# Question Paper Design

**Sub : Commerce (Business Studies)**  
**Class : XII**  
**Paper : _____________**  
**Marks : 100**  
**Duration : 3 hours**

### 1. Weightage by objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Marks</th>
<th>%age of the total marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>34</td>
<td>34%</td>
</tr>
<tr>
<td>Understanding</td>
<td>46</td>
<td>46%</td>
</tr>
<tr>
<td>Application</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td>Skill</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 2. Weightage by types of questions

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Questions</th>
<th>Total Marks</th>
<th>Estimated Time a candidate is expected to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long answer questions</td>
<td>8</td>
<td>57</td>
<td>96</td>
</tr>
<tr>
<td>Short answer questions</td>
<td>8</td>
<td>31</td>
<td>72</td>
</tr>
<tr>
<td>Very short answer questions</td>
<td>6</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

Total: 22 questions, 100 marks, 180 Minutes (3 hours)

### 3. Weightage by content

<table>
<thead>
<tr>
<th>Units/Sub-units</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction to Business</td>
<td>16</td>
</tr>
<tr>
<td>2. Business as a Career</td>
<td>8</td>
</tr>
<tr>
<td>3. Trade and Service Activities</td>
<td>16</td>
</tr>
</tbody>
</table>
4. Management of Business 16
5. Financing of Business 12
6. Marketing 12
7. One of the following
   (a) Office Procedure and Practice
   (b) Practical Banking 20
   (c) Introduction to factory set up
   (d) Agency Services

4. Difficulty level of the question paper

<table>
<thead>
<tr>
<th>Level</th>
<th>No.</th>
<th>% age of marks given</th>
</tr>
</thead>
<tbody>
<tr>
<td>— Difficult</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>(can be attempted by top students)</td>
<td></td>
<td></td>
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<tr>
<td>— Average</td>
<td></td>
<td>70%</td>
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<tr>
<td>(can be attempted by students who have regularly (studied the materials but may not have given sufficient time to writing)</td>
<td></td>
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<tr>
<td>— Easy</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>(can be attempted satisfactorily by students who have gone through the study materials)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## BLUE PRINT

Subject: Commerce (Business Studies)  
Class: XII  
Time: 3 hrs.

### Minimum Marks: 100

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Objective Form of Questions</th>
<th>Content</th>
<th>Knowledge</th>
<th>Understanding</th>
<th>Application</th>
<th>Skill</th>
<th>Total</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>1.</td>
<td>Introduction to Business</td>
<td>-</td>
<td>3(1) -</td>
<td>8(1) -</td>
<td>2(1) -</td>
<td>3(1) -</td>
<td>16(4)</td>
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<tr>
<td>2.</td>
<td>Business as a Career</td>
<td>6(1) -</td>
<td>- - -</td>
<td>- - -</td>
<td>- - 2(1)</td>
<td>-</td>
<td>8(2)</td>
</tr>
<tr>
<td>3.</td>
<td>Trade and Service Activities</td>
<td>10(1) -</td>
<td>- - -</td>
<td>- 4(1) 2(1)</td>
<td>- - - -</td>
<td>-</td>
<td>16(3)</td>
</tr>
<tr>
<td>4.</td>
<td>Management of Business</td>
<td>- - 2(1)</td>
<td>9(1) 5(1)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>-</td>
<td>16(3)</td>
</tr>
<tr>
<td>5.</td>
<td>Financing of Business</td>
<td>- 4(1) -</td>
<td>- - -</td>
<td>2(1) 6(1) -</td>
<td>- - - -</td>
<td>-</td>
<td>12(3)</td>
</tr>
<tr>
<td>6.</td>
<td>Marketing</td>
<td>6(1) -</td>
<td>- - -</td>
<td>- - -</td>
<td>2(1) - 4(1)</td>
<td>-</td>
<td>12(3)</td>
</tr>
</tbody>
</table>

### Section B

(Any one of the following)

<table>
<thead>
<tr>
<th></th>
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<th>E SA VSA</th>
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</tr>
</thead>
<tbody>
<tr>
<td>7.(a)</td>
<td>Office Procedure and Practices</td>
<td>-</td>
<td>3(1) -</td>
<td>12(2) -</td>
<td>- - 5(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>Practical Banking</td>
<td>-</td>
<td>3(1) -</td>
<td>12(2) -</td>
<td>- - 5(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c)</td>
<td>Introduction to Factory set up</td>
<td>-</td>
<td>3(1) -</td>
<td>12(2) -</td>
<td>- - 5(1)</td>
<td></td>
<td>20(4)</td>
</tr>
<tr>
<td>(d)</td>
<td>Agency Services</td>
<td>-</td>
<td>3(1) -</td>
<td>12(2) -</td>
<td>- - 5(1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sub Total: 22(3) 10(3) 2(1) 29(4) 9(2) 8(4) 6(1) 12(3) 2(1) - 100(22)

Total: 34 (7) 46(10) 20(5) 100(22)

Notes: Figures within brackets indicate the number of questions and figures outside the brackets indicate marks.  
* Denotes that marks have been combined to form one question.

Summary

Essay (E) No. 8 Marks: 57
Short-Answer (SA) No. 8 Marks: 31
Very Short Answer (VSA) No. 6 Marks: 12
Objective (O) No. __ Marks: ___

22 100
Sample Question Paper

Commerce
(Business Studies)
Senior Secondary Course

Time : Three Hours
Maximum Marks : 100

Note : The question paper is divided into two sections – A and B. Attempt all questions of Section A and any ONE question of Section B. Figures in right hand margin indicate marks.

Section A

Attempt ALL the questions.

1. Explain the meaning of the term ‘commerce’ in brief. 2

2. Give any two possible areas of self-employment which you can pursue. 2

3. Distinguish between wholesale and retail traders on the basis of :
   i. varieties of products, and 2
   ii. relationship with consumers.

4. What is meant by motivation? Explain briefly. 2

5. Distinguish between fixed capital and working capital in respect of
   i) time period, and
6. Explain briefly any two tools of sales promotion.  

7. Name any three types of industries and give one example of each.  

8. You want to set up a grocery shop in your locality for which your father is prepared to give you Rs.10,000 as capital. State which form of organisation will you prefer for the business and why.  

9. Explain, in brief, any four functions of warehousing.  

10. What are the products, in your opinion, for which i) personal selling, and ii) advertising would be more effective? Give two examples in each case.  

11. Describe any four functions of Industrial Development Bank of India (IDBI).  

12. Management is regarded as a science as well as an art. Discuss.  

13. State and explain any three types of assistance which may be available from Small Industries Service Institute (SISI) in setting up a small business.  

14. You have decided to expand your business of manufacturing detergents with the same production capacity. State with reasons the type of finance which you will need and the sources thereof.  

15. What is meant by the term marketing-mix? Explain the various components of marketing-mix briefly.  

16. What is meant by joint stock company? Distinguish between partnership and joint stock company in respect of the following:  
   i) membership  
   ii) liability
iii) legal formalities 8

17. (i) Discuss the relationship between planning and control. (5)

(ii) Distinguish between recruitment and selection. (4) 9

or

What is meant by line and staff organisation? How does it differ from functional organisation? 9

18. Your are engaged in a firm in Delhi exporting ready made garments to USA. Describe briefly steps involved from the receipt of order till the appointment of forwarding agent. 10

Section B

Attempt any ONE question

19. (a) State any three objective of office mechanisation. 3

(b) An office manager wants you to suggest the various aspects of working conditions that he should provide in his office. Give suggestions in detail. 5

(c) Describe the various stages involved in handing the inward mail in an office. 6

(d) Explain briefly the advantages and disadvantages of horizontal filing system. 6

20. (a) Explain briefly any three primary function of a commercial bank. 3

(b) You are required to open bank account in connection with the transaction of your manufacturing business. State with reason the type of bank account you will open. 5

(c) Describe briefly the procedure of securing cash credit/over-draft. 6

(d) Explain, in brief, the nature of services provided by modern
21. (a) Define and explain briefly the term ‘factory’ as per Factories Act. 1948. 3

(b) The efficiency of the workers in your factory is affected because of frequent accidents. State and briefly explain any five safety measures that you will adopt to improve the safety conditions in your factory. Give suggestions. 5

(c) What is meant by service conditions in a factory? How are they related to efficiency and motivation of works? 6

(d) Explain any three health measures required to be provided in a factory under the Factories Act, 1948. 6

22. (a) Explain any three functions of Courier service. 3

(b) State and explain the procedure to become an insurance agent. 5

(c) What are the grounds on which agency is preferred over service? State the various agency avenues. 6

(d) State any three duties and three right of an agent. 6
Sample Question Paper

Commerce
(Business Studies)
Senior Secondary Course
Marking Scheme

Q.No. Value points (Expected) (marks)

1. Commerce is the sum total of activities involved in removing the hindrance of person, places, time, risk and finances. It includes trade and auxiliaries to trade like transport, insurance, warehousing, banking and finance etc. Credit may be given to answer conforming to the above meaning. 2

2. Any two of the following areas of self-employment are required:

   i) Small business unit like shops.

   ii) Individual services like tailoring, repairing etc.

   iii) Occupations requiring personal skill like hair cutting, fashion designing etc.

   iv) Cottage industries.

   v) Small scale occupation related to farming e.g., orchard, dairy, poultry etc.

   vi) Artisan work such as blacksmith, carpenter.

   vii) Other occupation like hawking, peddling etc. (1+1) 2
3. **Wholesale Trade**  
   i) Varieties limited  
   ii) Indirect (do not have direct contact)

**Retail Trade**  
   i) Large Varieties.  
   ii) Direct (have direct contact)  

(1+1)

4. Motivation is the process of inducing and inspiring subordinates for better performance and improve efficiency in the tasks assigned to them.  
   Full credit may be given to answer conforming to the above meaning.  

5. **Fixed Capital**  
   i) Long period  
   ii) To acquire fixed assets

**Working Capital**  
   i) Short period up to one year  
   ii) To meet day to day expenses of operation.  

(1+1)

6. Any **two** of the following tools with brief explanation  
   i) Discount/ concession/ price off.  
   ii) Gifts/ free samples.  
   iii) Contests.  
   iv) Coupons.  
   v) Bonus.  
   vi) Any other.  

(1+1)

7. Any **three** of the following:  
   i) Genetic like poultry.  
   ii) Extractive like coal mining.  
   iii) Manufacturing like textile industries.  
   iv) Construction like house building.  

Suitable example other than the above should also be given credit.  

(½+½+½) for meaning  
(½+½+½) for example
8. Sale proprietorship  

Any two of the following reason:

i) Small capital
ii) Limited of scope
iii) Easy to start
iv) Personal management
v) No one else to share profits

(1+1)=2 3

9. Any four of the following functions of warehousing.

i) Storage of large quantities of goods to be made available when required.
ii) Ensuring supply in the market and then stabilising prices (reducing price fluctuations)
iii) Bearing the risk of loss or danger to goods in storage.
iv) Grading and branding of goods.
v) Helps importer to pay customs duty in instalments.
vi) Facilitates transfer of goods without actual delivery.
vii) Any other

1 mark each 4

10. a) Personal selling.

Products easy to carry by salesman and/or which need demonstration.

Example: a) soaps, detergents.

b) mixture and similar other electric goods. (2)

b) Advertising.

Products which have wide market.

Example: i) Tea, coffee
ii) Tooth paste, tooth brush,

iii) Services like credit cards.

iv) Technical training like computer training.

v) Fertiliser (urea) (2)

Suitable examples other than the above should be given credit.

11. Any four of the following function of IDBI.

a) Grant of long-term and short-term loan. (Normally larger term loans)

b) Underwriting of shares and debentures.

c) Subscribing to shares and debentures.

d) Financial assistance for export of capital goods.

e) Refinancing of loans extended by other financial institution.

f) Technical assistance to industries.

1 mark each 4

12. Management as a science has the following characteristics.

a) Systematised body of knowledge.

b) Based on scientific principles.

c) Education and training of managers.

d) Decision making based on cause and effect relationship.

Management as an art is characterised by.

a) Application of skill

b) Application of judgement.

c) Application of management principles.
13. Any three of the following types of assistance:

a) Guidance in determining capital requirements.

b) Advice regarding market condition and demand for products.

c) Preparing project report to be submitted to authorities for permission and financial institution.

d) Training programmes for establishing and running different types of business.

e) Advice on modernisation of manufacturing facilities.

1 mark each for naming the type of assistance
1 mark each for brief explanation there of. (3+3) 6

14. Working capital finance will be needed.

The sources of working capital finance are:

a) Trade credit.

b) Bank overdraft,

c) Cash credit form commercial banks.

d) Discounting of Bills.

Reasons why working capital will be required are:

a) Production capacity is fixed. So long-term finance will not be required.

b) For producing additional quantities of detergents, raw materials needed will be more.

c) Labourers may have to be employed for more than one shift or additional workers may have to be employed or both.
d) Other operating expenses will proportionately rise.

- 1 mark for naming the types of finance i.e., working capital.
- 2 marks for reasons.
- 3 marks for sources of finance.

Answer written in paragraph form should be given due credit.

15. Marketing-mix refers to marketing functions related to product, price, place and promotion for effective marketing (4 P’S)

(Any meaning conforming to the above should be given the credit.) (2 marks)

Brief explanation for each of the above for elements of marketing (1 mark each)

16. Joint stock company is defined as an association of persons registered under the companies Act formed for achieving some common objectives and having perpetual succession and a separate legal entity.

(Any other meaning conforming to the above may be given due credit.)

Difference between Joint Stock Company and Partnership:

<table>
<thead>
<tr>
<th>Basis</th>
<th>Partnership</th>
<th>Joint stock co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Membership</td>
<td>Minimum two and maximum ten for banking, twenty for other business.</td>
<td>Minimum two for pvt. co. and seven in case of pub co. Maximum fifty for pvt. co. unlimited for pub. co.</td>
</tr>
<tr>
<td>(ii) Liability</td>
<td>Unlimited</td>
<td>Limited.</td>
</tr>
<tr>
<td>(iii) Legal formalities</td>
<td>Simple and less</td>
<td>Complicated.</td>
</tr>
</tbody>
</table>

(2 marks for each = 6)

17. i) Planning and controlling are closely related and mutually interdependent. Planning provides targets of achievement and standards of performance against which actual
operations are evaluated. In the absence of targets, and standards, control can not be exercised. in the same way, planning depends upon control which indicates the short coming of planning.

(Answers conforming to the above explanation should be your due credit) (5)

ii) Recruitment helps in attracting suitable candidates whereas selection helps in finding out the candidates who meet the requirements of the job. Thus, recruitment is the process of attracting good application for jobs whereas selection is the process of choosing the right candidates from the applicants. Thus, recruitment involves decision regarding sources of recruitment. Selection is made through different steps in the procedure adopted. In general, recruitment is regarded as a positive function. Whereas selection is a negative process as it involves rejection of unsuitable candidates. (4) (9)

or

Line and staff organisation is a type of administrative organisation in which staff officers are approached to advise and assist line managers. Line authority is the authority of manager over its immediate subordinates to issue orders and see that these are carried out. Staff authority, on the other hand, refers to the authority of expertise or that of a specialist staff offices can only advise which may or may not be accepted by line managers. (3)

<table>
<thead>
<tr>
<th>Line and Staff Organisation</th>
<th>Functional Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) It consists of line manager and staff advisers</td>
<td>The line manager’s functions are performed by specialists.</td>
</tr>
<tr>
<td>2) Line managers have authority over their immediate subordinates</td>
<td>The functional manager have authority over persons who may not be their immediate subordinates.</td>
</tr>
</tbody>
</table>
3) There is unity of command i.e., each subordinate is accountable to a single authority.

There is no unity of command and a subordinate may be accountable to more than one functional authority.

4) The advice of staff officers may or may not be accepted by the line officer.

No functional manager can deny the authority of other functional manager over subordinates.

(Any three points of difference are required) (2+2+2) = (6)

18. The following steps should be given.

i) Receipts of indent or order.
ii) Credit inquiry.
iii) Obtaining export licence.
iv) Collection/assembly of goods.
v) Appointment of forwarding agent.
vi) Packing and Marking of goods

- 1/2 mark each for enumeration of ships = (3)
- 1 mark for proper sequences = (1)
- 1 mark each for correct brief explanation of steps = (6)

Section B

Any ONE questions

19. (a) Any three of the following objectives.

i) To save time

ii) To save labour.

iii) To increase accuracy.
iv) To increase accuracy.

v) Any other.

- 1/2 mark for each objective = (1½)
- 1/2 mark for brief explanation = (1½)

(b) Any five of the following aspects of working conditions with brief explanation.

i) Cleanliness and sanitation.

ii) Lighting.

iii) Ventilation.

iv) Reduced noise.

v) Interior decoration.

vi) Furniture & fittings.

vii) Safety arrangement.

viii) Office security.

ix) Temperature and humidity.

- mark for each aspect = (2½)
- 1/2 mark for explanation of each aspects = (2½)

(c) The following steps are required to be stated:

i) Receiving mail.

ii) Sorting mail department-wise and section-wise.

iii) Opening the mail.

iv) Marking the mail.

v) Recording.

vi) Distributing the mail.

- 1 mark each of the above steps with explanation. (6)
d) Any three of the following merits of horizontal filing system with brief explanation.

i) Simple to understand.

ii) Easy to operate.

iii) Economical to maintain.

iv) Easy to locate letters.

v) Well protected from dust and moisture.

- 1 mark each = (3)

Any three of the following demerits of horizontal filing method:

i) Not flexible

ii) Difficult to remove papers from files when the paper is kept at the bottom.

iii) Can not the profitably used by large offices.

iv) Space consuming. - 1 mark each = (3)

20. (a) Functions:

i) Accepting deposits.

ii) Extending loans and advances.

iii) Providing supplementing services.

1 mark each with brief explanation = (3)

(b) Current account is required to be opened.

1 mark (1)

Reasons i) Numbers of withdrawals not restricted.

ii) Overdraft facility available.

iii) Any other suitable reason.

2 marks each for two reasons. (4)
(c) The following steps in the procedure are required:

i) Filling up of an application form.

ii) Submission of relevant documents

iii) Deciding on the terms and conditions of the facilities and then acceptance.

iv) Deciding on the security for cash credit/overdraft facility.

- 1/2 mark for each points naming.

- 1 mark for explanation of each points = (4) 6

(d) Any six of the following nature of services with brief explanation:

i) Discounting bills of exchange, hundis etc.

ii) Issuing of letter of credit.

iii) Issuing of travellers cheques.

iv) Buying and selling of bullions/ foreign exchange.

v) Buying and selling of shares and debentures.

vi) Collection of cheques.

vii) Remittance/payment of money under standing instructions.

viii) Extending guarantee for loans.

- 1/2 mark for each nature of service = (3)

- 1/2 mark for explanation of each nature of service = (3) 6

21 (a) Factory is defined as any premises where ten or more workers are engaged in manufacturing process with the aid of power or twenty or more workers without the aid of power.
A brief explanation is expected to be derived form the above as following:

i) Factory as a premises.

ii) Workers are engaged in manufacturing process.

iii) Ten or more workers with the aid of power.

iv) Twenty or more workers without the aid of power.

- 1 1/2 mark for definition
- 1 1/2 mark for explanation.

b) Any five of the following safety measures are required to be stated and briefly explained.

i) Fencing of machinery.

ii) Work on or near the machinery in motion.

iii) No employment of young persons or woman on dangerous machines

iv) Casing of new machinery.

v) Measures regarding lifting machine, chains ropes etc.

vi) Protection against dangerous fumes.

viii) Any other measures specified in factories.

- 1/2 mark each for enumerating the points = (2 1/2 )
- 1/2 mark for brief explanation of each point = (2 1/2)5

c) Service conditions refer to facilities provided to workers besides the working condition. (2)

Proper service condition are necessary to maintain reasonable level of satisfaction amongst employees. By providing good service condition, management can maximise the efficiency of workers and improve the level of worker’s (employee’s) performance. Satisfactory service
conditions motivate workers through high morale which reduces labour management disputes, absenteeism and turnover. It also creates permanent and stable labour force by making the services attractive to laboures (4) 6

d) Any three of the following health measures.

a) Artificial humidification.

b) Lighting.

c) Drinking water.

d) Latrines and urinals.

e) Any other measures specified in factories Act.

- 1/2 mark for each measure = (1 1/2)

- 1 1/2 mark for explanation of each measures = (4 1/2)

22. a) Any three of the following functions of courier:

i) Collection of letter, packets etc.

ii) Prompt despatch of articles through messangers and other means of transports.

iii) Undertaking carriage of articles to places within and outside the country.

iv) Delivering articles to the addressee.

v) Providing proof of the delivery to the senders.

- 1 mark each for each function with brief explanation. 3

(b) The following steps with brief explanation.

i) Ensuring the eligibility for agency. (at least matriculate, minimum age 18)

ii) Submission of application in prescribed form.

iii) Obtaining licence to act as an insurance Agent from the
Controller of Insurance, Simla.

iv) Undergoing prescribed training for agent.

1 mark for each point = (4)

1 mark for correct sequence = (1) 5

c) The preference for agency rather than service may be explained by differentiating between an agent and a servant based on any three of the following.

i) Legal relationship

ii) Risk

iii) Consideration.

iv) Field of activity

Agency avenues -

i) Savings and industrial agency.

ii) Advertising agency.

iii) Tour and travels agency.

iv) Property agency.

v) Courier service.

1 mark each = (3) 6

d) Any three of the following duties and any three of the following rights:

Duties

i) To act according to principal’s direction.

ii) To act with reasonable diligence.

iii) to render accounts.

iv) To communicate with principal during emergency.
v) Not to misuse authority.

vi) To protect principal’s interest.

vii) Not to set up adverse title.

- 1/2 mark for enumeration

- 1/2 mark for explanation (3)

Rights

i) To receive remuneration.

ii) To adjust dues.

iii) Right of lien.

iv) Right of identification.

- ½ mark for each point = (1 1/2)

- ½ mark for each explanation = (1 1/2) = (3) 6