $S = I = 7000$  1  
 $- 50 + 0.5 Y = 7000$  1½  
 $Y = 14100$  This is equilibrium level of income. ½

(ii)  $Y = C + S$  1  
 $C = Y - S$   
 $C = 14100 - 7000$  1½

Consumption expenditure at equilibrium level of income equals 7100 ½

**OR**

(i) At equilibrium level of income  $Y = C + I$  1½  
 $Y = 200 + 0.9Y + 3000$   
 $Y = 32000$  This is equilibrium level of income. ½

(ii) At equilibrium  $S = I$  1  
 $S = 3000$  because  $I = 3000$  1  
This is saving at equilibrium level of income. ½

32 (i) Income method

N.I = i + ii + v + vi - vii ∴ 1  
 $= 150 + 250 + 640 + 1000 - 30$  1½  
 $= \text{Rs } 2010 \text{ crores}$  ½

(ii) Expenditure method

N.I = iii + iv + xi + ix - vii - viii 1  
 $= 600 + 1200 + 340 + (-40) - 30 - 60$  1½  
 $= \text{Rs. } 2010 \text{ crores}$  ½

# BUSINESS STUDIES

*Time allowed : 3 hours*

*Maximum Marks : 100*

## **General Instructions:**

1. Answer to questions carrying **1** mark may be from **one word to one sentence**.
2. Answer to questions carrying **3** marks may be from **50 - 75** words.
3. Answer to questions carrying **4 - 5** marks may be about **150** words.
4. Answer to questions carrying **6** marks may be about **200** words.
5. Attempt all parts of question together.

## **QUESTION PAPER CODE 66/1/1**

1. Why is “Management called a group activity” ? 1
2. “Man:agement increases efficiency.” How? 1
3. Why are Principles of Management called flexible? 1
4. What does the principle of ‘Initiative’ indicate? 1
5. State first two steps in the process of planning. 1
6. Give one difference between Policy and Procedure. 1
7. What is meant by directing? 1
8. Why it is said that “The supervisor is a link between management and the operative employees.” ? 1
9. What is meant by “Right to be heard’ to a consumer? 1
10. What is the purpose of enacting the Consumer Protection Act 1986 ? 1
11. “Controlling is looking back.” Explain. 3
12. Explain the objective of Financial Planning. 3

- 13.** State the objective of Financial Management. **3**
- 14.** Define Capital Market. State the two parts of capital market. **3**
- 15.** What is meant by ‘direct channels of distribution’ ? List any four methods of direct distribution. **3**
- 16.** Aman, Avneesh and Amrish have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform : **4**
- (i) Purchase of raw materials
  - (ii) Purchase of machinery
  - (iii) Production of toys
  - (iv) Arrangement of finance
  - (v) Sale of toys
  - (vi) Identifying the areas where they can sell their toys (vii) Selection of employees.
- In order to facilitate the work they thought that four managers should be appointed to look after (a) Production (b) Finance (c) Marketing (d) Personnel.
- (A) Identify the function of management involved in the above mentioned para.
  - (B) Quote the lines from the above para which help you in identifying this function.
  - (C) State the steps followed in the process of this function of management.
- 17.** ‘Some learning opportunities are designed and delivered to improve skills and abilities of employees whereas some other are designed to help in the growth of individuals in all respects. Identify and explain the two concepts explained above. **4**
- 18.** “All managers are leaders but all leaders are not managers.” In the light of this statement differentiate between leadership and management. **4**
- 19.** Explain how controlling helps in ‘achieving better co-ordination’ and ‘better planning’? **4**
- 20.** Explain any four functions of Consumer Organisations and Non-Government Organisations (NGO’s) for protecting and promoting the interest of consumers. **4**
- 21.** “Coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose.” In the light of this statement explain the nature of coordination. **5**

22. Explain 'Differential Piece Rate' and 'Functional Foremanship' as techniques of scientific management. 5
23. Explain any five limitations of planning. 5
24. Why was Securities and Exchange Board of India (SEBI) set up? Explain any four objectives of SEBI. 5
25. 'Bending the customer according to the Product' and 'Developing the product according to customer-needs' are the two important concepts of marketing management. 5  
Identify the concepts and differentiate between the two.
26. What is meant by 'Functional Structure' of an organisation? Explain any two advantages and two limitations of it. 6
- OR**
- Explain the elements of delegation of authority.
27. Staffing is an important function of management in all organisations'. Why? Explain any four reasons. 6
- OR**
- What is meant by Recruitment? Explain any four external sources of recruitment.
28. "Directing is the heart of management process." Do you agree? Give four reasons in support of your answer. 6
- OR**
- "Effectiveness of a manager depends on his ability to communicate effectively." Explain how?
29. Explain any four factors affecting working capital requirement of a company. 6
- OR**
- "Determination of capital structure of a company is influenced by a number of factors." Explain any four such factors.
30. What are the characteristics of a good brand name? Explain. 6

**OR**

Explain the following sales promotion activities:

- (i) Discount
- (ii) Product combination
- (iii) Financing
- (iv) Lucky draw

**QUESTION PAPER CODE 66/1**

- |     |  |   |
|-----|--|---|
| 1.  | Why is it said that management is a goal-oriented process?                               | 1 |
| 2.  | “Management helps in development of society.” How?                                       | 1 |
| 3.  | Why are the principles of management called universally applicable?                      | 1 |
| 4.  | Why did Fayol introduce the concept of ‘Gang Plank’ in the principle of ‘Scalar-Chain’ ? | 1 |
| 5.  | What is meant by ‘selecting an alternative’ as a step in the planning process?           | 1 |
| 6.  | What is meant by ‘Policy’ as a type of Plan?   | 1 |
| 7.  | Give any two elements of directing.  | 1 |
| 8.  | How does a supervisor act as a linking pin between management and the operatives?        | 1 |
| 9.  | What is meant by ‘Right to choose’ to a consumer?  | 1 |
| 10. | Which claims can be appealable before the Supreme Court under Consumer Protection Act? . | 1 |
| 11. | “Controlling is forward looking.” Explain.   | 3 |
| 12. | Explain the importance of ‘Financial Planning’.  | 3 |
| 13. | “Sound Financial Management is the key to the prosperity of business.” Explain.          | 3 |
| 14. | Differentiate between capital market and money market.                                   | 3 |

15. What is meant by channels of distribution? Explain the types of channels of distribution. 3
16. Aman, Avneesh and Amrish have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform: 4
- (i) Purchase of raw materials
  - (ii) Purchase of machinery
  - (iii) Production of toys
  - (iv) Arrangement of finance
  - (v) Sale of toys
  - (vi) Identifying the areas where they can sell their toys
  - (vii) Selection of employees
- In order to facilitate the work they thought that .four managers should be appointed to look after (1) Production (2) Finance (3) Marketing (4) Personnel.
- (a) Identify the function of management involved in the above mentioned para.
  - (b) Quote the lines from the above para which help you in identifying this function.
  - (c) State the steps followed in the process of this function of management.
17. “Some learning opportunities are designed and delivered to improve skills and abilities of employees whereas some others are designed to help in the growth of the individual in all respects.” 4
- Identify and explain the two concepts explained above.
18. “Leadership is required only for less efficient subordinates.” Do you agree? Explain any four reasons in support of your answer. 4
19. How does controlling help in ‘achieving objectives’ and ‘improving employees morale’ ? 4
20. Explain any four responsibilities of the consumer to safeguard his interests. 4
21. “Coordination is not a separate function of management, it is the essence of management.” Explain with the help of a suitable example. 5
22. Explain any two reasons why proper understanding of management principles is necessary. 5



23. Explain any five points of importance of planning for a large business enterprise. 5
24. Why was the Securities and Exchange Board of India (SEBI) set up ? Explain any four regulatory functions of SEBI. 5
25. ‘Bending the customer according to the product’ and ‘Developing the product according to customer-needs’ are the two important concepts of marketing management.  
Identify the concepts and differentiate between the two. 5
26. What is meant by ‘Divisional Structure’ of an organisation? Explain any two advantages and any two limitations of it. 6

**OR**

- What is meant by ‘Formal Organisation’ ? Explain any five features of Formal Organisation.
27. What is meant by Internal Source of Recruitment? Why do organisations prefer recruitment through internal sources? Explain. 6

**OR**

- Explain the steps in the process of selection of employees.
28. “Human beings cannot be motivated only through monetary incentives; non-monetary incentives are also necessary to motivate them.” Explain any four such non-monetary incentives. 6

**OR**

- What is meant by ‘communication’? Explain how communication is an important function of management.
29. “Determination of capital structure of a company is influenced by a number of factors.” Explain any four such factors. 6

**OR**

- Explain any four factors affecting working capital requirement of a company.
30. What is meant by Packaging? Give any five points explaining why packaging is important. 6

**OR**

Explain the following sales promotion activities:

- (i) Refunds
- (ii) Instant draw and assigned gifts
- (iii) Full finance
- (iv) Sampling

## Marking Scheme — Business Studies

### *General Instructions*

1. The marking scheme carries only suggested value points for the answer. These are only guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the marks be awarded accordingly.
2. Some of the questions may relate to higher order thinking ability. These questions will be indicated to you separately by a star mark. These questions are to be evaluated carefully and the students understanding / analytical ability may be judged.
3. Evaluation is to be done as per instructions provided in the marking scheme.
4. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin.
5. If a question does not have any parts, marks be awarded in the left hand margin.
6. If a candidate has attempted a question twice, marks obtained in the question attempted first should be retained and the other answer should be scored out.
7. There are few questions of distinction between two concepts. In such questions, sometimes some students give one aspect of the difference correctly and the other is either wrong or not given at all- no marks should be given for such distinction.
8. In case of choice type questions, if an examinee attempts both he choices, assess the choice attempted first.
9. In a question, if two features/ characteristics/ points are asked but an examinee writes more than two features/ characteristics/ points, say, five, of which first is correct, second is incorrect, the first two should be assessed and the remaining should be ignored.
10. It is expected that the marking scheme should be followed objectively to avoid over-strict tendency in marking. For instance, if an examinee scores 30 marks, his/ her mark should not be inflated to 33 simply to pass him/ her.

11. Marks should be awarded keeping in view the total marks of that particular question and not the total marks of the question paper. For example, if one mark is given to a 3 marks question even if nothing is correct, then that one mark constitutes 33% of the total marks for this answer.
12. A full scale of marks 1-100 has to be used. Please do not hesitate to award full marks if the answer deserves it. Similarly, wherever an examinee writes an answer upto the mark, his/her marks should not be deducted unnecessarily.

QUESTION PAPER CODE 66/1/1

**EXPECTED ANSWERS/VALUE POINTS**

**1 Q. Why is “Management called a group activity”?**

**Ans.** Management is called a group activity because it requires team work and/or coordination of individual efforts.

**1 mark**

**2 Q. “Management increases efficiency” How?**

**Ans.** Management increases efficiency by reducing costs and increasing productivity.

**1 mark**

Or

Management increases efficiency by optimum utilisation of available resources.

**3 Q. Why principles of management are called flexible?**

**Ans.** Management principles are flexible because these can be modified according to the demand/ needs of the situation.

**1 mark**

**4 Q. What does the principle of ‘Initiative’ indicate?**

**Ans.** Principle of initiative indicates that the subordinates should be encouraged to make and execute plans within the prescribed limits of authority.

**1 mark**

**5 Q. State first two steps in the process of planning.**

**Ans. The first two steps in the process of planning are:**

**$\frac{1}{2} \times 2 = 1$  mark**

1. Setting objectives specifying what the organisation wants to achieve.
2. Developing premises on the basis of which plans are to be drawn.

**6 Q. Give one difference between policy and procedure.**

**Ans. (Any one):**

<b>Basis</b>	<b>Policies</b>	<b>Procedures</b>
1. Meaning	It is a guide to decision making	It is a guide to action as it contains steps to be taken in a chronological order.
2. Origin	It is derived from objectives of the enterprise	It is laid down to implement some policy
4. Flexibility	It is flexible –leaves room for discretion.	It is more or less rigid
5. Scope for discretion	It leaves some scope for manager’s discretion.	It leaves no discretion to person concerned with its implementation.
6. Expression	It is expressed in the form of a general statement	It is expressed in more specific terms

**1 mark**

**7 Q. What is meant by directing?**

**Ans.** Directing means instructing, guiding, supervising, motivating and leading the subordinates to contribute to the best of their capabilities for the achievement of organisational goals.

**1 mark**

**or**

Directing means execution of plans

**or**

Directing means giving instructions and guiding subordinates for doing work.

**8 Q. Why it is said that “The supervisor is a link between management and the operative employees.”**

- Ans.** The supervisor is a link between workers and management because he conveys management ideas to the workers on one hand and workers problems to the management on the other. **1 mark**
- 9 Q. What is meant by ‘Right to be heard’ to a consumer?**
- Ans.** The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a product or a service. **1 mark**
- 10 Q. What is the purpose of enacting the Consumer Protection Act 1986?**
- Ans.** The Consumer Protection Act, 1986 was enacted to protect and promote the interests of consumers. **1 mark**
- 11 Q. “Controlling is looking back.” Explain.**
- Ans.** Controlling is looking back as it compares the actual performance with the standards. This involves scrutinizing the events after they have taken place. **3 marks**
- 12 Q. Explain the objective of Financial Planning.**
- Ans.** The objective of Financial Planning is to ensure availability of sufficient funds at reasonable cost. **3 marks**
- 13 Q. State the objective of Financial Management.**
- Ans.** **Wealth maximisation** is the primary objective of financial management which means maximising the market value of investment in the shares of the company. It is possible only by: **3 marks**
- (i) Ensuring availability of sufficient funds at reasonable cost.
  - (ii) Ensuring effective utilization of funds.
  - (iii) Ensuring safety of funds by creating reserves, re-investment of profits etc.
- 14 Q. Define Capital Market. State the two parts of capital market.**
- Ans.** The term **capital market** refers to facilities and institutional arrangements through which medium and long-term funds; both debt and equity are raised and invested. **1 mark for the meaning + 1 mark for each part (1 x 2 =2 marks)**
- The two parts of the capital market are:
- (i) Primary market which involves sale of securities by the new companies or further issue of securities by the existing companies to the investors.

- (ii) Secondary market which involves purchase and sale of existing securities. = 1+2  
= 3marks

**15 Q. What is meant by ‘direct channels of distribution’? List any four methods of direct distribution.**

**Ans.** Direct channels of distribution means making the goods directly available by the manufacturers to the customers without involving any intermediary. **1 mark for the meaning**

Methods of direct distribution are (any four):

- Mail order selling;
- internet selling;
- door to door selling;
- company owned retail outlets ;
- telemarketing.

+  
**½ mark for each method (1/2 x 4 = 2 marks) =1+2 =3marks**

**16 Q. Aman, Avneesh and Amrish have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform:**

- (i) Purchase of raw materials**
- (ii) Purchase of machinery**
- (iii) Arrangement of finance**
- (iv) Production of toys**
- (v) Sale of toys**
- (vi) Identifying the areas where they can sell their toys**
- (vii) Selection of employees.**

**In order to facilitate the work they thought that four managers should be appointed to look after (A)Production (B) Finance (C) Marketing (D) Personnel**

- (A) Identify the function of management involved in the above mentioned para.**
- (B) Quote the lines from the above para which help you in identifying this function.**
- (C) State the steps followed in the process of management.**

**Ans.** (a) Organising

- (b) Any one of the following lines

(i) “They identified the following main activities which they have to perform”.

**1 mark for naming the function**

**OR**

(ii) “ In order to facilitate the work they thought that four managers should be appointed to look after.....

**1mark for identifying the line**

(c) Steps in the process of organising:

**+  
½ mark for each step**

(i) Identifying and dividing the work into manageable activities.

**( ½ x4 = 2 marks)**

(ii) Departmentalisation/ departmentation where activities of a similar nature are grouped together.

**=**

(iii) Assignment of duties to job positions.

**1+1+2**

(iv) Establishing reporting relationships so that each individual knows who he has to take orders from and to whom he is accountable.

**=**

**4marks**

**17 Q. ‘Some learning opportunities are designed and delivered to improve skills and abilities of employees whereas some other are designed to help in the growth of individuals in all respects. Identify and explain the two concepts explained above.**

**Ans.** ‘Some learning opportunities are designed and delivered to improve skills and abilities of employees’ refers to TRAINING.

**1 mark for identifying each concept**

‘Some other are designed to help in the growth of individuals in all respects’ refers to DEVELOPMENT.

**(1x2= 2 marks)**

**+**

Training is the process by which the aptitudes, skills and abilities of the employees to perform specific jobs are improved.

**1 mark for each explanation**

Development is the process by which the employees acquire skills and competence for handling higher jobs in the future. It refers to learning opportunities designed to help employees grow.

**(1x2= 2 marks)**

**= 2+2**

**= 4marks**

**18 Q. “All managers are leaders but all leaders are not managers.” In the light of this statement differentiate between leadership and management.**

**Ans.** 1. Leadership involves securing willing cooperation of subordinates by influencing their behavior towards realization of specified goals. It is part of management.

**4 marks**



Management is the creation of an internal environment whereby individuals working together in groups can work efficiently and effectively towards the achievement of common goals. It includes leadership.

**19 Q. Explain how controlling helps in ‘achieving better co-ordination’ and ‘better planning’?**

**Ans.** The controlling function lays down performance standards for each department and employee which are well co-ordinated with one another, thereby helping in achieving better co-ordination in the organisation.

**2 marks**

The controlling function by revising existing plans in light of the deviations, if any, and laying the basis for the formulation of new plans, helps in better planning.

**2 marks**  
**=2 + 2**  
**=4marks**

**20 Q. Explain any four functions of Consumer Organizations and Non-government Organisations (NGO’s) for protecting and promoting the interest of consumers.**

**Ans.** Functions of Consumer Organizations and Non- government Organisations (NGO’s) for protecting and promoting the interest of consumers are: **(any four)**

(i) Educating the general public about consumer rights.

(ii) Publishing periodicals and other publications.

(iii) Carrying out comparative testing of consumer products.

**1 x 4**

(iv) Encouraging consumers to strongly protest and take action against unscrupulous, exploitative and unfair trade practices of sellers.

**=**

(v) Providing legal assistance to consumers.

(vi) Filing complaints in appropriate consumer courts on behalf of the consumers.

**4 marks**

(vii) Taking initiative in filing cases in consumer courts in the interest of the general public.

**21 Q. “Co-ordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose.” In the light of this statement explain the nature of coordination.**

**Ans.** Nature of co-ordination: (Any 5)

- (i) Integrates group efforts.
- (ii) Ensures unity of action.
- (iii) Continuous process.
- (iv) Pervasive function.
- (v) Responsibility of all managers.
- (vi) Deliberate function.

**½ mark for heading**  
**+**  
**½ mark for explanation**  
**= 1 x 5 = 5marks**

**(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)**

**22 Q. Explain ‘Differential Piece rate and ‘Functional Foremanship’ as techniques of scientific management.**

**Ans. Differential Piece Wage System**

- Differential Piece Wage System is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency.
- In this plan, there are two piece rates – one for those workers who produce the standard output or more, and the other for those who produce less than the standard output e.g.

Standard output (per worker per day) = 10 units.

Wage rate I = Rs.2 per unit (for output < 10 units)

Wage rate II = Rs.3 per unit (for output ≥ 10 units)

**2 ½ marks**

Particulars	Worker A	Worker B
Actual output	9 units	11 units
Total wages (in Rs.)	9 x Rs.2 = Rs.18	11 x Rs.3 = Rs.33

Difference in units produced = 2

Difference in wages = Rs.15

**+**

**Functional Foremanship**

- Functional foremanship is a technique which aims to improve the quality of supervision at shop floor by putting a worker under eight specialist foremen.

**2 ½**

- In this technique, planning is separated from execution. Taylor suggested four foremen for planning, namely, route clerk, instruction card clerk, time and cost clerk and disciplinarian and four foremen for execution, namely, gang boss, speed boss, repair boss and inspector. = 2 ½ + 2 ½  
=5marks

**23 Q. Explain any five limitations of planning.**

**Ans. Limitations of planning (any five):**

1. Leads to rigidity
2. May not work in a dynamic environment.
3. Reduces creativity.
4. Involves huge costs.
5. Time consuming.
6. Does not guarantee success.
7. May not be accurate.

½ mark for heading  
+  
½ mark for explanation  
= 1x5  
=5marks

**(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)**

**24 Q. Why was Securities and Exchange board of India (SEBI) set up? Explain any four objectives of SEBI.**

**Ans.** Securities and Exchange Board of India (SEBI) was set up to create an environment to facilitate efficient mobilisation and allocation of resources through the securities market / It was set up to protect the interests of investors and for the development and regulation of the securities market.

**1 mark**

**Objectives of SEBI are:**

1. To regulate stock exchanges and the securities industry to promote their orderly functioning.
2. To protect the rights and interests of investors, particularly individual investors and to guide and educate them.
3. To prevent trading malpractices and achieve a balance between self regulation and statutory regulation.
4. To regulate and develop a code of conduct and fair practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional.

+  
**(1 x 4 =  
4 marks)**

5. To provide a market place in which the issuers can raise finances in an easy, fair and efficient manner. = 1 + 4  
= 5 marks

25 Q. **Bending the customer according to the product’ and ‘Developing the product according to customer needs’ are the two important concepts of marketing management. Identify the concept and differentiate between the two.**

Ans. Bending the customer according to the product’ refers to SELLING and ‘Developing the product according to customer needs’ refers to MARKETING. **1 mark for identifying each concept (1x2= 2 marks)**

**Difference between marketing and selling**

**(ANY THREE)**

<b>Basis</b>	<b>Selling</b>	<b>Marketing</b>
1. Starting point	Starting point is the <u>factory</u> i.e. selling begins after production of goods.	Starting point is the <u>market</u> i.e. Marketing begins before production after analyzing the needs and wants of the customers.
2. Main focus	Main focus is on the <u>existing product</u> i.e. selling focuses on affecting transfer of title and possession of existing goods	Main focus is on the <u>customer needs</u> i.e. marketing focuses on achieving maximum satisfaction of the customer’s needs.
3. Means/ strategies	Selling involves efforts like promotion and persuasion i.e. <u>selling &amp; promoting</u> the product.	Marketing uses <u>integrated marketing</u> efforts.
4. Ends	In selling, the aim is to earn <u>profit through sales volume</u>	In marketing, the aim is to earn <u>profit through customer satisfaction</u>

+

**1mark for each difference (1x3= 3marks)**

5. Scope	Selling concept has a <u>narrow scope</u> -it is a part of marketing	Marketing concept has a <u>wider scope</u> – it includes selling.
6. Orientation	Selling is <u>internal oriented</u> as it pre-supposes existing of demand.	Marketing is customer oriented/ <u>external oriented</u> as it emphasises on creation and maintenance of demand.

=2+3

=

**5marks**

**(If an examinee has added the word “concept” with marketing and selling, no marks are to be deducted)**

**26 Q. What is meant by ‘functional structure’ of an organization? Explain any two advantages and limitations of it.**

**Ans. Functional structure** is an organisational structure formed by grouping of jobs of similar nature under various functional departments.

Advantages are: (any two)

- (a) Leads to occupational specialisation
- (b) Promotes control and coordination
- (c) Increases efficiency
- (d) Low cost
- (e) Makes training easier
- (f) Due attention to different functions

Limitations are: (any two)

- (a) Creation of functional empires
- (b) Problems in coordination
- (c) Inter-departmental conflicts
- (d) Lack of accountability
- (e) Inflexibility
- (f) Restriction in managerial development.

**2marks for the meaning**

+

**½ mark for heading +**

**½ mark for explanation**

**1x2= 2marks**

+

**½ mark for heading +**

**½ mark for explanation**

**1x2= 2marks**

=

**2+2+2= 6marks**

**(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)**

**OR**

**Q. Explain elements of delegation of authority.**

**Ans.** Elements of delegation of authority are:

- (a) Authority.
- (b) Responsibility
- (c) Accountability

**(Any correct explanation of above elements is to be given full credit)**

**½ mark for naming each element  
(½ x 3 = 1½ marks)  
+  
1½ mark for explanation  
(1½ x 3 = 4½ marks)  
= 1½ + 4½  
= 6marks.**

**27 Q. Staffing is an important function of management in all organizations'. Why? Explain any four reasons.**

**Ans.** Importance of Staffing: (any four):

- (i) Obtaining competent personnel
- (ii) Higher performance
- (iii) Continuous survival and growth
- (iv) Optimum utilisation of the human resources
- (v) Improves job satisfaction and morale of employees
- (vi) Key to effectiveness of other functions

**(if an examinee has not given the headings as above but has given the correct explanations, full credit should be given)**

**½ mark for heading  
+  
1 mark for explanation  
1½ x 4 = 6marks**

**OR**

**Q. What is meant by recruitment? Explain any four external sources of recruitment.**

**Ans.** Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.

External Sources of recruitment: (any four)

- 1. Direct recruitment.
- 2. Casual callers.
- 3. Advertisement.
- 4. Employment exchange.
- 5. Placement agencies and management consultants.

**2 marks for the meaning  
+  
½ mark for naming the source +  
½ mark for**

6. Campus recruitment.
7. Recommendations of present employees.
8. Labour contractors.
9. Advertising on television.
10. Web Publishing.

**explanation**  
**ation**  
 =(1x4=  
**4marks)**  
 =2+4  
 = **6marks**

**28 Q. Directing is the heart of management process.” Do you agree? Give four reasons in support of your answer.**

**Ans. Yes, I do agree with the above statement. The reasons are: (Any four)**

- (a) Initiates action.
- (b) Integrates employees-efforts (i.e. facilitates co-ordination).
- (c) Means of motivation and leadership.
- (d) Facilitates change.
- (e) Provides stability and balance in the organisation.

**½ mark for heading**  
 +  
**1 mark for explanation**  
**1 ½ x4=**  
**6marks**

**(if an examinee has not given the above headings but has given the correct reasons, full credit should be given)**

**OR**

**Q. Effectiveness of a manager depends on his ability to communicate effectively.” Explain how?**

**Ans. Effectiveness of a manager depends on his ability to communicate effectively because communication (any six):**

1. Acts as basis of Coordination
2. Helps in smooth working of an enterprise
3. Acts as basis of decision making.
4. Increases managerial efficiency.
5. Promotes cooperation and industrial peace.
6. Establishes effective leadership
7. Boosts morale.

**½ mark for heading**  
 +  
**½ mark for explanation**  
**1 x 6 =**  
**6marks**

**(if an examinee has not given the headings as above but has given the correct explanations, full credit should be given)**

29 Q. Explain any four factors affecting working capital requirements of a company.

Ans. Factors affecting requirements of working capital (any four):

1. Nature of Business
2. Scale of Operations
3. Business Cycle
4. Seasonal Factors
5. Production Cycle
6. Credit Allowed
7. Credit Availed
8. Operating Efficiency
9. Availability of Raw Material
10. Growth Prospects
11. Level of Competition
12. Inflation

$\frac{1}{2}$  mark for heading  
+  
1 mark for explanation  
 $1\frac{1}{2} \times 4$   
=  
6marks

OR

Q. “Determination of capital structure of a company is influenced by a number of factors.” Explain any four such factors.

Ans. Factors affecting choice of capital structure (any four):

1. Cash flow position
2. Interest coverage ratio
3. Debt service coverage Ratio
4. Return on Investment
5. Cost of debt
6. Tax rate
7. Cost of equity
8. Floatation costs
9. Risk consideration
10. Flexibility

$\frac{1}{2}$  mark for heading  
+  
1 mark for explanation  
 $1\frac{1}{2} \times 4$   
=  
6marks



11. Control
12. Regulatory framework
13. Stock market conditions
14. Capital structure of other companies

**(if an examinee has not given the headings as above but has given the correct explanations, full credit should be given)**

**30 Q. What are the characteristics of a good brand name? Explain.**

**Ans.** Characteristics of a good brand name are (any six with suitable examples):

- (i) The brand name should be short, easy to pronounce, spell, recognise and remember.
- (ii) A brand should suggest the product's benefits and qualities.
- (iii) A brand name should be distinctive.
- (iv) The brand name should be adaptable to packing or labeling requirements, to different advertising media and to different languages.
- (v) The brand name should be sufficiently versatile to accommodate new products, which are added to the product line.
- (vi) It should be capable of being registered and protected legally.
- (vii) Chosen name should have staying power i.e., it should not get out of date.

**1 x 6  
=  
6marks**

**OR**

**Q. Explain the following sales promotion activities:**

- (i) **Discount**
- (ii) **Product combination**
- (iii) **Financing**
- (iv) **Lucky draw**

**Ans.**

(i) Discount:

It refers to offering products at less than list price. e.g. a shoe company's offer of 'Discount Up to 50%'

(ii) Product Combinations:

It refers to offering another product as gift along with the purchase of a

product, e.g. offer of a pack of ½ kg of rice with the purchase of a bag of atta (wheat flour)

**(iii) Financing:**

It refers to offering easy financing schemes e.g. ‘24 easy instalments or the amount to be paid as post dated cheques’.

**1 ½ x 4**

**(iv) Lucky Draw:**

It refers to taking out a draw on purchase of product and giving gift to the winner. e.g a lucky draw coupon for free petrol on purchase of certain quantity of petrol from given petrol pump.

=

**6 marks.**

**QUESTION PAPER CODE 66/1**

**EXPECTED ANSWERS/VALUE POINTS**

**1 Q. Why is it said that management is a goal-oriented process?**

**Ans.** Management is said to be a goal oriented process because it helps in achieving organisational goals by uniting the efforts of different individuals.

**1 mark**

**2 Q. “Management helps in development of society” How?**

**Ans.** Management enables the organisation to provide good quality products and services, creating employment, adopting new technology, thus helping in the development of society.

**1 mark  
for any  
one reason**

**3 Q. Why are principles of management called universally applicable?**

**Ans.** Management principles are called universally applicable because they are applicable to all types of organisations, irrespective of the type or size.

**1 mark**

**4 Q. Why did Fayol introduce the concept of ‘Gang Plank’ in the principle of Scalar-Chain’?**

**Ans.** The concept of gang plank was developed to avoid delay in communication in case of emergency between two people working at the same level but in different departments.

**1 mark**

**5 Q. What is meant by ‘selecting an alternative’ as a step in the planning process?**

**Ans.** ‘Selecting an alternative’ means choosing the best possible course of action out of the alternatives available.

**1 mark**

- 6 **Q. What is meant by ‘Policy’ as a type of plan?** **1 mark**
- Ans.** Policies are general guidelines which facilitate uniformity in decision making and action.
- 7 **Q. Give any two elements of directing?**
- Ans.** Elements of directing are (any two):
1. Supervision
  2. Motivation
  3. Leadership
  4. Communication.
- $\frac{1}{2} \times 2 =$   
**1 mark**
- 8 **Q. How does the supervisor act as a linking pin between management and the operatives?**
- Ans.** The supervisor is a link between workers and management because he conveys management ideas to the workers on one hand and workers problems to the management on the other.
- 1 mark**
- 9 **Q. What is meant by ‘Right to choose’ to a consumer?**
- Ans.** Right to choose means the consumer has the freedom to choose from a variety of products at competitive prices.
- 1 mark**
- 10 **Q. Which claims can be appealable before the Supreme Court under Consumer Protection Act?** **1 mark**
- Ans.** An order passed by the National Commission in a matter of its original jurisdiction/claims amounting to rupees one crore or more is appealable before the Supreme Court.
- 11 **Q. “Controlling is forward looking.” Explain.**
- Ans.** Controlling compares actual results with the standards, finds out the deviation, if any, detects the reasons for the deviations and employs corrective measures to prevent the recurrence of these mistakes in the future. It seeks to improve the future on the basis of the past experience. So, controlling is forward looking.
- 3 marks**
- 12 **Q. Explain the importance of Financial Planning.**
- Ans.** Financial planning is important because (any three):

- (i) It aids the company to prepare for the future.
- (ii) It helps in avoiding business shocks and surprises. 1 x 3 =
- (iii) It helps in co-ordinating various business functions. 3 marks
- (iv) It helps in reducing waste, duplication of efforts, gaps in planning and confusion.
- (v) It links the present with the future.
- (vi) It provides a link between investment and financing decisions.
- (vii) Financial plan serves as a control technique.
- (viii) It serves as a guide in developing a sound capital structure so as to maximise returns to the shareholders.

**13 Q. “Sound Financial Management is the key to the prosperity of business”. Explain.**

**Ans.** Sound Financial Management is the key to the prosperity of business as it ensures:

- Availability of adequate funds whenever required 3 marks
- Procurement of funds at reasonable cost.
- Efficient utilisation of funds.

**14 Q. Differentiate between Capital Market and money market.**

**Ans.** DISTINCTION BETWEEN CAPITAL MARKET AND MONEY MARKET (any three):

Basis	CAPITAL MARKET	MONEY MARKET
(i) Participants	The participants in the capital market are — financial institutions, banks, public and private companies, foreign investors and ordinary retail investors from the public.	Participants in the money market are financial institutions, RBI, banks, public and private companies. Individual investors although permitted to transact in the secondary money market, do not normally do so.
(ii) Instruments	The main instruments traded in the capital	The main instruments traded in the money market are

	market are — equity shares, preference shares, debentures, bonds etc.	treasury bills, trade bills, commercial papers and certificates of deposit.
(iii) Investment outlay	Investment in the capital market does not require a huge financial investment as the value of securities is generally low.	Investment in money market entails huge sums of money as the instruments are quite expensive.
(iv) Duration	The capital market deals in medium and long term securities.	Money market deals in short term securities having a maximum tenure of 1 year.
(v) Liquidity	Capital market securities are considered liquid because they are marketable on the stock exchanges.	Money market instruments on the other hand, enjoy a higher degree of liquidity
(vi) Safety	Capital market instruments are riskier both with respect to returns and principal repayment.	Money market instruments are generally much safer with a minimum risk of default.
(vii) Expected return	The investment in capital markets generally yields a higher return.	The expected rate of return of the money market is less.

**1 x 3 =  
3 marks**

**15 Q. What is meant by channels of distribution? Explain the types of channels of distribution.**

**Ans.** Channels of distribution mean a set of individuals and firms that combine physical movement and title movement of products to reach specific destinations.

**OR**

Channels of distribution mean the path through which the ownership as well as possession of goods passes from the producer to the consumer.

Types of channels:

1. Direct channel
2. Indirect channel

**1 mark for  
the  
meaning  
+  
mark for  
each type  
of channel  
( 1 x 2=  
2 marks)  
=1+2  
=3 marks**

**OR**

1. zero level channel
2. one level channel
3. two level channel
4. Three level channel

**(If the examinee has explained the types of channels without classifying into direct and indirect, full credit is to be given)**

**16 Q. Aman, Avneesh and Amrish have decided to start a business of manufacturing toys. They identified the following main activities which they have to perform:**

- (i) Purchase of raw materials**
- (ii) Purchase of machinery**
- (iii) Arrangement of finance**
- (iv) Production of of toys**
- (v) Sale of toys**
- (vi) Identifying the areas where they can sell their toys**
- (vii) Selection of employees.**

**In order to facilitate the work they thought that four managers should be appointed to look after (A)Production (B) Finance (C) Marketing (D) Personnel**

- (A) Identify the function of management involved in the above mentioned para.**
- (B) Quote the lines from the above para which help you in identifying this function.**
- (C) State the steps followed in the process of management.**

**Ans. (a) Organising**

**(b) Any one of the following lines**

- (i) “They identified the following main activities which they have to perform”.**

**OR**

- (ii) “ In order to facilitate the work they thought that four managers should be appointed to look after.....**

**1 mark for  
naming the  
function  
+  
1mark for  
identifying  
the line  
+**

- |   |                             |
|---|-----------------------------|
| (c) <u>Steps in the process of organising:</u>  | <b>½ mark for each step</b> |
| (i) Identifying and dividing the work into manageable activities.   | ( ½ x4 = 2 marks)           |
| (ii) Departmentalisation/ departmentation where activities of a similar nature are grouped together.                                  | =                           |
| (iii) Assignment of duties to job positions.  | <b>1+1+2</b>                |
| (iv) Establishing reporting relationships so that each individual knows who he has to take orders from and to whom he is accountable. | =                           |
|   | <b>4marks</b>               |

**17 Q. ‘Some learning opportunities are designed and delivered to improve skills and abilities of employees whereas some other are designed to help in the growth of individuals in all respects. Identify and explain the two concepts explained above.**

**Ans.** ‘Some learning opportunities are designed and delivered to improve skills and abilities of employees’ refers to TRAINING.

‘Some other are designed to help in the growth of individuals in all respects’ refers to DEVELOPMENT.

Training is the process by which the aptitudes, skills and abilities of the employees to perform specific jobs are improved.

Development is the process by which the employees acquire skills and competence for handling higher jobs in the future. It refers to learning opportunities designed to help employees grow.

**1 mark for identifying each concept**  
(1x2= 2 marks)  
+  
**1 mark for each explanation**  
(1x2= 2 marks)  
= 2+2  
**= 4marks**

**18 Q. “Leadership is required only for less efficient subordinates”. Do you agree? Explain any four reasons in support of your answer.**

**Ans.** No I don’t agree. Leadership is required not only for less efficient subordinates but for all subordinates because of the following reasons:(**any four**)

Leadership-

- (a) Guides and inspires employees/influences the behaviour.
- (b) Creates confidence.
- (c) Facilitates change...
- (d) Handles conflicts.
- (e) Provides training.
- (f) Improves efficiency.
- (g) Enhances group cohesion

**2 x 2**  
**=4marks**

19 Q. How does controlling help in ‘achieving objectives’ and ‘improving employee’s morale’?

Ans. Controlling helps in ‘achieving objectives’:

2 marks

Controlling function measures the progress towards the organisational goals, finding out the deviations, if any, and taking the necessary corrective action, thereby helping in achieving objectives.

+

Controlling helps in improving employee’s morale:

2 marks

Controlling function ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be judged, thereby, improving employees’ morale.

=2 + 2  
=4marks

20 Q. Explain any four responsibilities of the consumer to safeguard his interests.

Ans. Responsibilities of the consumer to safeguard his interests: (any four):

- (i) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
- (ii) Buy only standardised goods as they provide quality assurance. Thus, look for ISI mark on electrical goods, FPO mark on food products, Hallmark on jewellery etc.
- (iii) Learn about the risks associated with products and services, follow manufacturer’s instructions and use the products safely.
- (iv) Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc.
- (v) Assert yourself to ensure that you get a fair deal.
- (vi) Be honest in your dealings. Choose only from legal source and discourage unscrupulous practices like black-marketing, hoarding etc.
- (vii) Ask for a cash memo on purchase of goods or services. This would serve as a proof of the purchase made.
- (viii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.
- (ix) Form consumer societies which would play an active part in educating consumers and safeguarding their interests.

1 x 4  
=  
4 marks



- (x) Respect the environment. Avoid waste, littering and contributing to pollution.

**21 Q. “Co-ordination is not a separate function of management; it is the essence of management”. Explain with the help of a suitable example.**

**Ans.** Co-ordination is not a separate function of management. It is the very essence of management.

This is because:

1. In planning, co-ordination is required between:
  - (a) Overall plan of the organization and the departmental plans.
  - (b) Objectives and the available resources.

e.g. co-ordination between production department plans and sales department targets.
2. In organizing, co-ordination is required-
  - (a) For resources of an enterprise and the activities to be performed.
  - (b) for assigning authority, responsibility and accountability.

e.g. if the finance manager is given authority to raise funds, he should also be given the responsibility to manage funds efficiently.
3. In staffing, co-ordination is required-
  - (a) between the skills of the workers and the jobs assigned to them.
  - (b) between efficiency of the workers and compensation.

e.g. a C.A. should generally be given work of a financial nature.
4. In directing, co-ordination is required-
  - (a) among orders, instructions and suggestions.
  - (b) between superior and subordinates.

e.g. a manager instructs the subordinates, motivates them and also supervises their work.
5. In controlling, co-ordination is required-
  - (a) between standards and actual performance.
  - (b) between correction of deviations and achievement of objectives.

e.g. if the planned target is 100 units of output and the actual output is 85 units, then corrective action is taken to ensure that plans co-ordinate with actual performance.

**1 x 5**  
**=**  
**5 marks**

Thus, co-ordination is indispensable in all managerial functions.

22 Q. Explain any two reasons why proper understanding of management principles is necessary.

Ans. A proper understanding of management principles is necessary because they:(any Two):

- (a) provide the managers with useful insights into reality.
- (b) help in optimum utilisation of resources and effective administration.
- (c) help in taking scientific decisions.
- (d) help in meeting changing environment requirements.
- (e) help in fulfilling social responsibility.
- (f) are used as a basis for management training, education and research.

½ mark for the heading  
( ½ x 2 = 1 mark  
+  
2 marks for each explanation  
2 x 2 = 4 marks)  
= 1 + 4 = 5 marks

23 Q. Explain any five points of importance of planning for a large business enterprise.

Ans. Importance of planning (any five):

- 1. Provides directions.
- 2. Reduces risk of uncertainty.
- 3. Reduces overlapping and wasteful activities.
- 4. Promotes innovative ideas.
- 5. Facilitates decision making.
- 6. Establishes standards for controlling.

½ mark for heading  
+  
½ mark for explanation  
= 1x5= 5marks

24 Q. Why was Securities and Exchange board of India (SEBI) set up? Explain any four Regulatory functions of SEBI.

Ans. Securities and Exchange Board of India (SEBI) was set up to create an environment to facilitate efficient mobilisation and allocation of resources through the securities market.

1 mark

Regulatory functions of Securities and Exchange Board of India are (any four):

- 1. Registration of brokers and sub-brokers and other players in the market
- 2. Registration of collective investment schemes and Mutual Funds
- 3. Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers and the business in stock exchanges and any other securities market.

+

4. Regulation of takeover bids by companies. (1 x4=
5. Calling for information by undertaking inspection, conducting enquiries and audits of stock exchanges and intermediaries. 4marks)
6. Levying fee or other charges for carrying out the purposes of the Act. =1 + 4
7. Performing and exercising such powers under Securities Contracts (Regulation) Act 1956 as may be delegated by the Government of India. =5 marks

25 Q. **Bending the customer according to the product’ and ‘Developing the product according to customer needs’ are the two important concepts of marketing management. Identify the concept and differentiate between the two.**

**Ans.** Bending the customer according to the product’ refers to SELLING and ‘Developing the product according to customer needs’ refers to MARKETING .

**Difference between marketing and selling**

**(ANY THREE)**

<b>Basis</b>	<b>Selling</b>	<b>Marketing</b>
1. Starting point	Starting point is the <u>factory</u> i.e. selling begins after production of goods.	Starting point is the <u>market</u> i.e. Marketing begins before production after analyzing the needs and wants of the customers.
2. Main focus	Main focus is on the <u>existing product</u> i.e. selling focuses on affecting transfer of title and possession of existing goods	Main focus is on the <u>customer needs</u> i.e. marketing focuses on achieving maximum satisfaction of the customer’s needs.
3. Means/ strategies	Selling involves efforts like promotion and persuasion i.e. <u>selling &amp; promoting</u> the product.	Marketing uses <u>integrated marketing</u> efforts.

**1 mark for identifying each concept (1x2= 2 marks)**

+

4. Ends	In selling, the aim is to earn <u>profit through sales volume</u>	In marketing, the aim is to earn <u>profit through customer satisfaction</u>
5. Scope	Selling concept has a <u>narrow scope</u> -it is a part of marketing	Marketing concept has a <u>wider scope</u> – it includes selling.
6. Orientation	Selling is <u>internal oriented</u> as it pre-supposes existing of demand.	Marketing is customer oriented/ <u>external oriented</u> as it emphasises on creation and maintenance of demand.

**1mark for each difference (1x3= 3marks)**

**=2+3 = 5marks**

**(If an examinee has added the word “concept” with marketing and selling, no marks are to be deducted )**

**26 Q. What is meant by ‘Divisional structure’ of an organization? Explain any two advantages and limitations of it.**

**Ans.** Divisional structure is an organisation structure comprising of separate business units or divisions, created on a certain basis e.g. products, geographical area, customer group, etc.

Advantages of Divisional structure: (any two)

1. Product specialization.
2. Helps in fixation of responsibility.
3. Promotes flexibility.
4. Facilitates expansion and growth.

Disadvantages: (any two)

1. Conflicts may arise among different divisions
2. It may increase the cost of operations.
3. Organizational interest may be ignored by different divisional heads.
4. The organization structure becomes complex.

**(if an examinee has not given the headings as above but have given the correct explanations, full credit should be given)**

**2marks for the meaning + ½ mark for each advantage ( 1 x 2 =2 marks) + ½ mark for each limitation ( 1 x 2 =2 marks) =2+2+2 =6 marks**

**OR**

**Q. What is meant by ‘Formal organisation’? Explain any five features of Formal Organisation.**

Formal organisation refers to the organisation structure which is designed by the management to accomplish organisational objectives.

Features of formal organisation (any five):

1. It is deliberately designed by the top management.
2. It clarifies who has to report to whom.
3. It is a means to achieve objectives.
4. It co-ordinates the efforts of various departments.
5. It places emphasis on work to be performed.
6. Behaviour of the members is directed by rules.
7. Communication takes places through the scalar chain.
8. Leadership is by virtue of the position.

**1 mark for the meaning  
+  
1 mark for each feature  
(1 x 5 = 5 marks)  
= 1+ 5  
=6 marks**

**27 Q. What is meant by Internal Sources of Recruitment? Why do organizations prefer recruitment through internal sources? Explain.**

**Ans.** Internal sources of recruitment means finding candidates for a job from within the organisation.

Organizations prefer recruitment through internal sources because: (any five)

- (i) Motivational value
- (ii) Simplifies the process of selection and placement.
- (iii) No need for induction training.
- (iv) Adjustment of surplus employees.
- (v) Economical.
- (vi) Better employer-employee relationship.
- (vii) Training ground
- (viii) Reliable source

**1 mark for meaning  
+  
½ mark for each heading  
+ ½ mark for each explanation  
(1 x 5 = 5 marks)  
=1+5  
=6marks**

**OR**

**Explain the steps in the process of Selection of employees.**

**Ans.** Steps in the process of selection are:

- (a) Preliminary screening

**½ mark for naming**

- |  |  |
|--|--|
| (b) Selection test and interview.        | <b>each step<br/>+<br/>1/2 mark for<br/>expla<br/>nation<br/>=1 x 6<br/>=6 marks</b> |
| (c) Reference and background checks      |  |
| (d) Selection decision                   |  |
| (e) Medical examination                  |  |
| (f) Job offer and contract of employment |  |
|  |  |

**28 Q. “Human beings cannot be motivated only through monetary incentives; non-monetary incentives are also necessary to motivate them”. Explain any four such non- monetary incentives.**

**Ans.** Non- monetary incentives are(**Any four**)

1. Status
2. Positive organisational climate.
3. Career advancement opportunity.
4. Job enrichment.
5. Employee recognition
6. Job security.
7. Employee participation.
8. Employee empowerment.

**1/2 mark for  
naming  
each  
incentive  
+  
1 mark for  
explan-  
ation  
1 1/2 x4=  
6marks**

**OR**

**Q. What is meant by ‘communication’? Explain how communication is an important function of management.**

**Ans.** Communication is the process of exchange of ideas and information among people to create common understanding.

Communication is an important function of management because (any five):

1. Acts as basis of Coordination
2. Helps in smooth working of an enterprise
3. Acts as basis of decision making.
4. Increases managerial efficiency.
5. Promotes cooperation and industrial peace.
6. Establishes effective leadership
7. Boosts morale.

**1 mark for  
meaning  
+  
1/2 mark for  
each  
heading  
+ 1/2 mark  
for each  
explanation  
(1 x 5 = 5  
marks)  
=1+5  
=6marks**

**(if an examinee has not given the headings as above but has given the correct explanations, full credit should be given)**

29 Q. **“Determination of capital structure of a company is influenced by a number of factors.” Explain any four such factors.**

Factors which affect the capital structure of a company are: **(any four)**

1. Cash Flow Position.
2. Control.
3. Flexibility.
4. Stock Market Conditions.
5. Regulatory Framework.
6. Risk Consideration.
7. Floatation Costs.
8. Interest Coverage Ratio (ICR).
9. Debt Service Coverage Ratio (DSCR).
10. Return on Investment (ROI).
11. Cost of debt.
12. Cost of Equity.
13. Tax Rate.
14. Capital Structure of other Companies.
15. Financial leverage.
16. Legal framework

**(if an examinee has not given the above headings but has given the correct explanation, full credit should be given)**

**OR**

**Explain any four factors affecting working capital requirements of a company.**

Ans: Factors which affect the working capital requirements of a business are: **(any four)**

1. Nature of Business.
2. Scale of Operations.
3. Business Cycle.
4. Seasonal Factors.
5. Production Cycle.
6. Credit Allowed.

**½ mark  
for  
naming  
each  
factor  
+1 mark  
for  
explanation  
1 ½ x 4 =  
6 marks**

**½ mark  
for  
naming  
each  
factor  
+1 mark  
for  
explanation  
1 ½ x 4 =  
6 marks**

7. Credit Aailed.
8. Operating Efficiency.
9. Availability of Raw Material.
10. Growth Prospects.
11. Level of Competition.
12. Inflation.

**(if an examinee has not given the above headings but have given the correct explanation, full credit should be given)**

**30 Q. What is meant by Packaging? Give any five points explaining why packaging is important.**

Ans. Packaging refers to the act of designing and producing the container or wrapper of a product.

Packaging is important because (any five):

1. Less chances of adulteration/ raising standards of health and sanitation.
2. Product promotion/ self service outlets.
3. Innovational opportunity.
4. Product differentiation.
5. Product identification.
6. Product protection
7. Easy handling/ facilitating use of the product.

**(if an examinee has not given the above headings but have given the correct explanation, full credit should be given)**

**1 mark for meaning  
+  
½ mark for each heading  
+ ½ mark for each explanation  
(1 x 5 = 5 marks)  
=1+5  
=6marks**

**OR**

**Q. Explain the following sales promotion activities:**

- (i) Refunds**
- (ii) Instant draw and assigned gifts**
- (iii) Full finance**
- (iv) Sampling**

Ans. (i) Refunds:

It is a technique of sales promotion in which a part of price paid by customer is returned back on presenting some proof of purchase, e.g. on return of empty foils or wrapper, get a refund of Rs.5.

**= 1 ½ x 4  
=6marks**



(ii) Instant draw and assigned gifts

It is a technique of sales promotion in which assured gifts are given to the customers instantly by participating in a draw, on purchase of a product.

(iii) Financing:

It is a technique of sales promotion in which easy financing schemes are offered such as '24 easy instalments or the amount to be paid as post dated cheques'.

(iv) Sampling:

It is a technique of sales promotion in which a free sample of a product is offered to the customer, e.g. a packet of detergent powder to potential customers at the time of launch of a new brand.

# ACCOUNTANCY

*Time allowed : 3 hours*

*Maximum Marks : 80*

## **General Instructions:**

- (i) *This question paper contains three parts A, B and C.*
- (ii) *Part A is Compulsory for all candidates.*
- (iii) *Candidates can attempt only one part of the remaining parts B and C.*
- (iv) *All parts of the questions should be attempted at one place.*

## **QUESTION PAPER CODE 67/1/1**

### **Part A**

#### **(Not for Profit Organisations, Partnership Firms and Company Accounts)**

1. When the Receipts & Payments Account is converted into an Income & Expenditure Account, an accounting concept is to be followed for the provisions of the Accruals & Outstanding. Name the concept that is followed. 1
2. Can a partner be exempted from sharing the losses in a firm? If yes, under what circumstances? 1
3. Why should a firm have a partnership deed? 1
4. How is interest on drawings calculated, if the drawings are made at regular intervals, as on the first day of each month? 1
5. Why would an investor prefer to invest in the Debentures of a Company rather than in its Shares? 1
6. From the following information calculate the amount of subscriptions to be credited to the Income & Expenditure Account for the year 2007-08.

	<b>Rs.</b>	
Subscriptions received during the year	Rs. 80,000	
Subscriptions outstanding on 31 <sup>st</sup> March, 2007	26,000	
Subscriptions outstanding on 31 <sup>st</sup> March, 2008	6,000	
Subscriptions received in Advance on 31-3-2007	15,000	
Subscriptions received in Advance on 31-3-2008	10,000	
Subscriptions of Rs.12,000 are still in arrears for the year 2006-07.		3

7. The Directors of a Company forfeited 200 shares of Rs. 10 each issued at a premium of Rs. 3 per share, for the non-payment of the First Call Money of Rs. 3 per share. The final call of Rs. 2 per share has not been made. Half the forfeited shares were reissued at Rs.1,000 fully paid. Record the Journal Entries for the forfeiture & reissue of shares. 3
8. Meena Ltd., issued 60,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as Rs. 3 on Application, Rs. 5 (Incl. Premium) on allotment and the balance on 1st and final call. Applications were received for 1,02,000 shares. The Directors resolved to allot as follows:
- |                                 |               |
|---------------------------------|---------------|
| (A) Applicants of 60,000 shares | 30,000 shares |
| (B) Applicants of 40,000 shares | 30,000 shares |
| (C) Applicants of 2,000 shares  | Nil           |
- Nikhil who had applied for 1,000 shares in category A, and Vish who was allotted 600 shares in category B failed to pay the allotment money. Calculate the amount received on Allotment. 3
9. A, B & C were partners in a firm having capitals of Rs. 60,000; Rs. 60,000 and Rs. 80,000 respectively. Their Current Account balances were A : Rs. 10,000; B: Rs. 5,000 and C: Rs. 2,000 (Dr). According to the partnership deed the partners were entitled to interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p.a. The profits were to be divided as follows:
- (a) The first Rs. 20,000 in proportion to their capitals.
  - (b) Next Rs. 30,000 in the ratio of 5 : 3 : 2.
  - (c) Remaining profits to be shared equally.
- The firm made a profit of Rs.1,56,000 before charging any of the above items. Prepare the Profit & Loss Appropriation Account and pass necessary journal entry for apportionment of profit. 4
10. (a) A & B are partners in the ratios of 5 : 4. They admit C for 1/10th share, which he acquires, in equal proportions from both. Find the new profit sharing ratio.
- (b) A, B & C were partners in a firm sharing profits in the ratio of 8 : 4 : 3. B retires and his share is taken up equally by A & C. Find the new profit sharing ratio. 2 + 2 = 4
11. Mona Ltd., has issued 20,000, 9% Debentures of Rs. 100 each of which half the amount is due for redemption on March 31st 2008. The company has in its Debenture Redemption Reserve Account a balance of Rs. 4,40,000. Record the necessary journal entries at the time of Redemption of Debentures. 4

12. The following is the Receipts & Payments Account of Queen's Club for the year ended March 31<sup>st</sup> 2008.

6

<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
To Balance bid	1,82,000	By Salaries	1,66,000
“ Subscriptions	1,80,000	“ Stationery	32,000
“ Tournament Fund	1,64,000	“ Rent	48,000
“ Interest (investments)	65,000	“ Telephone expenses	8,000
“ Donations	1,12,000	“ Sports Material & Exp.	78,000
“ Sale-concert tickets	2,47,000	“ Investments 6%	5,00,000
		“ Misc. Exp.	24,000
		“ Concert Expenses	58,000
		“ Balance c/d	36,000
	<b>9,50,000</b>		<b>9,50,000</b>

The following additional information is provided:

- Subscriptions include Rs. 12,000 for 2006-07 and Rs. 18,000 for 2008-09.
- Stock of stationery on 31<sup>st</sup> March, 2007 and 2008 was Rs. 7,200 & Rs. 5,400 respectively.
- Stock of Sports material at the beginning and end of the year was Rs. 12,000 and Rs. 21,000 respectively.
- Rent includes Rs. 4,000 paid for March, 2007. Rent for March, 2008 is outstanding.
- Telephone expenses include Rs. 3,000 as quarterly rent up to May 31<sup>st</sup> 2008.
- The value of Building as on 31<sup>st</sup> March 2007, was Rs. 8,00,000 and you are required to write off depreciation at 10%.
- The value of investments on 31<sup>st</sup> March, 2007 was Rs. 10,00,000 and the club made similar additional investments during the year on 1<sup>st</sup> October, 2007.

You are required to prepare the Income & Expenditure Account of the club for the year ended March 31<sup>st</sup> 2008.

13. X, Y & Z were partners sharing profits in the ratio 3 : 2 : 1. On 31<sup>st</sup> March, 2008, their Balance Sheet stood as under:

Liabilities	Rs.	Assets	Rs.
Capitals: Rs.		Cash at bank	70,000
X : 75,000		Investments	50,000
Y : 70,000		Patents	15,000
Z : <u>50,000</u>	1,95,000	Stock	25,000
Creditors	72,000	Debtors	20,000
General Reserve	24,000	Buildings	75,000
		Machinery	36,000
	<b>2,91,000</b>		<b>2,91,000</b>

Z died on May 31<sup>st</sup> 2008. It was agreed that:

- Goodwill was valued at 3 years' purchase of the average profits of the last five years, which were, 2003: Rs. 40,000; 2004: Rs. 40,000; 2005: Rs. 30,000; 2006: Rs. 40,000 and 2007: Rs. 50,000.
- Machinery was valued at Rs. 70,000, Patents at Rs. 20,000 and Buildings at Rs. 66,000.
- For the purpose of calculating Z's share of profits till the date of death, it was agreed that the same be calculated based on the average profits for the last 2 years.
- The executor of the deceased partner is to be paid the entire amount due by means of a cheque.

Prepare Z's Capital Account to be rendered to the executor and also a Journal entry for the settlement of the amount due to Z's executors.

6

14. (a) Mohit Ltd., took over assets of Rs. 8,40,000 and liabilities of Rs. 80,000 of Ram Ltd. at an agreed value of Rs. 7,20,000. Mohit Ltd. paid to Ram Ltd., by issue of 9% debentures of Rs. 100 each at a premium of 20%. Pass necessary journal entries to record the above transactions in the books of Mohit Ltd.
- (b) Give Journal entries in each of the following cases if the face value of a Debenture is Rs. 100.
- A debenture issued at Rs. 110 repayable at Rs. 100
  - A debenture issued at Rs. 100 repayable at Rs. 105
  - A debenture issued at Rs. 105 repayable at Rs. 105

3 + 3 = 6

15. A Co. issued to the public for subscription 40,000 shares of Rs. 10 each at a discount of 10% payable as Rs. 2 each on application, Allotment and First call and Rs. 3 on the Final call. Applications were received for 60,000 shares and allotment was made pro-rata to 80% of applicants. R to whom 1,600 shares were allotted paid only the application money, and S who had applied for 2,400 shares paid the entire call money due along with the allotment. Pass necessary Journal entries to record the above transactions.

8

**OR**

Petromax Ltd., issued 50,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as Rs. 3 on application Rs. 5 including premium on allotment and the balance in equal instalments over two calls. Applications were received for 92,000 shares and the allotment was done as under:

A :	Applicants of 40,000 shares	-	Allotted 30,000 shares
B :	Applicants of 40,000 shares	-	Allotted 20,000 shares
C :	Applicants of 12,000 shares	-	Nil

Suresh who had applied for 2,000 shares (Category A) did not pay any money other than application money.

Chandar who was allotted 800 shares (Category B) paid the call money due along with allotment.

All other allottees paid their dues as per schedule.

Pass necessary journal entries in the books of Petromax Ltd. to record the above.

16. Jain & Gupta were partners sharing profits in the ratio of 3 : 2. Their balance sheet on March 31<sup>st</sup> 2008 was as follows:

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Creditors	20,000	Cash	14,800
Bills payable	3,000	Debtors	20,500
Bank overdraft	17,000	Less: Prov. for	
Reserve	15,000	Bad debts	<u>300</u>
Jain's Capital	70,000	Stock	20,000
Gupta's Capital	60,000	Plant	40,000
		Buildings	70,000
		Motor Vehicles	20,000
	<b>1,85,000</b>		<b>1,85,000</b>

They agreed to admit Mishra for 1/4th share from 1-4-2008 subject to the following terms:

- (a) Mishra to bring in capital equal to 1/4th of the total capital of Jain & Gupta after all adjustments including premium for goodwill.
- (b) Buildings to be appreciated by Rs.14,000 and stock to be depreciated by Rs. 6,000.
- (c) Provision for Bad debts on Debtors to be raised to Rs. 1,000.
- (d) A provision be made for Rs. 1,800 for outstanding legal charges.
- (e) Mishra's Share of goodwill/premium was calculated at Rs. 10,000.

Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the new firm on Mishra's admission.

8

**OR**

A, B & C were in partnership sharing profits in proportion to their capitals. Their Balance Sheet on 31-3-2008 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	15,600	Cash	16,000
Reserve	6,000	Debtors	20,000
A's Capital	90,000	Less: Provo for	
B's Capital	60,000	doubtful debts	<u>400</u>
C's Capital	30,000	Stock	18,000
		Machinery	48,000
		Buildings	1,00,000
	<b>2,01,600</b>		<b>2,01,600</b>

On the above date B retired owing to ill health and the following adjustments were agreed upon:

- (a) Buildings be appreciated by 10%.
- (b) Provision for doubtful debts be increased to 5% of debtors.
- (c) Machinery be depreciated by 15%.
- (d) Goodwill of the firm be valued at Rs. 36,000 and be adjusted into the Capital Accounts of A & C who will share profits in future in the ratio of 3 : 1.

- (e) A provision be made for outstanding repairs bill of Rs. 3,000.
- (f) Included in the value of creditors is Rs. 1,800 for an outstanding legal claim, which is not likely to arise.
- (g) Out of the insurance premium paid Rs. 2,000 is for the next year. The amount was debited to P & LA/c.
- (h) The partners decide to fix the capital of the new firm as Rs. 1,20,000 in the profit sharing ratios.
- (i) B to be paid Rs. 9,000 in cash and the balance to be transferred to his Loan Account.

Prepare the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after B' s retirement.

**Part-B**  
**(Analysis of Financial Statements)**

- 17. State why non-cash transactions are ignored while preparing a Cash Flow Statement? 1
- 18. When is Dividend received considered as operating activity? 1
- 19. What will be the operating profit ratio, if operating ratio is 83.64 % ? 1
- 20. What are the importance of Financial Statement Analysis? 3
- 21. Prepare a comparative Income Statement from the following:

	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2008	
	Rs.	Rs.	
Sales	10,00,000	12,50,000	
Cost of Goods sold	5,00,000	6,50,000	
Operating expenses	50,000	60,000	4

Interest on investments @ Rs. 30,000 and taxes payable @ 50%.

- 22. (a) Net Profit after Interest but before tax Rs. 1,40,000; 15% long term debts Rs. 4,00,000, Shareholders funds Rs. 2,40,000; Tax rate 50%. Calculate Return on capital employed.
- (b) Opening Stock: Rs. 60,000; Closing Stock: Rs. 1,00,000; Stock turnover Ratio 8 times; Selling price 25% above cost; Calculate the Gross Profit ratio. 2 + 2 = 4



23. X Ltd., made a profit of Rs. 1,00,000 after considering the following items:
- (a) Depreciation on Fixed Assets Rs. 20,000. (b) Writing off preliminary expenses Rs. 10,000.
  - (c) Loss on sale of furniture Rs. 1,000.
  - (d) Provision for taxation Rs. 1,60,000.
  - (e) Transfer to General Reserve Rs. 14,000.
  - (f) Profit on sale of machinery Rs. 6,000.

The following additional information is available to you:

Items	31-3-2007	31-3-2008	
	Rs.	Rs.	
Debtors	24,000	30,000	
Creditors	20,000	30,000	
Bills Receivable	20,000	17,000	
Bills Payable	16,000	12,000	
Prepaid expenses	400	600	6

Calculate Cash flow from operating activities.

**Part - C**  
**(Computerised Accounting)**

- 17. What is Coding? 1
- 18. What is a super group? 1
- 19. List any four basic systems of computerized accounting system. 2
- 20. What is import & export of data? 3
- 21. What is meant by Internal checks? 3
- 22. What are the essentials of a good reporting system? 4
- 23. A factory owner purchases a new machine that costs Rs. 3,00,000 and has a useful life for 10 years, with salvage value of Rs. 30,000. Indicate the formula to be used in an Excel worksheet to calculate Depreciation under the Diminishing Balance Method. Also using the formula, calculate the depreciation to be provided for a day, a month and a year. 6

## QUESTION PAPER CODE 67/1

### Part A

(Not for Profit Organisations, Partnership Firms and Company Accounts)

1. When the Receipts and Payments Account is converted into an Income and Expenditure Account, an accounting concept is to be followed for the provisions of the Accruals and Outstanding. Name the concept that is followed. 1
2. Can a partner be exempted from sharing the losses in a firm? If yes, under what circumstances? 1
3. State two elements of the partnership deed. 1
4. How is a new partner admitted to a firm? 1
5. Why would an investor prefer to invest in the Debentures of a Company rather than in its Shares? 1
6. From the following informations calculate the amount of subscriptions to be credited to the Income and Expenditure Account for the year 2007 - 08 : 3

	Rs.
Subscriptions received during the year	70,000
Subscriptions outstanding on 31 <sup>st</sup> March 2007	16,000
Subscriptions outstanding on 31 <sup>st</sup> March 2008	5,000
Subscriptions received in advance on 31 <sup>st</sup> March 2007	12,000
Subscriptions received in advance on 31 <sup>st</sup> March 2008	11,000

Subscriptions of Rs. 8,000 are still in arrears for the year 2006 - 07.

7. The Directors of a Company forfeited 500 shares of Rs. 10 each issued at a premium of Rs. 3 per share, for the, non-payment of the first call money of Rs. 3 per share. The final call of Rs. 2 per share has not been made. Half the forfeited shares were reissued at Rs. 2,500 fully paid. Record the journal entries for the forfeiture and reissue of shares. 3
8. Meena Ltd. issued 30,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as Rs. 3 on application, Rs. 5 (including premium) on allotment

and the balance on first and final call. Applications were received for 42,000 shares. The directors resolved to allot as follows:

- |                                |               |
|--------------------------------|---------------|
| A. Applicants of 20,000 shares | 10,000 shares |
| B. Applicants of 20,000 shares | 20,000 shares |
| C. Applicants of 2,000 shares  | Nil           |

Balu who had applied for 1,000 shares in category A and Ganesh who was allotted 600 shares in category B failed to pay the allotment money. Calculate the amount received on allotment.

3

9. A, B and C were partners in a firm having capitals of Rs. 80,000; Rs. 80,000; and Rs. 40,000 respectively. Their current account balances were A : Rs. 10,000; B : Rs. 5,000 and C : Rs. 2,000 (Dr). According to the partnership deed the partners were entitled to interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p.a. The profits were to be divided as follows:

- The first Rs. 20,000 in proportion to their capitals
- Next Rs. 30,000 in the ratio of 5 : 3 : 2
- Remaining profits to be shared equally

The firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the Profit and Loss Appropriation Account and pass the necessary journal entry for the appropriation of profits.

4

10. (a) A and B are partners in the ratio of 7 : 3. They admit C for 1/5th share, which he acquires, in equal proportions from both. Find the new profit sharing ratio.
- (b) A, B and C were partners in a firm sharing profits in the ratio of 5 : 4 : 3. B retires and his share is taken up equally by A and C. Find the new profit sharing ratio.

2 + 2 = 4

11. Anupama Ltd. had issued 10,000, 9% Debentures of Rs. 100 each which is due for redemption on 31st March 2008. The company has in its Debenture Redemption Reserve Account a balance of Rs. 4,00,000. Record the necessary journal entries at the time of Redemption of Debentures.

4

12. The following is the Receipts and Payments Account of Queen's Club for the year ended 31st March 2008 :

Receipts	Amount Rs.	Payments	Amount Rs.
To Balance b/d	1,82,000	By Salaries	1,66,000
To Subscriptions	1,80,000	By Stationery	32,000
To Tournament Fund	1,64,000	By Rent	48,000
To Interest (investments)	65,000	By Telephone expenses	8,000
To Donations	1,12,000	By Sports material & expenses	78,000
To Sale - concert tickets	2,47,090	By 6% Investments	5,00,000
		By Miscellaneous expenses	24,000
		By Concert expenses	58,000
		By Balance c/d	36,000
	9,50,000		9,50,000

The following additional information is provided:

- Subscriptions include Rs. 22,000 for 2006 - 07 and Rs. 8,000 for 2008 - 09.
- Stock of Stationery on 31<sup>st</sup> March 2007 and 2008 was Rs. 4,200 and Rs. 6,400 respectively.
- Stock of Sports material at the beginning and end of the year was Rs. 18,000 and Rs. 31,000 respectively.
- Rent includes Rs. 4,000 paid for March 2007, Rent for March 2008 is outstanding.
- Telephone expenses include Rs. 3,000 as quarterly rent up to 31<sup>st</sup> May 2008.
- The value of Building as on 31<sup>st</sup> March 2007, was Rs. 8,00,000 and you are required to write off depreciation at 5%.
- The value of investments on 31<sup>st</sup> March 2007 was Rs. 10,00,000, and the Club made similar additional investments during the year on 1<sup>st</sup> October 2007.

You are required to prepare Income and Expenditure Account of the Club for the year ended 31<sup>st</sup> March 2008.

13. X, Y and Z were partners sharing profits in the ratio of 3 : 2 : 1. On 31<sup>st</sup> March 2008, their Balance Sheet stood as under.

Liabilities	Amount Rs.	Assets	Amount Rs.
Capitals :		Cash at bank	70,000
X : 75,000		Investments	1,00,000
Y : 70,000		Patents	15,000
Z : 50,000	1,95,000	Stock	25,000
Creditors	72,000	Debtors	20,000
General Reserve	24,000	Buildings	75,000
		Machinery	36,000
	2,91,000		2,91,000

X died on 31<sup>st</sup> May 2008. It was agreed that:

- Goodwill was valued at 3 years' purchase of the average profits of the last five years, which were, 2003 : Rs. 40,000; 2004 : Rs. 40,000; 2005 : Rs. 30,000; 2006 : Rs. 40,000 and 2007 : Rs. 50,000.
- Machinery was valued at Rs. 70,000, Patents at Rs. 20,000 and Buildings at Rs. 66,000.
- For the purpose of calculating X's share of profits till the date of death, it was agreed that the same be calculated based on the average profits for the last 2 years.
- The executor of the deceased partner is to be paid the entire amount due by means of a cheque.

Prepare X's Capital Account to be rendered to his executor and also a journal entry for the settlement of the amount due to the executor.

6

14. (a) Maneesh, Ltd. took over assets of Rs. 9,40,000 and liabilities of Rs. 1,40,000 of Ram Ltd. at an agreed value of Rs. 7,80,000. Maneesh Ltd. paid to Ram

Ltd. by issue of 9% debentures of Rs. 100 each at a premium of 20%. Pass necessary journal entries to record the above transactions in the books of Mohit Ltd.

(b) Give journal entries in each of the following cases if the face value of a debenture is Rs. 100 :

(i) A debenture issued at Rs. 105 repayable at Rs. 100

(ii) A debenture issued at Rs. 100 repayable at Rs. 105

(iii) A debenture issued at Rs. 110 repayable at Rs. 105

3 + 3 = 6

15. Alpha Co. issued to the public for subscription 40,000 shares of Rs. 10 each at a discount of 10% payable as Rs. 2 each on application, allotment and first call and Rs. 3 on the final call. Applications were received for 60,000 shares and allotment was made pro-rata to 80% of applicants; R to whom 2,000 shares were allotted paid only the application money, and S who had applied for 3,000 shares, paid the entire call money due along with the allotment. Pass necessary journal entries to record the above transactions.

8

**OR**

Petromax Ltd. issued 50,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as Rs. 3 on application, Rs. 5 including premium on allotment and the balance in equal instalments over two calls. Applications were received for 92,000 shares and the allotment was done as under:

A. Applicants of 40,000 shares — Allotted 30,000 shares

B. Applicants of 40,000 shares — Allotted 20,000 shares

C. Applicants of 12,000 shares — Nil

Suresh who had applied for 2,000 shares (category A) did not pay any money other than application money.

Chandar who was allotted 800 shares (category B) paid the call money due along with allotment.

All other allottees paid their dues as per schedule.

Pass necessary journal entries in the books of Petromax Ltd. to record the above.

16. Jain and Gupta were partners sharing profits in the ratio of 3 : 2. Their Balance Sheet on 31st March 2008 was as follows:

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	20,000	Cash	14,800
Bills payable	3,000	Debtors	20,500
Bank overdraft	17,000	Less provision for doubtful debts	20,200
Reserve	15,000		<u>300</u>
Jain's Capital	70,000	Stock	20,000
Gupta's Capital	60,000	Plant	40,000
		Buildings	70,000
		Motor Vehicles	20,000
	1,85,000		1,85,000

They agree to admit Mishra for 1/4th share from 1.4.08 subject to the following terms:

- Mishra to bring, in capital equal to 1/4th of the total capital of Jain and Gupta after all adjustments including premium for goodwill.
- Buildings to be appreciated by Rs. 14,000 and stock to be depreciated by Rs. 6,000.
- Provision for doubtful debts (on debtors) to be raised to Rs. 1,000.
- A provision be' made for Rs. 1,800 for outstanding legal charges.
- Mishra's share of goodwill/premium was calculated at Rs. 10,000.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm on Mishra's admission.

8

**OR**

A, B and C were in partnership sharing profits in proportion to their capitals. Their Balance Sheet on 31.3.2008 was as follows:

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	15,600	Building	1,00,000
Reserve	6,000	Machinery	48,000
A's Capital	90,000	Stock	18,000
B's Capital	60,000	Debtors	20,000
C's Capital	30,000	Less provision for doubtful debts	<u>400</u>
		Cash	16,000
	2,01,600		2,01,600

On the above date B retired owing to ill health and the following adjustments were agreed upon .:

- (a) Buildings be appreciated by 10%.
- (b) Provision for doubtful debts be increased to 5% of debtors.
- (c) Machinery be depreciated by 15%.
- (d) Goodwill of the firm be valued at Rs. 36,000 and be adjusted into the Capital Accounts of A and C who will share profits in future in the ratio of 3 : 1.
- (e) A provision be made for outstanding repairs bill of Rs. 3,000.
- (f) Included in the value of creditors is Rs. 1,800 for an outstanding legal claim, which is not' likely. to arise.
- (g) Out of the insurance premium paid Rs. 2,000 is for the next year. The amount was debited to P & L A/c.
- (h) The partners decide to fix the capital of the new firm .as Rs. 1,20,000 in the profit sharing ratio.
- (i) B to be paid Rs. 9,000 in cash and the balance to be transferred to his Loan Account.



Prepare the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after B's retirement.

## PART B

### (Analysis of Financial Statements)

17. State why Cash Flow Statement is not a substitute for Income Statement. 1
18. When is interest received considered as financing activity? 1
19. What will be the operating profit ratio, if operating ratio is 81.38% ? 1
20. Why is Analysis of Financial Statements important to creditors? 3
21. Prepare a Comparative Income Statement from the following: 4

	31 <sup>st</sup> March 2007	31 <sup>st</sup> March 2008
	Rs.	Rs.
Sales	10,00,000	12,50,000
Cost of Goods sold	6,00,000	7,50,000
Operating expenses	40,000	50,000

Interest on investments @ Rs. 50,000 and taxes payable @ 50%.

22. (a) Net Profit after Interest but before tax: Rs. 1,40,000; 15% long-term debts: Rs. 4,00,000; Shareholders funds: Rs. 2,40,000; Tax rate 50%. Calculate Return on Capital Employed.
- (b) Opening Stock: Rs. 60,000; Closing Stock: Rs. 1,00,000; Stock Turnover Ratio 8 times; Selling price 25% above cost. Calculate the Gross Profit Ratio. 2 + 2 = 4
23. X Ltd. made a profit of Rs. 1,00,000 after considering the following items:
- (a) Depreciation on Fixed Assets Rs. 20,000
  - (b) Writing off preliminary expenses Rs. 10,000
  - (c) Loss on sale of Furniture Rs. 1,000
  - (d) Provision for Taxation Rs. 1,60,000
  - (e) Transfer to General Reserve Rs. 14,000

(f) Profit on sale of Machinery Rs, 6,000

The following additional information is available to you:

Items	31.3.2007 Rs.	31.3.2008 Rs.
Debtors	24,000	30,000
Creditors	20,000	30,000
Bills Receivable	20,000	17,000
Bills Payable	16,000	12,000
Prepaid Expenses	400	600

6

Calculate cash flow from operating activities.

**Part - C**  
**(Computerised Accounting)**

17. What is Coding? 1
18. What is a super group? 1
19. List any four basic systems of computerized accounting system. 2
20. What is import and export of data? 3
21. What is meant by Internal checks? 3
22. What are the essentials of a good reporting system? 4
23. A factory owner purchases a new machine that costs Rs. 6,00,000 and has a useful life for 10 years, with salvage value of Rs. 60,000. Indicate the formula to be used in an Excel Worksheet to calculate depreciation under the Diminishing Balance Method. Also, using the formula, calculate the depreciation to be provided for a day, a month and a year. 6

## Marking Scheme — Accountancy

### *General Instructions*

1. The marking scheme provides general guidelines to reduce subjectivity in the marking. The answers given in the marking scheme are suggested answers. The content is thus indicative. If a student has given any other answer which is different from the one given in the marking scheme but conveys the same meaning, such answers should be given full weightage.
2. Some of the questions may relate to higher order thinking ability. These questions have been indicated to you separately by a star mark and are to be evaluated carefully to judge the students' understanding/analytical ability.
3. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed.
4. The Head –Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the marking scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
5. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left hand margin and circled.
6. If a question does not have any parts, marks be awarded in the left hand margin.
7. If a student has attempted an extra question, answer of the question deserving more mark should be retained and other answer scored out.
8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
9. Deductions up to 25% of the marks be made if the student has not drawn formats of the journal and ledger and has not given the narrations.
10. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.

11. No marks are to be deducted or awarded for writing/not writing 'TO and BY' while preparing journal and ledger accounts.
12. In theory questions, credit is to be given for the content and not for the format.

QUESTION PAPER CODE 67/1/1  
**EXPECTED ANSWERS/VALUE POINTS**

**PART A**

(Not for profit organisations, partnership firms and company accounts)

- 1      **Q. When the receipts and payments a/c.....concept that is followed.**

**Ans.** Accrual concept of accounting. **1 mark**

2.      **Q. Can a partner be exempted .....? If yes, under what circumstances?**

**Ans.** Yes, if partnership deed provides. **1 mark**

3.      **Q. Why should.....partnership deed ?**

**Ans.** A partnership deed is necessary because a carefully prepared partnership deed can eliminate many problems and disputes that may arise in the future operations of the partnership. It specifies the terms and conditions of the agreement for smooth functioning. **1 mark**

4.      **Q. How is.....each month ?**

**Ans.** Interest on drawings =  $\frac{\text{Total Drawings} \times \text{rate} \times 6.5}{100 \times 12}$  **1 mark**

5.      **Q. Why would an.....rather than in its shares?**

**Ans.** An investor should prefer to invest in debentures rather than in shares because he wants :- **1 mark**

- (a) to ensure the safety of his investment and
- (b) assured returns.

6. **Q. From the following.....account for year 2007-08:**

**Ans.** Amount of subscription to be credited to income & expenditure A/c.

Subscription received	=	80000	
Add: subscription received in advance on 31.03.07	=	15000	<b>1 x 3 = 3 mark</b>
Less: subscription received in advance on 31.03.08	=	10000	
		85000	

*(NOTE: If an Examinee shows above three transactions correct in any way will be awarded full marks).*

7. **Q. The directors of a company..... reissue of shares.**

**Ans.**

Date	Particulars	L.F	Dr. (Rs.)	Cr.(Rs.)
	Share Capital A/c ...Dr To Share Forfeited A/c To Share first call A/c (Being shares forfeited)		1600	1000 600
	Bank A/c ...Dr To Share Capital A/c (Being 150 forfeited shares reissued)		1000	1000
	Shares Forfeited A/c ...Dr To Capital Reserve A/c (Being balance of forfeited A/c transferred to Capital Reserve)		500	500

**(1 mark for each correct entry = 1 x 3 = 3 mark)**

8. **Q. Meena Ltd. Issued 30,000.....amount received on allotment.**

**Ans.** Amount received on allotment(including premium)

$$= \text{Rs. } 3,00,000 - 90,000 - 30,000 - 1,000 - 2,400 = \text{Rs. } 1,76,600$$

Working Notes:

Category A:

Shares Applied = 60,000

Shares allotted = 30,000

Excess money received = 30,000 X 3 = 90,000 Rs.

Nikhil's allotted shares = 30,000/60,000 X 1,000 = 500 Rs.

Therefore, Shares Applied = 1,000

Shares allotted = 500

Excess money received = 500 X 3 = 1500/-

Amount due on allotment = 500 X 5 = 2500/-

Amount unpaid = 2500 – 1500 = 1000/-

**1 + 1 + 1 = 3 mark**

Category B:

Shares Applied = 40000

Shares allotted = 30000

Vish's allotted shares = 600

Excess money received = 10000 X 3 = 30000 Rs.

Excess money received = 200 X 3 = 600 Rs.

Shares Applied = 600 X 40,000/30,000 = 800

Amount due on allotment = 600 X 5 = 3000 Rs.

Amount unpaid = 3000 – 600 = 2400 Rs.

**9. Q. A, B & C were partners.....appropriation of profits.**

**Ans.** Profit & Loss Appropriation A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To Interest on capitals:		By Net Profit	1,56,000
A – 3,000			
B – 3,000			
C – <u>4,000</u>	*10,000		
To Salary to C	*6,000		
To Profit transferred to Partners current A/c s:			
A – 51,000			
B – 45,000			
C – <u>44,000</u>	*1,40,000		
	1,56,000		1,56,000

**1 + 1/2 +  
1 1/2 + 1  
= 4 mark**

JOURNAL ENTRY

Date	Particulars	L.F	Dr.(Rs)	Cr.(Rs)
	Profit & Loss Appropriation A/c Dr.		140000	
	To A's Current A/c			51000
	To B's Current A/c			45000
	To C's Current A/c			44000
	(Being profit appropriated)			

(NOTE: - If adjustment entry has been done through Capital A/c, no marks are to be given.)

10. Q. (a) A & B .....sharing ratio.

Ans. C acquires from A =  $1/10 \times 1/2 = 1/20$

C acquires from B =  $1/10 \times 1/2 = 1/20$

New Ratio of A =  $5/9 - 1/20 = 91/180$

New Ratio of B =  $4/9 - 1/20 = 71/180$

Share of C =  $1/10$

New Ratio of A, B, C = 91:71:18

(b) A, B & C .....Sharing ratio.

Ans. Calculation of New Ratio:-

Share taken by A out of B's share =  $4/15 \times 1/2$

New Share of A = Old Share + Gain

$$= 8/15 + 2/15$$

$$= 10/15$$

**2 + 2 = 4 mark**

Share taken by C out of B's share =  $4/15 \times 1/2$

$$= 2/15$$

B's New Share = Old share + Gain =  $3/15 + 2/15$

$$= 5/15$$

New Profit Sharing Ratio = 10 : 5 or 2 : 1

11. Q. Mona Ltd.....of Debentures.

Journal Entry

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Profit & loss appropriation A/c Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)		5,60,000	5,60,000
	9% Debentures A/c ...Dr To Debenture holders A/c (Being Debentures due for redemption)		10,00,000	10,00,000
	Debenture holders A/c ...Dr To Bank A/c (Being Debenture holders paid)		10,00,000	10,00,000

$1\frac{1}{2} + 1\frac{1}{2} + 1$   
= 4 mark

12. Q. The following is.....for the year ended 31<sup>st</sup> march 2008.

Ans. Income & Expenditure A/c

for the year ending 31<sup>st</sup> march,2008

Particulars	Amount	Particulars	Amount
To Salaries	1,66,000	By Subscription 1,80,000	
To Stationery consumed		Less: Subscription for 2006-07	12,000
Opening stock 7,200		Less: Subscription for 2008-09	<u>18,000</u>
Add:Purchases 32,000		By Interest on investment (6% of 10,00,000 + 6% of 5,00,000 for 6 months)	75,000
Less: Closing Stock <u>5,400</u>	33,800	By Donations	1,12,000
To Rent 48,000		By sale of concert tickets	2,47,000
Add: Outstanding for March,08	4,000		
Less: Outstanding for March,07	<u>4,000</u>		
To Telephone expenses	8,000		

( $\frac{1}{2}$  mark for each correct transaction =  $\frac{1}{2} \times 12$ )  
= 6 marks



Particulars	Amount	Particulars	Amount
Less: Prepaid <u>2,000</u>	**6,000		
To Miscellaneous expenses	24,000		
To concert expenses	58,000		
To Sports material consumed =			
Opening stock 12,000			
Add: Purchases 78,000			
Less: Closing			
Stock <u>21,000</u>	69,000		
To Depreciation on building	80,000		
To Surplus - Excess of Income over expenditure	99,200		
	5,84,000		5,84,000

\*\*If an examinee has written telephone expenses as Rs. 12,000, the amount surplus would be Rs. 93,200. Full credit is to be given.

13. **Q. X, Y & Z were partners.....due to the executor.**

Z's capital A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To Z's executor A/c	80,250	By balance b/d	50,000
		By General Reserve	4,000
		By X capital A/c	12,000
		By Y capital A/c	8,000
		By Revaluation A/c	5,000
		By P & L Suspense A/c	1,250
	80,250		80,250

**(1 mark for each correct entry on credit side except balance b/d = 1 x 5 = 5 marks + 1 = 6 marks)**

Journal entry

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Z's executor's A/c Dr.. To Bank A/c (Being executor's A/c settled)		80,250	802,50

Working notes:-

Revaluation A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To Buildings	9,000	By Machinery	34,000
To Profit transferred to:		By Patents	5,000
X- 15,000			
Y- 10,000			
Z- 5,000	30,000		
	39,000		39,000

Working note (2):-

$$\begin{aligned} \text{Goodwill} &= \text{Average profit} \times 3 \\ &= 2,00,000/5 \times 3 \\ &= 1,20,000/- \end{aligned}$$

$$\text{Z's share of goodwill} = 1,20,000 \times 1/6 = 20,000/-$$

Working note (3):-

$$\begin{aligned} \text{Z's share of profit} &= \text{Average profit} \times 1/6 \times 2/12 \\ &= 45000 \times 1/6 \times 2/12 \\ &= 1250/- \end{aligned}$$

**14. Q. (a Mohit Ltd. took.....of Ram Ltd.**

**Ans.** Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Assets A/c Dr.		8,40,000	
	To Liabilities A/c			80,000
	To Ram Ltd. A/c			7,20,000
	To Capital reserve A/c			40,000
	(Being Mohit Ltd. took over assets & liabilities of Ram Ltd.)			

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Ram Ltd. A/c Dr. To 9% Debentures A/c To Security premium A/c (Being 9% debentures issued to Ram Ltd. at premium)		7,20,000	6,00,000 12,0000

$1\frac{1}{2} + 1\frac{1}{2} =$   
**3 marks**

**(b) Give necessary journal.....debenture is Rs.100:**

(1) A debenture.....Rs.100.

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture Application & Allotment A/c (Being debenture application money received)		110	110
	Debenture Application & Allotment A/c Dr. To % Debentures A/c To Securities premium A/c (Being application money transferred to debenture A/c)		110	100 10

**(2) A debenture.....Rs. 105.**

**Ans.** Journal entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture application & allotment A/c (Being application money received)		100	100
	Debenture application & allotment A/c Dr. Loss on issue of debenture A/c Dr. To % Debentures A/c To Premium on redemption A/c (Being application money transferred to Debentures A/c)		100 5	100 5

$\frac{1}{2} + \frac{1}{2} + \frac{1}{2} +$   
 $\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$   
**= 3 marks**

**(3) A debenture.....Rs.**

**Ans.** Journal entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture application & allotment A/c (Being Debenture application money received)		105	105
	Debenture application & allotment A/c Dr. Loss on issue of Debentures Dr. To % Debentures A/c To Securities Premium To premium on redemption A/c (Being application money transferred to Debentures A/c)_____		105 5	100 5 5

**15. Q. A company.....above transactions.**

**Ans.** Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c ...Dr To Share application A/c ( Being application money received on 60000 shares)		1,20,000	1,20,000
	Share application A/c ...Dr To Share Capital A/c To Share Allotment A/c To Bank A/c (Being allotment made to 48000 shares)		1,20,000	80,000 16,000 24,000
	Share Allotment A/c ...Dr Discount on issue of shares A/c...Dr To Share Capital (Being allotment due on 40000 shares @ Rs 3-1discount)		80,000 40,000	1,20,000

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c ...Dr To Share allotment A/c To Calls in advance A/c (Being allotment money received)		71,440	61,440 10,000
	Or			
	Bank A/c Calls-in-arrears To Share allotment To Calls in advance (Being allotment money received)		71,440 2,560	64,000 10,000

**1 + 3 + 1 + 3  
= 8 marks**

OR

**Q. Petromax Ltd. issued.....record the above.**

**Ans.**

**Journal Entries**

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c ...Dr To Share application A/c (Being application money received on 92000 shares)		2,76,000	2,76,000
	Share application ...Dr To Share Capital A/c To Share Allotment A/c To Bank A/c (Being application money transferred)		2,76,000	1,50,000 90,000 36,000
	Share Allotment ...Dr To Share Capital To Securities Premium (Being allotment due on 50000 shares @ Rs 3+2 Premium)		2,50,000	1,50,000 1,00,000
	Bank A/c ...Dr To Share allotment To Calls in advance (Being allotment money received)		1,57,200	1,54,000 3,200

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	OR			
	Bank A/c ...Dr		1,57,200	
	Calls-in-arrears ...Dr		6,000	
	To Share allotment			1,60,000
	To Calls in advance			3,200
	(Being allotment money received)			
	Share first call ...Dr		1,00,000	
	To Share Capital			1,00,000
	(Being share first call due)			
	Bank A/c ...Dr		95,400	
	Calls in advance ...Dr		1,600	
	To Share first call A/c			97,000
	(Being call money received)			
	OR			
	Bank A/c ...Dr		95,400	
	Calls-in-arrears ...Dr		3,000	
	Calls-in-advance ...Dr		1,600	
	To Share first call A/c			1,00,000
	(Being call money received)			
	Share final call ...Dr		1,00,000	
	To Share Capital			1,00,000
	(Being final call money due)			
	Bank A/c ...Dr		95,400	
	Calls in advance ...Dr		1,600	
	To Share Final call A/c			97,000
	(Being call money received)			
	OR			
	Bank A/c ...Dr		95,400	
	Calls-in-arrears ...Dr		3,000	
	Calls-in-advance ...Dr		1,600	
	To Share final call A/c			1,00,000
	(Being call money received)			

**1 + 1½ + 1 +  
1½ + ½ + 1  
+ ½ + 1  
= 8 marks**

16. **Q. Jain & Gupta.....on mishra's admission.**

Revaluation A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To Stock	6,000	By Building	14,000
To Provision for doubtful debts	700		
To Provision for legal charges	1,800		
To Profit transferred to partners' capital A/c			
Jain- 3300			
Gupta- 2200	5,500		
	14,000		14,000

Partners' capital A/c

Particulars	Jain Rs.	Gupta Rs.	Mishra Rs.	Particulars	Jain Rs.	Gupta Rs.	Mishra Rs.
To balance c/d	88,300	72,200	40,125	By balance b/d	70,000	60,000	
				By cash			40,125
				By Premium*	6,000	4,000	
				By Revaluation A/c	3,300	2,200	
				By Reserves	9,000	6,000	
	88,300	72,200	40,125		88,300	72,200	40,125





Partners' Capital A/c

Particulars	A	B	C	Particulars	A	B	C
To B's capital A/c	9,000		3,000	By balance b/d	90,000	60,000	30,000
To cash		9,000		Revaluation	1,500	1,000	500
To B's loan		66,000		By A's capital		9,000	
To balance c/d	90,000		30,000	By C's capital		3,000	
				By Reserve	3,000	2,000	1,000
				By Cash	4,500		1,500
	99,000	75,000	33,000		99,000	75,000	33,000

Balance Sheet

As on 31<sup>st</sup> march 2008

Liabilities	Amount Rs.	Assets	Amount Rs.
Provision for outstanding repairs	3,000	Cash	13,000
Creditors	13,800	Debtors	19,000
Capitals:		Stock	18,000
A – 90,000		Prepaid insurance	2,000
C – 30,000	1,20,000	Machinery	40,800
B's loan	66,000	Building	1,10,000
	2,02,800		2,02,800

**2 + 3 + 3  
= 8 marks**

Working Note:

1. Firm's Capital = 1,20,000/-

A's capital = 1,20,000 X 3/4 = 90,000/-

C's capital = 1,20,000 X 1/4 = 30,000/-

2. Cash balance = 16,000 + 4,500 + 1,500 – 9,000 = 13,000/-

*Part B*

*(Analysis of Financial Statement)*

**17. Q. State Why.....flow statement?**

**Ans.** Because Cash Flow Statement shows flow of cash and cash equivalent during a given period.

**1 mark**

**18. Q. When is.....operating activity?**

**Ans.** When company is a Financing company.

**1 mark**

**19. Q. What will.....is 83.64% ?**

**Ans.** Operating Profit Ratio = 100 - 83.64 = 16.36 %.

**1 mark**

**20 Q. What are .....Statement Analysis ?**

**Ans.** Importance of Financial Statement Analysis :-

- 1) Assessing the Profitability
- 2) Judging the efficiency
- 3) Judging the liquidity

**(1 mark for each correct point = 1x3)**

Note :-If an examinee has given any other correct points, full marks should be given.

**= 3 marks**

**21. Q. Prepare a Comparative Income Statement:**

**Ans.**

Comparative income statement

Particulars	2007 (Rs)	2008 (Rs)	Absolute change Rs	percentage
Sales	10,00,000	12,50,000	2,50,000	25%
Less: Cost of goods sold	5,00,000	6,50,000	1,50,000	30%
Gross profit	5,00,000	6,00,000	1,00,000	20%
Less: operating expenses	50,000	60,000	10,000	20%
Operating profit	4,50,000	5,40,000	90,000	20%
Add: other income	30,000	30,000	0	0
Net profit before tax	4,80,000	5,70,000	90,000	18.75%
Less: taxes payable	2,40,000	2,85,000	45,000	18.75%
Net profit after tax	2,40,000	2,85,000	45,000	18.75%

**(1 mark for each correct point = 1x4) = 4 marks**

**22. Q. (a) Net Profit.....Capital Employed.**

**Ans.** Net profit after interest but before tax = Rs. 1,40,000

Interest = 15% of 4,00,000

= Rs 60,000

Net profit before interest and tax = 1,40,000 + 60,000 = 2,00,000

Capital Employed = Long terms debts + Shareholders funds

= Rs (4,00,000 + 2,40,000) =Rs 6,40,000

Return on capital employed = Net profit before interest and tax/Capital employed

= 2,00,000/6,40,000 X100

= 31.25 %

**(b) Operating Stock.....Gross Profit Ratio.**

**Ans.** Average Stock = Opening Stock + Closing Stock / 2

= 160000/2 = 80000/-

Stock Turnover Ratio= Cost of goods sold/Average stock

8 = Cost of goods sold / 80000

Therefore, Cost of goods sold = 640000/-

Selling price = 25% above Cost =640000+1/4 X 640000 = 800000/-

Gross Profit Ratio= Gross Profit/ sales X 100

= 160000/800000 X 100

= 20%

$\frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2}$

$1 + \frac{1}{2} + \frac{1}{2} =$

**4 marks**

**23. Q. X Ltd. Made a .....cash flow from operating activities.**

**Ans.** Cash flow from Operating Activity

Particulars	Rs.	Rs.
Net profit as per P &L A/c		1,00,000
Add: Provision for tax	1,60,000	
Transfer to general reserve	<u>14,000</u>	<u>1,74,000</u>
Profit before tax		2,74,000

Particulars	Rs.	Rs.
Add: Non operating & Non Cash expenses		
Depreciation on fixed assets	20,000	
Preliminary expenses written off	10,000	
Loss on sale of furniture	1,000	
Profit on sale of machinery	<u>(6,000)</u>	<u>25,000</u>
Profits before working capital changes / Profits from operations		2,99,000
Add: Increase in creditors	10,000	
Decrease in bills receivable	<u>3,000</u>	<u>13,000</u>
		3,12,000
Less: Increase in debtors	6,000	
Less: Decrease in bills payable	4,000	
Less: Increase in prepaid expenses	<u>200</u>	<u>10,200</u>
Cash flow from Operating Activity		*3,01,800

(½ mark for  
each correct  
point =  
½ x 12)  
= 6 marks

Note: If an examinee has deducted tax paid Rs. 1,60,000, the cash generated from operating activities will be Rs. 1,41,800. Full credit is to be given.

### PART "C"

(Computerised Accounting)

**17. Q. What is Coding?**

**Ans.** The unique accounting number assigned and followed for each item of account under any designated scheme is called coding.

**1 mark**

**18. Q. What is super group?**

**Ans.** Super group is a group that comprises many sub groups. Example current Asset comprising, Inventory, Debtors etc.

**1 mark**

**19. Q. List any four basic systems of computerized accounting system.**

**Ans.** The 4 basic systems are Front end Interface, Back end Interface, Data processing and reporting system.

**2 marks**

**20. Q. What is import and export of data?**

**Ans.** Import and export of data refers to the feasibility of taking data from some other system or file or sending it to some other system or file.

**3 marks**

21. **Q. What is meant by Internal checks?**

**Ans.**Internal Checks is a system of built in activities which ensures that the rules and processes are followed to ensure proper compliance.

**3 marks**

22. **Q. What are the essentials of a good reporting system?**

**Ans.**The essentials of a good reporting system are: Design , Flexibility , Display, Print Preview and printing quality etc.

**4 marks**

23. **Q. A factory owner.....and a year.**

**Ans.**Diminishing Balance =  $RATE = 1 - ((SALVAGE/COST)^{(1/life)})$ , ROUND

DB(300000,30000,3650,1) For 1 day

DB(300000,30000,120,1) For 1 month

DB(300000,30000,10,1) For 1 year

**1.5 x 4 =  
6 marks**

QUESTION PAPER CODE 67/1

**EXPECTED ANSWERS/VALUE POINTS**

**PART A**

**(Not for profit organisations, partnership firms and company accounts)**

1. **Q. When the receipts and payments a/c.....concept that is followed.**

**Ans.**Accrual concept of accounting.

**1 mark**

2. **Q. Can a partner be exempted .....? If yes, under what circumstances?**

**Ans.** Yes, if partnership deed provides.

**1 mark**

3. **Q. State two elements of partnership deed?**

**Ans.** Any two elements of partnership deed like:-

1. Name & address of partnership firm

2. Name & addresses of all partners.

3. Profit sharing ratio

**½ mark for  
each correct  
point  
½+½ = 1 mark**

4. **Q. How is a new partner admitted to a firm?**

**Ans.** As per the agreement between the existing partner and the incoming partner/  
consent of other partners.

**1 mark**

5. **Q. Why would an.....rather than in its shares?**

**Ans.** An investor should prefer to invest in debentures rather than in shares  
because he wants

**1 mark**

- (a) to ensure the safety of his investment and
- (b) assured returns.

6. **Q. From the following.....account for year 2007-08:**

**Ans.** Amount of subscription to be credited to income & expenditure A/c.

Subscription received	=	70,000
Add: subscription received in advance on 31.03.07	=	12,000
Less: subscription received in advance on 31.03.08	=	<u>11,000</u>
		<u>71,000</u>

**1 x 3 = 3  
marks**

*(NOTE: If an Examinee shows above three transactions correct in any way,  
will be awarded full marks).*

7. **Q. The directors of a company..... reissue of shares.**

**Ans.**

Date	Particulars	L.F	Dr. (Rs.)	Cr.(Rs.)
	Share Capital A/c ...Dr		4000	
	To Share Forfeited A/c			2500
	To Share first call A/c			1500
	(Being shares forfeited)			
	Bank A/c ...Dr		2500	
	To Share Capital A/c			2500
	(Being 150 forfeited shares reissued)			
	Shares Forfeited A/c ...Dr		1250	
	To Capital Reserve A/c			1250
	(Being balance of forfeited A/c transferred to Capital Reserve)			

**(1 mark for each correct entry = 1x3) = 3 mark**

8. **Q. Meena Ltd. Issued 30,000.....amount received on allotment.**

**Ans.** Amount received on allotment(including premium)  
 $= 1,50,000 - 30,000 - 1,000 - 3,000 = \text{Rs. } 1,16,000$

Working Notes:

Category A:

Shares Applied = 20,000  
 Shares allotted = 10,000  
 Excess money received = 10,000 X 3 = 30,000/-

Balu's allotted shares = 10,000/20,000 X 1,000 = 500

Therefore, Shares Applied = 1,000

Shares allotted = 500

Excess money received = 500 X 3 = 1,500/-

Amount due on allotment = 500 X 5 = 2,500/-

Amount unpaid = 2,500 - 1,500 = 1,000/-

Category B:

Shares Applied = 20,000

**1 + 1 + 1 = 3 marks**

Shares allotted = 20,000

Ganesh's allotted shares = 600

Amount due on allotment = 600 X 5 = 3,000/-

9. **Q. A, B & C were partners.....appropriation of profits.**

**Ans.**

Profit & Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Interest on capitals:		By Net Profit	1,56,000
A – 4,000			
B – 4,000			
C – 2,000	*10,000		
To Salary to C	*6,000		
To Profit transferred to current A/c:			
A – 53,000			
B – 47,000			
C – 40,000	*1,40,000		
	1,56,000		1,56,000

**JOURNAL ENTRY**

Date	Particulars	L.F	Dr.(Rs)	Cr.(Rs)
	Profit & Loss Appropriation A/c Dr		1,40,000	
	To A's Current A/c			53,000
	To B's Current A/c			47,000
	To C's Current A/c			40,000
	(Being profit appropriated)			

\*1 + \*1/2 +  
\*1 1/2 + 1  
= 4 marks

(NOTE: - If adjustment entry has been done through Capital A/c, no marks are to be given.)

**10. Q. (a) A & B are partners.....new profit sharing ratio.**

**Ans.** Sacrificing ratio is 1:1

A's sacrifice =  $1/5 \times 1/2 = 1/10$

B's sacrifice =  $1/5 \times 1/2 = 1/10$

A's new share =  $7/10 - 1/10 = 6/10$

B's new share =  $3/10 - 1/10 = 2/10$

C's share =  $1/5 = 2/10$

Therefore, New Ratio is 6:2:2 i.e., 3:1:1

**10. Q. (b) A, B & C were partners.....new profit sharing ratio.**

**Ans.** Old Ratio is 5:4:3

Gaining ratio is 1:1

B retires

A's gain =  $4/12 \times 1/2 = 2/12$

C's gain =  $4/12 \times 1/2 = 2/12$

A's new share =  $5/12 + 2/12 = 7/12$

B's new share =  $3/12 + 2/12 = 5/12$

Therefore, New Ratio is 7:5

**2 + 2 = 4 marks**



11. Q. Anupama Ltd. had.....Redemption of debentures.

Ans. Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Profit & loss appropriation A/c...Dr To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)		1,00,000	1,00,000
	9% Debentures A/c ...Dr To Debenture holders A/c (Being Debentures redeemed)		10,00,000	10,00,000
	Debenture holders A/c ...Dr To Bank A/c (Being Debenture holders paid)		10,00,000	10,00,000
	Debenture Redemption Reserve Dr To General reserve A/c (Being balance of DRR transferred to General Reserve)		5,00,000	5,00,000

1 + 1 + 1 + 1  
= 4 marks

12. Q. The following is.....for the year ended 31<sup>st</sup> march 2008.

Ans. Income & Expenditure A/c  
for the year ending 31<sup>st</sup> march,2008

Particulars	Amount Rs.	Particulars	Amount Rs.
To Salaries	1,66,000	By Subscription 1,80,000	
To Stationery consumed		Less: Subscription	
Opening stock 4,200		for 2006-07 22,000	
Add:Purchases 32,000		Less: Subscription	
Less: Closing		for 2008-09 <u>8,000</u>	1,50,000
Stock <u>6,400</u>	29,800	By Interest on	
To Rent 48,000		investment (6% of	
Add: Outstanding		10,00,000 + 6% of 5,00,000	

Particulars	Amount Rs.	Particulars	Amount Rs.
for March,08	4,000	for 6 months)	75,000
Less: Outstanding		By Donations	1,12,000
for March,07	<u>4,000</u>	By sale of concert	
To Telephone		tickets	2,47,000
expenses	8,000		
Less: Prepaid	<u>2,000</u>		
To Miscellaneous			
expenses	24,000		
To concert expenses	58,000		
To Sports material			
consumed =			
Opening stock	18,000		
Add:Purchases	78,000		
Less: Closing			
Stock	<u>31,000</u>		
To Depreciation on			
building	40,000		
To Surplus(balancing			
figure)	*1,47,200		
	5,84,000		5,84,000

( $\frac{1}{2}$  mark for each correct transaction =  $\frac{1}{2} \times 12$ ) = 6 marks

\*If an examinee has written telephone expenses as Rs. 12,000, the amount surplus would be Rs. 1,41,200. Full credit is to be given.

13. Q. X, Y & Z were partners.....due to the executor.

X's capital A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To X's executor A/c	1,65,750	By balance b/d	75,000
		By General Reserve	12,000
		By X capital A/c	40,000
		By Z capital A/c	20,000
		By Revaluation A/c	15,000
		By P & L Suspense A/c	3,750
	1,65,750		1,65,750

(1 mark for each correct entry on credit side except balance b/d = 1x5) = 5 marks + 1 = 6 marks

Journal entry

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	X's executor's A/c Dr..		1,65,750	
	To Bank A/c			1,65,750
	(Being executor's A/c settled)			

Working notes:-

Revaluation A/c

Particulars	Amount	Particulars	Amount
To Buildings	9,000	By Machinery	34,000
To Profit transferred to:		By Patents	5,000
X - 15,000			
Y - 10,000			
Z - 5,000	30,000		
	39,000		39,000

Working note (2):-

Goodwill = Average profit X 3

$$= 2,00,000/5 \times 3$$

$$= 1,20,000/-$$

X's share of goodwill =  $1,20,000 \times \frac{3}{6} = 60,000/-$

Working note (3):-

X's share of profit = Average profit X  $\frac{3}{6}$  X  $\frac{2}{12}$

$$= 45,000 \times \frac{3}{6} \times \frac{2}{12}$$

$$= 3,750/-$$

14. Q. (a Maneesh Ltd. took.....of Mohit Ltd.

Ans. Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Assets A/c Dr. To Liabilities A/c To Ram Ltd. A/c To Capital reserve A/c (Being Maneesh Ltd. took over assets & liabilities of Ram Ltd.)		9,40,000	1,40,000 7,80,000 20,000
	Ram Ltd. A/c Dr. To 9% Debentures A/c To Security premium A/c (Being 9% debentures issued to Ram Ltd. at premium)		7,80,000	6,50,000 1,30,000

1½ + 1½  
= 3 marks

(Full marks would be given if examinee states no entry in the books of Mohit ltd)

(b) Give necessary journal.....debenture is Rs.100:

(1) A debenture.....Rs.100.

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture Application & Allotment A/c (Being debenture application money received)		105	105
	Debenture Application & Allotment A/c Dr. To % Debentures A/c To Securities premium (Being application money transferred to debenture A/c)		105	100 5

(2) A debenture.....Rs. 105.

**Ans.** Journal entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture application & allotment A/c (Being application money received)		100	100
	Debenture application & allotment A/c Dr. Loss on issue of debenture A/c Dr. To % Debentures A/c To Premium on redemption of debenture A/c (Being application money transferred to Debentures A/c)		100 5	100 5

(3) A debenture.....Rs.

**Ans.** Journal entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c Dr. To Debenture application & allotment A/c (Being Debenture application money received)		110	110
	Debenture application & allotment A/c Dr. Loss on issue of Debentures Dr. To % Debentures A/c To Securities Premium To premium on redemption A/c (Being application money transferred to Debentures A/c)_____		110 5	100 10 5

$\frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2}$   
= 3 marks

15. Q. Alpha Co. issued.....record the above transactions.

Ans.

Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c ...Dr To Share application A/c (Being application money received on 60000 shares)		1,20,000	1,20,000
	Share application A/c ...Dr To Share Capital A/c To Share Allotment A/c To Bank A/c (Being allotment made to 48000 shares)		1,20,000	80,000 16,000 24,000
	Share Allotment ...Dr Discount on issue of shares ...Dr To Share Capital (Being allotment due on 40000 shares @ Rs 3-1 discount)		80,000 40,000	1,20,000
	Bank A/c ...Dr To Share allotment To Calls in advance (Being allotment money received)		73,300	60,800 12,500
	Or			
	Bank A/c ...Dr Calls-in-arrears A/c ...Dr To Share allotment To Calls in advance (Being allotment money received)		73,300 3,200	64,000 12,500

1 + 3 + 1 + 3  
= 8 marks

OR

**Q. Petromax Ltd. issued.....record the above.**

**Ans.** Journal Entries

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c ...Dr To Share application A/c (Being application money received on 92000 shares)		2,76,000	2,76,000
	Share application A/c ...Dr To Share Capital A/c To Share Allotment A/c To Bank A/c (Being application money transferred)		2,76,000	1,50,000 90,000 36,000
	Share Allotment ...Dr To Share Capital A/c To Securities Premium A/c (Being allotment due on 50000 shares @ Rs 3+2 Premium)		2,50,000	1,50,000 1,00,000
	Bank A/c ...Dr To Share allotment To Calls in advance (Being allotment money received)		1,57,200	1,54,000 3,200
	<b>OR</b>			
	Bank A/c ...Dr Calls-in-arrears A/c ...Dr To Share allotment A/c To Calls in advance A/c (Being allotment money received)		1,57,200 6,000	1,60,000 3,200
	Share first call ...Dr To Share Capital (Being share first call due)		1,00,000	1,00,000
	Bank A/c ...Dr Calls in advance A/c ...Dr To Share first call A/c (Being call money received)		95,400 1,600	97,000

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	OR			
	Bank A/c		95,400	
	Calls-in-arrears		3,000	
	Calls-in-advance		1,600	
	To Share first call A/c (Being call money received)			1,00,000
	Share final call ...Dr		1,00,000	
	To Share Capital (Being final call money due)			1,00,000
	Bank A/c ...Dr		9,5400	
	Calls in advance ...Dr		1,600	
	To Share Final call A/c (Being call money received)			97,000
	OR			
	Bank A/c ...Dr		95,400	
	Calls-in-arrears ...Dr		3,000	
	Calls-in-advance ...Dr		1,600	
	To Share final call A/c (Being call money received)			1,00,000

1 + 1½ + 1 +  
1½ + ½ + 1  
+ ½ + 1  
= 8 marks

16. Q. Jain & Gupta.....on mishra's admission.

Revaluation A/c

Particulars	Amount	Particulars	Amount
To Stock	6,000	By Building	14,000
To Provision for doubtful debts	700		
To Provision for legal charges	1,800		
To Profit transferred to partners' capital A/c			
Jain - 3300			
Gupta - 2200	5,500		
	14,000		14,000



Partners' capital A/c

Particulars	Jain Rs.	Gupta Rs.	Mishra Rs.	Particulars	Jain Rs.	Gupta Rs.	Mishra Rs.
To balance c/d	88,300	72,200	40,125	By balance b/d	70,000	60,000	
				By cash			40,125
				By Premium*	6,000	4,000	
				By Revaluation A/c	3,300	2,200	
				By Reserves	9,000	6,000	
	88,300	72,200	40,125		88,300	72,200	40,125

Balance Sheet

As on 1<sup>st</sup> April 2008

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash	*64,925
Bills payable	3,000	Debtors- 20,500	
Bank overdraft	17,000	Less- Prov. For doubtful debts- <u>1,000</u>	19,500
Provision for legal charges	1,800	Stock	14,000
Capitals:		Motor Vehicle	20,000
Jain - 88,300		Plant	40,000
Gupta - 72,200		Building	84,000
Mishra - <u>40,125</u>	2,00,625		
	2,42,425		2,42,425

**2 + 3 + 3  
= 8 marks**

Working notes:

1. Mishra's capital = 1/4 (jain's capital + gupta's capital)  

$$= 1/4 (88300 + 72200) = 1/4 (160500) = 40125/-$$

Cash = 14800 + 40125 + 10000 = 64925

Note : If the examinee has debited Mishra's current account for his share of goodwill the same appear on the asset side of the new balance sheet at Rs. 10,000 and cash balance will then be Rs. 54,925.

OR

**Q. A, B & C .....after B's retirement.**

**Ans.** Revaluation A/c

Particulars	Amount Rs.	Particulars	Amount Rs.
To Provision for doubtful debts	600	By Building	10,000
To Machinery	7,200	By Creditors	1,800
To Provision for outstanding repairs	3,000	By Prepaid insurance	2,000
To Profit transferred to:			
A – 1500			
B – 1000			
C – 500	3,000		
	13,800		13,800

Partners' Capital A/c

Particulars	A Rs.	B Rs.	C Rs.	Particulars	A Rs.	B Rs.	C Rs.
To B's capital A/c	9,000		3,000	By balance b/d	90,000	60,000	30,000
To cash		9,000		By Revaluation	1,500	1,000	500
To B's loan		66,000		By A's capital		9,000	
To balance c/d	90,000		30,000	By C's capital		3,000	
				By Reserve	3,000	2,000	1,000
				By Cash	4,500		1,500
	99,000	75,000	33,000		99,000	75,000	33,000

Balance Sheet  
As on 31<sup>st</sup> march 2008

Liabilities	Amount Rs.	Assets	Amount Rs.
Provision for outstanding repairs	3,000	Cash	13,000
Creditors	13,800	Debtors	19,000
B's loan	66,000	Stock	18,000
Capitals:		Prepaid insurance	2,000
A – 90,000		Machinery	40,800
C – <u>30,000</u>	1,20,000	Building	1,10,000
	2,02,800		2,02,800

Working Note:

1. Firm's Capital=1,20,000/-  
     A's capital = 1,20,000 X 3/4 = 90,000/-  
     C's capital = 1,20,000 X 1/4 = 30,000/-
2. Cash balance = 16,000 + 4,500 + 1,500 – 9,000 = 13,000/-

**2 + 3 + 3  
= 8 marks**

**Part B**

**(Analysis of Financial Statement)**

**17. Q. State how cash.....Income Statement.**

**Ans.** An income statement shows both cash and non cash items and shows the net income of the firm but cash flow statement shows only net cash inflows or outflows which do not represent profit

**1 mark**

**18. Q. When is interest.....activity.**

**Ans.** Never.

**1 mark**

**19. Q. What will be the.....81.38%?**

**Ans.** Ans. Operating profit ratio = 100 – Operating ratio

**1 mark**

$$= 100 - 81.38$$

$$= 18.62\%$$

20. Q. Why is ..... to Creditors?

Ans. Any of the following appropriate point (brief explanation)

1. To study the ability of the business to meet its short term obligations
2. To study short term solvency of the business

(1 mark for each correct point = 1x3)  
= 3 marks

21. Q. Prepare a Comparative Income Statement:

Ans.

Comparative income statement

Particulars	2007 (Rs)	2008 (Rs)	Absolute change	percentage
Sales	10,00,000	12,50,000	2,50,000	25%
Less: Cost of goods sold	6,00,000	7,50,000	1,50,000	25%
Gross profit	4,00,000	5,00,000	1,00,000	25%
Less: operating expenses	40,000	50,000	10,000	25%
Operating profit	3,60,000	4,50,000	90,000	25%
Add: other income	50,000	50,000	0	0
Net profit before tax	4,10,000	5,00,000	90,000	21.95%
Less: taxes payable	2,05,000	2,50,000	45,000	21.95%
Net profit after tax	2,05,000	2,50,000	45,000	21.95%

(1 mark for each correct column = 1x4)  
= 4 marks

22. Q. (a) Net Profit.....Capital Employed.

Ans. Net profit after interest but before tax = Rs. 1,40,000

Interest = 15% of 4,00,000

= Rs 60,000

Net profit before interest and tax = 1,40,000 + 60,000 = 2,00,000

Capital Employed = Long terms debts + Shareholders funds

= Rs (4,00,000 + 2,40,000) =Rs 6,40,000

Return on capital employed = Net profit before interest and tax/Capital employed

= 2,00,000/6,40,000 X100

= 31.25 %

**(b) Operating Stock.....Gross Profit Ratio.**

**Ans.** Average Stock = Opening Stock + Closing Stock / 2  
 = 160000/2 = 80000/-

Stock Turnover Ratio = Cost of goods sold/Average stock  
 8 = Cost of goods sold / 80000

$\frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + 1 + \frac{1}{2} + \frac{1}{2}$   
 = 4 marks

Therefore, Cost of goods sold = 6,40,000/-

Selling price = 25% above Cost = 640000 + 1/4 X 640000 = 8,00,000/-

Gross Profit Ratio = Gross Profit/ sales X 100  
 = 1,60,000/8,00,000 X 100  
 = 20%

**23. Q. X Ltd. Made a .....cash flow from operating activities.**

**Ans.** Cash flow from Operating Activity

Particulars	Rs.	Rs.
Net profit as per P & L A/c		1,00,000
Add: Provision for tax	1,60,000	
Transfer to general reserve	<u>14,000</u>	<u>1,74,000</u>
Profit before tax		2,74,000
Add: Non operating & Non Cash expenses		
Depreciation on fixed assets	20,000	
Preliminary expenses written off	10,000	
Loss on sale of furniture	1,000	
Profit on sale of machinery	<u>(6,000)</u>	<u>25,000</u>
Profits before working capital changes / Profits from operations		2,99,000
Add: Increase in creditors	10,000	
Decrease in bills receivable	<u>3,000</u>	<u>13,000</u>
		3,12,000
Less: Increase in debtors	6,000	
Less: Decrease in bills payable	4,000	
Less: Increase in prepaid expenses	200	10,200
Cash flow from Operating Activity		3,01,800

(1/2 mark for each correct point  
 = 1/2 x 12)  
 = 6 marks

Note: If an examinee has deducted tax paid Rs. 1,60,000, the cash generated from operating activities will be Rs. 1,41,800. Full credit is to be given.

**PART “C”**  
**(Computerised Accounting)**

**17. Q. What is Coding?**

**Ans.** The unique accounting number assigned and followed for each item of account under any designated scheme is called coding.

**1 mark**

**18. Q. What is super group?**

**Ans.** Super group is a group that comprises many sub groups. Example current Asset comprising , Inventory , Debtors etc.

**1 mark**

**19. Q. List any four basic systems of computerized accounting system.**

**Ans.** The 4 basic systems are Front end Interface , Back end Interface , Data processing and reporting system.

**2 marks**

**20. Q. What is import and export of data?**

**Ans.** Import and export of data refers to the feasibility of taking data from some other system or file or sending it to some other system or file.

**3 marks**

**21. Q. What is meant by Internal checks?**

**Ans.** Internal Checks is a system of built in activities which ensures that the rules and processes are followed to ensure proper compliance.

**3 marks**

**22. Q. What are the essentials of a good reporting system?**

**Ans.** The essentials of a good reporting system are: Design , Flexibility , Display, Print Preview and printing quality etc.

**4 marks**

**23. Q. A factory owner.....and a year.**

**Ans.** Diminishing Balance =  $RATE = 1 - ((SALVAGE/COST)^{(1/life)})$ , ROUND

DB(6,00,000, 60,000, 3,650, 1) For 1 day

DB(6,00,000, 60,000, 120, 1) For 1 month

DB(6,00,000, 60,000, 10, 1) For 1 year

**1.5 x 4 = 6 marks**

# ENTREPRENEURSHIP

*Time allowed : 3 hours*

*Maximum Marks : 70*

## **General Instructions:**

- (i) *All the questions are compulsory.*
- (ii) *Marks for question are indicated against each of them.*
- (iii) *Questions No.1 to 5 are very short answer questions carrying 1 mark each. Answer to each of these should not exceed 15 words.*
- (iv) *Questions No.6 to 10 are short answer questions carrying 2 marks each. Answer to each of these should not exceed 50 words.*
- (v) *Questions No. 11 to 17 are short answer questions carrying 3 marks each. Answer to each of these should not exceed 75 words.*
- (vi) *Questions No. 18 to 21 are short answer questions carrying 4 marks each. Answer to each of these should not exceed 150 words.*
- (vii) *Questions No. 22 to 24 are long answer questions carrying 6 marks each. Answer to each of these should not exceed 250 words.*

## **QUESTION PAPER CODE 98/1**

- |    |   |   |
|----|---|---|
| 1. | What are market driven ideas?                                 | 1 |
| 2. | How does market research help entrepreneur to spot new ideas? | 1 |
| 3. | What is meant by contract commitment?                         | 1 |
| 4. | State any two features of owners fund.                        | 1 |
| 5. | Why is Management not considered the same as operation?       | 1 |
| 6. | List the steps for setting up a small poultry enterprise.     | 2 |
| 7. | Why are feasibility plans considered essential ?              | 2 |
| 8. | What is debt equity ratio and what does it indicate?          | 2 |

- |     |  |   |
|-----|--|---|
| 9.  | What are market segments?  | 2 |
| 10. | Why do products have to be graded?   | 2 |
| 11. | Explain any three ways of generating ideas.  | 3 |
| 12. | Why is Return on Investment deemed as a yard stick for the performance of an enterprise? Explain with suitable example.                                | 3 |
| 13. | State the uses of a project report for an entrepreneur.  | 3 |
| 14. | Name and explain any three central level financing institutions supporting entrepreneurs.  | 3 |
| 15. | Why is it necessary to know the preferences of the buyers while deciding on a market strategy?   | 3 |
| 16. | State the reasons why consumers prefer enterprises with an after sales service.  | 3 |
| 17. | What is a remote market? How would you arrange for distribution of Home products in such regions?  | 3 |
| 18. | Explain the factors influencing the decisions regarding the “Material resources”,  | 4 |
| 19. | What are the main features of feasibility plan?  | 4 |
| 20. | Distinguish between the cost plus pricing method, vs. variable pricing method.   | 4 |
| 21. | What is Financial Planning? Explain the steps in the process of financial planning.  | 4 |
| 22. | Scanning of opportunities is “the Link” between “sensing opportunities” and “entrepreneurial success”. Explain this statement with a suitable example. | 6 |

**OR**

Describe the process of testing ideas for assessing their “opportunity potential”.

- |     |  |   |
|-----|--|---|
| 23. | Explain any four elements of a Project Report. | 6 |
|-----|--|---|

**OR**

You plan to establish a small scale enterprise. What are the types of utilities you would need for the smooth running of your enterprise?



24. You propose to set up an automated plant to process and export potato chips. The estimated financial outlay is Rs. 12 crores (not including the cost of land & building) and the working capital estimates are Rs. 30 lakhs per month. Explain what sources of financing you would resort to and the reason for opting for that source. 6

**OR**

What is advertising? State with reasons the mode of advertising you would adopt to sell “Fast Moving Consumer Goods” in urban centers.

**QUESTION PAPER CODE 98**

1. What are trade related ideas? 1
2. How can fantasizing help an entrepreneur to spot new ideas? 1
3. What is meant by contract commitment? 1
4. State any two limitations of owner’s fund. 1
5. Why are entrepreneurs and enterprise considered ‘skin and body’ ? 1
6. What is the relationship between an entrepreneurial motivation and social motivation? 2
7. Why is market survey necessary for a feasibility plan? 2
8. What is debt-equity ratio and what does it indicate? 2
9. What is demand analysis? 2
10. What are the factors that affect branding? 2
11. How are ideas generated? 3
12. Why is Return on Investment deemed as a yardstick for the performance of an enterprise? Explain with suitable example. 3
13. Why is it necessary to know. the preferences of the buyers while deciding on a market strategy ? 3
14. Name any three Central level financing institutions and explain how they support entrepreneurs. 3

- |     |   |   |
|-----|---|---|
| 15. | State the uses of a Project Report for an entrepreneur.   | 3 |
| 16. | State the reasons why customers prefer enterprises with an after sales service.                   | 3 |
| 17. | What is a remote market? How would you arrange for distribution of home products in such regions? | 3 |
| 18. | Distinguish between the Cost plus pricing method vs. Variable pricing method.                     | 4 |
| 19. | What are the main features of feasibility plan?   | 4 |
| 20. | State and explain the factors influencing the decisions regarding the 'material resources'.       | 4 |
| 21. | What is Financial Planning? Explain the steps in the process of financial planning.               | 4 |
| 22. | Explain any four elements of a Project Report.  | 6 |

**OR**

You plan to establish a small scale enterprise. What are the types of utilities you would need for the smooth running of your enterprise?

- |     |  |   |
|-----|--|---|
| 23. | Scanning of opportunities is 'the link' between 'sensing opportunities' and 'entrepreneurial success'. Explain this statement with a suitable example. | 6 |
|-----|--|---|

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- |     |  |   |
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| 24. | You propose to set up an automated plant to process and export potato chips. The estimated financial outlay is Rs. 12 crores (not including the cost of land and building) and the working capital estimates are Rs. 30 lakhs per month. Explain what sources of financing you would resort to and the reasons for opting for that source. | 6 |
|-----|--|---|

**OR**

What is advertising? State with reasons the mode of advertising you would adopt to sell 'Fast Moving Consumer Goods' in urban centres.

## Marking Scheme — Entrepreneurship

### *General Instructions*

1. The marking scheme carries only suggested value points for the answers. These are only guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, marks will be awarded accordingly.
2. Some of the questions may relate to higher order thinking ability. These questions are to be evaluated carefully and students understanding/analytical ability may be judged. These questions will be indicated to you by a star mark(\*).
3. Evaluation is to be done as per instructions provided in the Marking scheme.
4. If a question has parts, please award marks in the right hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left hand margin.
5. If a question does not have any parts. marks are awarded in the left hand margin.
6. If a candidate has attempted a question twice. The first answer to be marked and considered.
7. There are few questions on distinction between two concepts. Mark should be given only if the distinction is clearly given.
8. In case of choice type question, if an examinee attempts both the choices, assess the first answer.
9. In a question, if the question asks for two features/characteristics/points, award marks for the first two points written.
10. It is expected that the Marking Scheme should be followed objectively to avoid over strict tendency in marking.
11. Marks should be awarded keeping in view the total marks of that particular question and not the total marks of the question paper.
12. A full scale of marks 0-70 has to be used. Please do not hesitate to award full marks if the answer deserves it. Similarly, wherever an examinee writes answer up to the mark, his/her marks should not be deducted unnecessarily.
13. Answer script's written in English should be evaluated by the examiners teaching in English and answer script's written in Hindi should be evaluated by the examiners teaching in Hindi.

QUESTION PAPER CODE 98/1

**EXPECTED ANSWERS/VALUE POINTS**

- Ans 1 Market driven ideas are related to the market dynamics. They are generated after conducting a market research. 1 mark
- Ans 2 Market research helps the entrepreneur to spot new ideas by providing valuable data about the trends of supply, demand, consumer' preferences, nature of competition etc. 1 mark
- Ans 3 Contract commitment refers to adhering and honouring the contracts which an entrepreneur often enters into with customers, fellow entrepreneurs and workers to supply and receive goods or services. 1 mark
- Ans 4 Two features of owners fund are:
- 1) It is the permanent capital.
  - 2) It provides the basis of control over the management of the enterprise.
  - 3) It is also known as risk capital because it is the owner who bears the risk in the business due to loss.
  - 4) Voting rights enjoyed by the owners
- (Any two points)  $\frac{1}{2} \times 2 = 1$  mark
- Ans 5 Management is not considered same as operation as management involves planning, organizing, executing, directing, controlling and communication. However operation is more specifically related to the production process. 1 mark
- Ans 6 Steps in setting up a small poultry enterprise.
- 1) Bringing together of physical financial and human resources.
  - 2) Project report
  - 3) No objection certificate.
  - 4) Formal sanction or loan.
  - 5) Construction of building.
  - 6) Detaining manpower.
  - 7) Application for permanent registration.
- (Any four steps)  $\frac{1}{2} \times 4 = 2$  mark
- Ans 7 Feasibility plans are considered essential due to the following reasons :-
- 1) It helps the entrepreneur in giving a correct position of the project to the financiers, to the market and to the customers.

- 2) It helps to assess the periodic requirements of resources such as human, physical and financial.
- 3) It helps in executing the project in systematic and organized manner.
- 4) IT helps in planning and executing of the plans effectively. ½ x 4 = 2 marks

Ans 8 Debt equity ratio is the relationship between total debts and owners capital. Meaning = 1 mark  
 It is calculated as follows:

Debt Equity Ratio = total Debts / Owner's Fund It indicates the long term financial position of a business. 1 + 1 = marks

Ans 9 Market segments are groups of customers having certain common characteristics, They may have uniformity in employment, economic status etc. market segment can be classified as

- a) Geographical
- b) Demographic
- c) Psychographic 2 marks

Ans10 Products have to be graded because grading facilitates classification of products in term of its quality, price and other comparable features. 2 marks

Ans11 Ways of generating ideas:-

- 1) Brainstorming
  - 2) Doing market research
  - 3) Gathering information from publication
  - 4) Seeking assistance from entrepreneurs
  - 5) Using hobbies to generate ideas.
  - 6) Talking and listening to people. ½ mark for point
  - 7) Day dreaming and fantasizing. ½ mark for detail
- (Any) three points with details 1 x 3 = 3 marks

Ans12 Return on investment

Net profit before interest & taxes / Total Investment. It is deemed as a yardstick of performance of an enterprise because it measures the overall profitability and efficiency of the enterprise in relationship to investment made by the entrepreneur in business 3 marks for correct explanation

Ans13 Uses of a project report for an entrepreneur are as follows:

- a) It is the interpretation of the idea of the entrepreneur on paper.
- b) Project report is the blue print that helps him to explain his idea in factual term to his associates, financiers, clientele etc.
- c) It facilitates him to plan his course of action, and evolve business strategies.
- d) It can be interpreted in the form of SWOT analysis. so that he can identify the challenges, ahead of him and overcome them in time

(any three correct points)

1 x 3 = 3 marks

Ans14 Three central level financing institutions supporting entrepreneurs. .

- 1) Industrial development bank of India. (IDBI)
- 2) Industrial Finance Corporation of India. (IFCI)
- 3) Industrial credit and Investment Corporation of India. (ICICI)
- 4) Industrial Investment bank of India. (IIBI).
- 5) Small industries development bank of India. (SIDBI)
- 6) National small industries corporation limited. (NSIC)

½ marks for  
the naming  
institution

½ marks for  
few lines of  
explanation ½  
+ ½ 1 mark

(Any three with explanation, however if a student has given common supporting points for explanation marks should be given accordingly)

1x3 = 3 marks

Ans15 It is important to know the preferences of the buyer while deciding on a market strategy due to following reasons:

- a) Selection of product- entrepreneur can select the product for his enterprise on the basis of customer needs.
- b) Quality Entrepreneur gets an idea about the quality of the product to be maintained.
- c) Price customer need providers the information about the strength of the potential customer.

½ mark for  
points

½ mark for  
detail

(Any three points and details OR any other appropriate explanation)

1x3 = 3 marks

Ans16 Customers prefer enterprises with assured after sales service because of following reasons:

- a) Quality assurance
- b) Quick replacement
- c) No danger of fraud and cheating
- d) Easy maintenance

1x3 = 3 marks

Or any other explanation

\*Ans17 Remote market is the form of market where the product is sold to greater distances, 1x3 = 3marks  
and deep inside country is rural area. The shops of such markets are not in direct touch with the producers; also it takes time in reaching the products up to customers.

Distribution system for a remote market.(any two points)

- 1) Appointment of dealer: Dealers will be firstly appointed by the producers through advertising and interview.
- 2) Deposit from dealer: For minimizing the risk a suitable amount can be taken as deposits from dealers.
- 3) Target for dealers: Producers can enter into contracts with dealers for targeted sales. This may be for monthly target, half yearly target & yearly target.
- 4) Incentives for achieving target: Dealers achieving the target before the stipulated time can be rewarded by providing incentives, gifts, free trips etc.
- 5) Distribution centers: Regional distribution centers can be established at various places by the' entrepreneurs. At these centers sufficient stocks of products can be maintained. Dealers can obtain the products from the nearest centre.
- 6) Monthly feedback: Entrepreneurs can obtain monthly feedback from dealers in order to monitor the sale procedure. After knowing the difficulties, the entrepreneurs can sort out problem of the dealers.

1 Mark for meaning 1 x 2 = 2 Marks for writing points with brief explanation.

Ans 18 The factors influencing the decisions regarding the material resources are

- 1 Locations and size - Location will be determined primarily by market, availability of resources, availability of; land and access to other infrastructural facilities like roads, power and etc the size of the unit refers to the size of production that it is capable of i.e. its installed capacity. The size will depend on a number of factors like finance, land, building etc.
2. Manufacturing process:- There may be many manufacturing processes available to the entrepreneur. He will have to choose the most appropriate process: keeping in view other variables such as ! cost, labour etc. The process should! meet the specifications of the final product and it should be cost effective.
3. Identifying and purchasing machinery:- The manufacturing process will determine the type & quantity of machinery needed for the unit. The entrepreneur should also establish the sources of supply, the genuineness of machinery and terms and conditions of supply, installation and maintenance.

4. Obtaining electricity power:-Most of the industrial units run on electricity power. Therefore the electricity board concerned must be approached to obtain power for the project.  $1 \times 4 = 4$  marks

Ans19 Feasibility plan is a comprehensive business plan that encompasses the entire range of activities being planned in the business.

The main features of a feasibility plan are as follow

1. executive summary
2. objective of the business
3. attributes of the product/services
4. market survey & analysis
5. operational plans
6. marketing strategies
7. human resources & management
8. futuristic projections

$1/2 \times 8 = 4$  marks

Ans20 Difference between cost plus pricing method and variable plus pricing method.  $2+2=4$  marks

Cost Plus Pricing Method: In this method the total cost of the product is first determined. The total cost is the sum of the variable costs and the fixed costs that are attributable to one unit of the product A predetermined margin of profit is then added to the above to determine the sale price.

Variable Price Method: Some entrepreneurs fancy to adopt a policy of different prices from different customers depending upon the situation prevailing in the market. This policy is usually adopted when the entrepreneurs deal with different market segments.

Ans21 Financing planning is deciding in advance how much to spend on what to spend on the basis of availability of funds.  $1$  mark for meaning  $1 \times 3$

The steps in the process of financial planning are as follows:-

$= 3$  marks lor

1. Estimation :-amount of funds or capital to be required in future is estimated. Here the amount of money to be raised based on goals is determined  $1+3=4$ marks  $3$  steps.
2. Determining securities:- for acquiring capital what securities are to be issued is determined here. The form, type, size, etc of the securities are to be determined.
3. Formulation of policies:-After estimating the requirement and determining



securities the next is formulating policies for administrating the capital .This involves the marking of various targets ensuring proper utilizations of funds etc.

Ans 22 An enterpreneur spots an oppportunity to know the products and its sustainability and profitability. He has to scan an environment by which he first identifies the key element and characteristics. In the absence of environment scan an entrepreneur can bear loss in business because lack of knowledge about the customers and its demand about the product may cause failure to him e.g. In the form of electricity shortage the entrepreneur spots opportunity. He then scan environment in order to know the needs of electricity to customer to produce a substitute of electricity which would be viable or not could only be sensed. After scanning an environment he can move on to the identifications of the products whether to produce invertors or only candles can be substitute.

Explanation-  
4 marks and  
example 2  
marks 4+2 =  
6 marks

(or any other appropriate explanation given by student)

**OR**

The process of testing ideas for assessing their opportunity potential can be divided into following steps:

- A) Identification
- B) Evaluation of use and application
- C) Level of operation
- D) Cost
- E) Competition
- F) Selection of technique of production

1x6 =  
6marks 1  
mark ror each  
point with  
implantation.

Ans 23 Elements of project report:

1½ x 4 = 6

1. Description of the promoters of the enterprise.
2. Description of the enterprise.
3. Economic viability and marketability.
4. Technical feasibility.
5. Financial projections
6. Profitability analysis.
7. Relevant documents.

(Any 4 points with correct implantation)

**OR**

Any enterprise needs basically three types of resources

2x3 6 marks

1) Men    2) material    3) finance

1. In a small scale unit the entrepreneurs himself becomes very important human resources as he is both an employer and an employee. Human resources include skilled, unskilled and administrative staff.
2. Material resources are under operation and management whether a business enterprise markets a products or a services, Certain operation are necessarily carried out combining raw materials, processing and assembling, using workers, machines, tools and power
3. Finance is regarded as the life blood of interprise every enterprise aims at earning a profit have this aim. besides other things proper financial crucial. as money is required for inputs, technical

Ans24 Sources of finance available are shares, debentures, loans from banks and financial institutions

2 marks for stating the source and 4 marks for giving reasons for opting the source 2 + 4 = 6 marks

Merits of Issuing shares are:-

- a. No repay:-once equity shares are issued, they are not required to be paid back. It serves as a permanent finance for the company.
- b. Borrowing capacity' -more is the quantity of equity shares, more is the faith earned by the company.
- c. source of credit-equity shares serve as a reason for obtaining credit form the financial market. Higher is the equity share; higher are the chances of obtaining funds from the financial market.
- d. safe:-shareholder receives the dividend only after meeting other obligations of the company. Also whether to pay the dividend, how much to pay etc are at the discretion of the management

The obligation of paying dividend is not associated with the equity shares.

Merits of Issuing debenture are:

1. Low cost-the cost raising funds through debentures is much cheaper than the equity shares It does not require much advertisement and promotion.
2. Control No Impacts on control of the enterprises as debenture holder have no right to vote in the matter of the enterprises. Thus there is no risks of dilution of power of the management

3. scope of other sources:-other sources of finance can also be used for obtaining funds along with the debentures.
4. limited obligation: - the obligation of paying interest and the principal is only for limited : period after the lapse of the period the obligation is automatically removed.

OR

Advertising refers to a paid form of non-personal communication, presentation or promotion of ideas about goods or services. It is aimed at providing information developing attitude and inducing action beneficial to sponsor

The various advantages are as follow:-

1. It has a longer life time.
2. it works as a mediator between manufacture and consumer.
3. it provides opportunity of viewing ,listening, and understanding. The use of the product in a detailed manner.
4. the product attributes can be easily communicated even to the illiterate through visuals.
5. the product can gain quick popularity.
6. Businessmen can also sponsor attractive programmes ( like cricket match, films, serials etc.)

2 marks for definition  
1 mark for stating the mode of advertising  
3 marks for t h r e e specific reasons for selecting the mode

QUESTION PAPER CODE 98

**EXPECTED ANSWERS/VALUE POINTS**

- Ans 1 Trade related ideas are those which are determined based on relevant practice or trends in the economy. 1 mark
- Ans 2 Entrepreneurs fantasize about products and services they would love to have in their lives. This leads to spotting of new ideas. 1 mark
- Ans 3 Contract commitment refers to adhering and honouring the contracts which an entrepreneur often enters into with customers, fellow entrepreneurs and workers to supply and receive goods or services. 1 mark
- Ans 4 Two Limitations of owned funds are:-
- 1) If the growth prospects and profit earning capacity are not high, it is difficult to raise owners funds.

- 2) The amount of Owners funds depends upon the the number of persons who are ready to take the risk of investing their personal savings..
- 3) Dilution of control takes place as holders of owned funds have voting rights.  $\frac{1}{2} \times 2 = 1$  mark
- 4) The cost of raising owned funds is not fixed and known as high profits leads to higher dividends.

(Any two points)

\*Ans 5 Entrepreneurs and enterprise are considered skin and body as the enterprise is the creation of the entrepreneur. It is created by the ability to perceive basic ideas vision & creatibility of the entrepreneur. The former provides the energy to start where the latter uses the input to provide the output. 1 mark

(or any other appropriate answer)

\*Ans 6 Entrepreneurial motivation refers to the initiative taken by the entrepreneur to setup and entrepreneurial venture while the social motivation refers to the initiative taken by the entrepreneur for the others involved in the process such as workers, customers, Govt etc. 2 marks

Ans 7 1) Market survey is important for a feasibility plan as it makes the entrepreneur aware of the customer needs & preferences, viability of the product in the market, Quality needs & level of consumption & competition 2 marks

Ans 8 Debt equity ratio is the relationship between total debts and owners capital. Meaning = 1 mark  
It is calculated as follows:- Debt Equity Ratio = Total Debts / Owner's Fund Indication = 1 mark  
It indicates the long term financial position of a business. 1+1 = 2 marks

Ans 9 Demand Analysis refers to the assessment of the willingness and ability of the customers to by products & services. 2 marks

Ans10 Factors affecting branding are :-

- 1) Type of product
- 2) Image & the quality of the enterprise 2 marks
- 3) Other products/brands available in the market.
- 4) Packaging used.

(Any two points)

Ans11 Ways of generating ideas:

- 1) Brainstorming

- |   |              |
|---|--------------|
| 2) Doing market research                  | ½ mark       |
| 3) Gathering information from publication | for point    |
| 4) Seeking assistance from entrepreneurs  | ½ mark       |
| 5) Using hobbies to generate ideas.       | for detail 1 |
| 6) Talking and listening to people,       | x 3 = 3      |
| 7) Day dreaming and fantasizing.          | marks        |
- (Any three points with details)

Ans12 Return on investment =

Net profit before interest & taxes / Total Investment. It is deemed as a yardstick of performance of an enterprise because it measures the overall profitability and efficiency of the enterprise in relationship to investment made by the entrepreneur in business	3 marks for correct explanation
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\*Ans13 It is important to know the preferences of the buyer while deciding on a market strategy due to following reasons:

- |   |                    |
|---|--------------------|
| a) Selection of product- entrepreneur can select the product for his enterprise on the basis of customer needs. | ½ mark for points  |
| b) Quality - Entrepreneur gets an idea about the quality of the product to be maintained.                       | ½ marks for detail |
| c) Price - customer needs provide the information about the strength of the potential customer.                 | 1 x 3 = 3 marks    |

(Any three points and details)

Ans14 Three central level financing institutions supporting entrepreneurs

- |   |                                      |
|---|--------------------------------------|
| 1) Industrial development bank of India. (IDBI)                   | ½ marks for naming the institution   |
| 2) Industrial Finance Corporation of India. (IFCI)                |                                      |
| 3) Industrial credit and Investment Corporation of India. (ICICI) | ½ marks for few lines of explanation |
| 4) Industrial Investment bank of India. (IIBI).                   | ½ + ½ = 1 mark                       |
| 5) Small industries development bank of India. (SIDBI)            |                                      |
| 6) National small industries corporation limited. (NSIC)          | 1 x 3 = 3 marks                      |

(Any three with explanation, however if a student has given common supporting points for explanation marks should be given accordingly)

Ans15 Uses of a project report for an entrepreneur are as follows:

- a) It is the interpretation of an idea of the entrepreneur on paper.
- b) Project report is the blue print that helps him to explain his idea in factual term to his associates, financiers, clientele etc.
- c) It facilitates him to plan his course of action and evolve business strategies.
- d) It can be interpreted in the form of SWOT analysis, so that he can identify the challenges ahead of him and overcome them in time

1 x 3=3marks

(any three correct points)

Ans16 Customers prefer enterprises with assured after sales service because of following reasons:

1 x 3=3marks

- a) Quality assurance
- b) Quick replacement
- c) No danger of fraud and cheating
- d) Easy maintenance

OR any other correct explanation

\*Ans17 Remote market is the form of market where the product is sold to greater distances, and deep inside country in rural area. The shops of such markets are not in direct touch with the producers; also it takes time in reaching the products up to customers.

1 x 3=3marks

Distribution system for a remote market.(any two points)

- 1) Appointment of dealer: Dealers will be firstly appointed by the producers through advertising and interview.
- 2) Deposit from dealer: For minimizing the risk a suitable amount can be taken as deposits from dealers.
- 3) Target for dealers: Producers can enter into contract with dealers for targeted sales. This may be for monthly target, half yearly target & yearly target.
- 4) Incentives for achieving target: Dealers achieving the target before the stipulated time can be rewarded by providing incentives, gifts, free trips etc.
- 5) Distribution centers: Regional distribution centers can be established at various places by the entrepreneurs. At these centers sufficient stocks of products can be maintained. Dealers can obtain the products from the nearest centre.

1 Mark for meaning 1 x 2 = 2 Marks for writing points with brief explanation.

1+2=3 marks

- 6) Monthly feedback: Entrepreneurs can obtain monthly feedback from dealers in order to monitor the sale procedure. After knowing the difficulties, the entrepreneurs can sort out problem of the dealers.

Ans18 Difference between cost plus pricing method and variable pricing method. 2+2=4 marks

**Cost Plus Pricing Method:** In this method the total cost of the product is first determined. The total cost is the sum of the variable costs and the fixed costs that are attributable to one unit of the product. A predetermined margin of profit is then added to the above to determine the sale price.

**Variable Price Method:** Some entrepreneurs fancy to adopt a policy of different prices from different customers depending upon the situation prevailing in the market. This policy is usually adopted when the entrepreneurs deal with different market segments.

Ans19 Feasibility plan is a comprehensive business plan that encompasses the entire range of activities being planned in the business.

The main features of a feasibility plan are as follow

1. executive summary
2. objective of the business
3. attributes of the product/services
4. market survey & analysis
5. operational plans
6. marketing strategies
7. human resources & management
8. futuristic projections

½ \*8=4 mark

Ans20 The factors influencing the decisions regarding the material resources are

1. Locations and size - Location will be determined primarily by market, availability of resources, availability of land and access to other infrastructural facilities like roads, power etc. The size of the unit refers to the size of production that it is capable of i.e. its installed capacity. The size will depend on a number of factors like finance, land, building etc.
2. Manufacturing process:- There may be many manufacturing processes available to the entrepreneur. He will have to choose the most appropriate

process keeping in view other variables such as cost, labour etc. The process should meet the specifications of the final product and it should be cost effective.

3. Identifying and purchasing machinery:-The manufacturing process will determine the type & quantity of machinery needed for the unit. The entrepreneur should also establish the sources of supply, the genuineness of machinery and terms and conditions of supply, installation and maintenance.
4. Obtaining electricity power:- Most of the industrial units run on electricity power therefore the electricity board concerned must be approached to obtain power for the project.

1x4 = 4marks

Ans21 Financial planning is deciding in advance how much to spend on what to spend on the basis of availability of funds.

1 mark for meaning  
1x3=3 marks  
for three steps

The steps in the process of financial planning are as follows:

1. Estimation:-amount of funds or capital to be required in future is estimated. Here the amount of money to be raised based on goals is determined
2. Determining securities:- for acquiring capital what securities are to be issued is determined here .The form type size etc of the securities are to be determined.
3. Formulation of policies:-After estimating the requirement and determining securities the next is formulating policies for administrating the capital .This involves the marking of various targets ensuring proper utilizations of funds etc.

1+3=4 marks

Ans22 Elements of project report:

1. Description of the promoters of the enterprise.
2. Description of the enterprise.
3. Economic viability and marketability.
4. Technical feasibility.
5. Financial projections
6. Profitability analysis.
7. Relevant documents.

½ mark for point

1 mark for detail

1 & 1 /2 x  
4=6marks

(Any 4 points with correct explanation)



**OR**

Any enterprise needs basically three types of resources:

2x3= 6 marks

1) Men      2) material      3) finance

1. In a small scale unit the entrepreneurs himself becomes very important human resources as he is both an employer and an employee.

Human resources include skilled, unskilled and administrative staff.

2. Material resources are under operation and management .whether a business enterprise markets a products or a services, Certain operation are necessarily carried out combining raw materials, processing and assembling, using workers, machines, tools and power

3. Finance is regarded as the life blood of interprise. Every enterprise aims at earning a profit have this aim, besides other things proper financial crucial, as money is required for inputs, technical

Ans23 An entrepreneur spots an opportunities to know the products and its sustainability and durability. He has to scan an environment by which he first identifies the key element and characteristics. In the absence of environment scan an entrepreneur can bear loss in business because lack of knowledge about the customers and its demand about the products may cause failure to him e.g. In the form of electricity shortage, the entrepreneur spots opportunity. He then scan the environment in order to know the needs of electricity to customer to produce a substitute of electricity which would be viable or not could only be sensed. After scanning an environment, he can move on to the identifications of the products whether to produce invertors or only candles can be substitute.  
(or any other appropriate explanation given by student)

Explanation  
= 4marks  
Example  
= 2marks  
4+2=6

**OR**

The process of testing ideas for assessing their opportunity potential can be divided into following steps:

1 x 6=6marks  
1 mark for  
each point with  
implantation.

- A) Identification
- B) Evaluation of use and application
- C) Level of operation
- D) Cost
- E) Competition
- F) Selection of technique of production

Ans24 Sources of finance available are shares, debentures, loans from banks and financial institutions.

2 marks for stating the source and 4 marks for giving reasons for opting the source  
2+4=6 marks

Merits of issuing shares are:

- a. No repay:-once equity shares are issued, they are not required to be paid back. It serves as a permanent finance for the company.
- b. Borrowing capacity:-more is the quantity of equity shares, more is the faith earned by the company.
- c. source of credit-equity shares serve as a reason for obtaining credit form the financial market. Higher is the equity share; higher are the chances of obtaining funds from the financial market.
- d. safe:-shareholder receives the dividend only after meeting other obligations of the company. Also whether to pay the dividend, how much to pay etc. are at the discretion of the management.

Merits of issuing debenture are:

- 1:- Low cost-the cost raising funds through debentures is much cheaper than the equity shares. It does not require much advertisement and promotion.
- 2:- Control:-No impacts on control of the enterprises as debenture holder have no right to vote in the matter of the enterprises. Thus there is no risks of dilution of power of the management
- 3:- scope of other sources:-other sources of finance can also. be used for obtaining funds along with the debentures.
- 4:- limited obligation: - the obligation of paying interest and the principal is only for limited period after the lapse of the period the obligation is automatically removed.

OR

Advertising refers to a paid form of non-personal communication, presentation or promotion of ideas about goods or services. It is aimed at providing information, developing attitude' and inducing action beneficial to sponsor.

The various advantages are as follow:-

2 marks for definition  
1 mark for stating the mode of

- 1:- It has a longer life time.
- 2:- it works as a mediator between manufacture and consumer.
- 3:- it provides opportunity of viewing, listening, and understanding. The use of the product in a detailed manner.

- |     |  |   |
|-----|--|---|
| 4:- | the product attributes can be easily communicated even to the illiterate through visuals.    | advertising                                   |
| 5:- | the product can gain quick popularity.   | 3 marks for                                   |
| 6:- | Businessmen can also sponsor attractive programmes (like cricket match, films, serials etc.) | three specific reasons for selecting the mode |