



COMMERCE

Maximum Marks: 80

Time Allotted: Three Hours

Reading Time: Additional Fifteen Minutes

Instructions to Candidates

1. You are allowed an **additional fifteen minutes** for **only** reading the question paper.
2. You must **NOT** start writing during reading time.
3. This question paper has **9 printed pages**.
4. There are **thirteen questions** in the paper. All questions are compulsory.
5. This paper is divided into **three sections: A, B and C**.
6. **Section A** has **sixteen subparts** which are very short answer questions. Each question carries 1 mark.
7. While attempting **Multiple Choice Questions** in Section A, you are required to **write only ONE option as the answer**.
8. **Section B** has **eight questions** which are short answer questions. Each question carries 4 marks.
9. **Section C** has **four questions** which are long answer questions. Each question carries 8 marks.
10. **Internal choices** have been provided in **two questions in Section B** and in **one question in Section C**.
11. The intended marks for questions are given in brackets [].

Instruction to Supervising Examiner

1. Kindly read **aloud** the Instructions given above to all the candidates present in the examination hall.

Note: The Specimen Question Paper in the subject provides a realistic format of the Board Examination Question Paper and should be used as a practice tool. The questions for the Board Examination can be set from any part of the syllabus, though the format of the Board Examination Question Paper will remain the same as that of the Specimen Question Paper. The weightage allocated to various topics, as given in the syllabus, will be strictly adhered to.

SECTION A – 16 MARKS

Question 1

- (i) With reference to settlement of funds, what does the term 'Real Time' signify in RTGS? [1]
(Recall)
- (a) Settlement after one hour
 - (b) Settlement at a fixed time every day
 - (c) Continuous processing and settlement
 - (d) Settlement only during bank hours
- (ii) With reference to Macro environment, select the odd one out. [1]
(Understanding)
- (a) Changes in technology
 - (b) Labour mobility to urban areas
 - (c) Political unrest
 - (d) Suppliers of raw materials
- (iii) Sampark, a mobile company advertises its phone as having an 'unbreakable screen'. A customer buys it, but the screen cracks after a minor fall. He requests a replacement, but the company refuses it saying that the advertisement was only for marketing. [1]
Which consumer rights are **MOST** relevant here for the customer? (Evaluate)
- (P) Right to be Heard
 - (Q) Right to Redressal
 - (R) Right to Safety
 - (S) Right to Information
- (a) Only (P) and (Q)
 - (b) Only (Q) and (R)
 - (c) Only (P) and (R)
 - (d) Only (Q) and (S)

- (iv) Shine Ltd. is a company that encourages open communication, teamwork among its employees and rewards them for innovative initiatives. This leads to employee satisfaction which in turn increases their productivity. [1]
Which internal factor of the micro environment is clearly responsible for this outcome? (Understanding)
- (a) Company's financial position
 - (b) Corporate culture
 - (c) Marketing strategy
 - (d) Government regulations
- (v) To boost the employees' performance, a manager starts 'Star Employee of the Month' award to reward top achievers in the organisation. This results in an increase in the efforts by employees and improves productivity. [1]
Choose the correct function of management and its corresponding element that the above situation refers to. (Understanding)
- (a) Planning – Supervision
 - (b) Directing – Motivation
 - (c) Organising – Communication
 - (d) Controlling – Leadership
- (vi) Sunrise Enterprise is a large company that groups its operations into separate product divisions like electronics, clothing, and furniture. Each division has its own marketing, finance and HR departments. Within the electronics division, a group of employees from different departments regularly interacts during breaks and helps each other with work-related advice. [1]
What type of organisation and organisational structure are represented here? (Understanding)
- (a) Informal organisation – Divisional structure
 - (b) Formal organisation – Divisional structure
 - (c) Formal organisation – Functional structure
 - (d) Informal organisation – Functional structure
- (vii) Given below are two statements marked Assertion and Reason. Read the statements carefully and choose the correct option. [1] (Analysis)
- Assertion:** Profit through customer satisfaction is one of the primary aims of Marketing.
- Reason:** Marketing begins after production and does not end with sale.

- (a) Both Assertion and Reason are true and Reason is the correct explanation for Assertion.
- (b) Both Assertion and Reason are true but Reason is not the correct explanation for Assertion.
- (c) Assertion is true and Reason is false.
- (d) Both Assertion and Reason are false.
- (viii) Study the relation between the first and the second words given below and complete the analogy. **(Analysis)**
- (a) Personal skills : Art :: Ethical Code of Conduct : _____ **[1]**
- (b) Creates a large pool of candidates : Recruitment :: Eliminates unsuitable candidates : _____ **[1]**
- (ix) State whether the following are True or False:
- (a) As a facilitating function of Marketing, Packaging ensures protection of a product. **(Recall)** **[1]**
- (b) According to Henri Fayol, mental revolution is a change in the attitudes of both employers and employees that increases productivity. **(Recall)** **[1]**
- (x) A company borrows a loan at 10% interest and amplifies the returns of its equity shareholders by earning 18% return on investment. **[1]**
The financial concept illustrated here is _____. **(Analysis)**
- (xi) Chia Ltd. has earned a profit of ₹1,00,000 for the financial year ending 31st March 2025. After providing the Interest on Debentures for ₹15,000, Dividend on Preference Shares for ₹25,000 and Dividend on Equity Shares for ₹20,000, it paid Ranjana, a shareholder a share from the **residual profits** of ₹40,000 along with a **fixed** rate of dividend. **[1]**
Identify the type of share held by Ranjana. **(Analysis)**
- (xii) State one unique feature of the document shown below. **(Recall)** **[1]**

State Bank of India
Demand Draft
MAHENDRA SINGH MAURYA
ONE CRORE AND TWENTY FIVE LAKH
RUPEES ONLY
Key: NEJMAW Sr. No: 876201
DD NUMBER: 156386

(Source(edited): Quora.com)

- (xiii) A leading national newspaper publishes an article featuring a new electric car model launched by an automobile company. The article highlights the car's eco-friendly technology, sleek design and affordability creating a positive image and sparking public interest in the product. [1]

Which element of promotion mix is highlighted in the above scenario?

(Understanding)

- (xiv) Management can be identified as the driving force in every organisation and at every level. [1]

Identify the feature of management highlighted in the above statement.

(Recall)

SECTION B – 32 MARKS

Question 2

[4]

Shreya owns a café in Bengaluru. She wants to explore different electronic payment methods to streamline transactions with customers. She also weighs the pros and cons of accepting debit cards and credit cards.

Compare these two methods of payment to help Shreya choose a suitable method of transaction.

(Analysis)

Question 3

[4]

Krishna Tech Ltd., a growing Start-up in the Robotics industry, needs finance to meet its working capital requirements. Perna Ltd., an Ed-Tech Company, had purchased Robotics Training Kits and Equipment from Krishna Tech Ltd. with a credit period of three months and is due to pay ₹15,00,000 on 30th July 2025.

Based on the above information, suggest a suitable form of short-term financing that Krishna Tech Ltd. can opt for. Explain *any three* of its features.

(Evaluate)

Question 4

Arjun is a Sales Manager in a company and is responsible for managing a team of five sales representatives in the Delhi region. Every morning, Arjun assigns sales targets, plans daily routine for his teams, checks the stock availability in retail stores and ensures proper display of the products.

- (i) State the level of management that Arjun belongs to. (Understanding) [1]
- (ii) Discuss *any three* functions of the level of management indicated in the above scenario. (Understanding) [3]

Question 5

- (i) Given below is a tabular representation of the Salary structure of a few employees at Horizon Ltd. [2]

Name of the Employee	Designation	Experience (in years)	Salary (In INR)
Mr. X	Associate Trainer	5	5,00,000 p.a.
Ms. A	Associate Trainer	5	12,00,000 p.a.
Mr. Y	Associate Trainer	7	8,00,000 p.a.
Mr. B	Associate Trainer	5	4,00,000 p.a.
Ms. C	Associate Trainer	6	9,00,000 p.a.

Explain the principle of Henri Fayol being violated in the above case. (Analysis)

- (ii) Observe the images shown below and answer the question that follows. [2]



Image 1



Image 2

Identify and explain the principle of management, as suggested by Henri Fayol, that is not being followed in Image 1. (Understanding)

Question 6

- (i) The organising function of management helps transform chaos into coordinated structure, clarifies communication and promotes effective teamwork. [4]

In the light of this perspective, explain *any four* points highlighting the importance of organising function in management. (Understanding)

OR

- (ii) A school allocates ₹10 lakhs for infrastructural upgrades, ₹5 lakhs for staff training and ₹3 lakhs for student activities. This type of financial plan acts as a control while helping the school prioritise its objectives.

What type of plan has the school put into action? Enumerate *any three* of its inherent features. (Understanding)

Question 7**[4]**

A Naval Academy needed to train new submarine crew members on complex equipment and emergency procedures. To ensure safety and hands-on-experience without risk, they created a training programme in a simulated submarine environment before actual deployment.

Briefly discuss the *method* used and the *type* of training given to the employees in the above case.

Question 8**[4]**

A company producing weight loss pills hires a celebrity to promote the product. This advertisement claims rapid weight loss without mentioning the need for a balanced diet and regular physical activity. Also, it does not disclose the potential side effects or risks associated with the pill.

Specify the provisions of the Consumer Protection Act that would protect consumer's interests if the claims provided in the above case are found to be false.

Question 9**[4]**

- (i) Many mobile phone companies charge a high price when releasing a new mobile phone with cutting-edge technology. This allows them to generate a substantial profit. When rivals create similar products, the price of that specific product is dropped to gain market value and increase sales. Other electronic products, such as fridges, televisions, and air conditioners, are priced similarly. This is because there are a lot of competitive markets and several other brands offering similar products.

(Source: (edited) (<https://www.edrawmind.com/article/samsung-marketing-mix-analysis.html>))

Explain the pricing strategies used in the above case.

(Analysis)

OR

- (ii) Ms. Sheena, a graduate in Human Relations with ten years of experience in the Corporate sector, plans to set up her start-up. She wants to set up a Soft Skills Training Academy to train and equip fresh graduates be industry ready.

Name the type of product that she is planning to offer. Explain *any three* of its features.

(Understanding)

SECTION C – 32 MARKS

Question 10

- (i) Business organisations use a certain technique to diagnose and analyse their respective micro and macro environment. Name and explain the technique. [5]
(Understanding)
- (ii) Coordination is inherent in Planning, Organising and Staffing functions of management. Validate this statement by giving *three* suitable reasons. [3]
(Analysis)

Question 11

- (i) Ms. Surabhi wants to invest ₹2,00,000 in a debt security of a company for ten years. She prioritises safety of her investment. [5]
Which debt security would you recommend for her investment?
Explain *any four* of its features. (Understanding)
- (ii) State *any three* features of IMPS. (Recall) [3]
- OR**
- (iii) Companies which follow a liberal dividend policy may not benefit from Self-financing method by retaining its profits. [5]
Justify this statement by discussing *any three* advantages and *any two* disadvantages of Retained Earnings. (Analysis)
- (iv) Explain *any three* features of Digital Banking. (Recall) [3]

Question 12

- (i) Briefly explain Physical Distribution with *any three* of its key elements. [5]
(Recall)
- (ii) Describe the types of market on the basis of subject of exchange. [3]
(Understanding)

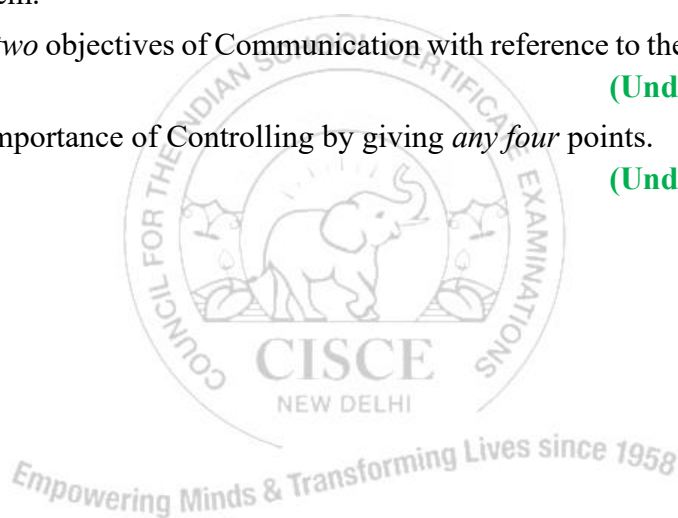
Question 13

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

XYZ Company had planned to increase its profit margin by 30% in the current financial year. But it could not achieve the set target in the first quarter of the year due to cases of theft by employees. The Board of Directors formulated a policy of 'zero tolerance' for theft. To prevent such cases, it was decided to install CCTV cameras in the rooms where the expensive products were stored.

The team of Senior Managers communicated the same to all the employees of the organization. The decisions were implemented, and instructions were given to the concerned departments to impose a penalty if an employee was found guilty. The Human Resource department incorporated the same in the employee handbook.

- (i) A few steps of Controlling have been emphasised in the above case. Discuss *any two* of them. [2]
(Analysis)
- (ii) Mention *any two* objectives of Communication with reference to the above case. [2]
(Understanding)
- (iii) Explain the importance of Controlling by giving *any four* points. [4]
(Understanding)





COMMERCE

ANSWER KEY

SECTION A – 16 MARKS

Question 1

In answering Multiple Choice Questions, candidates have to write either the correct option number or the explanation against it. Please note that only ONE correct answer should be written.

- (i) (c) or Continuous processing and settlement [1]
- (ii) (d) or Suppliers of raw materials [1]
- (iii) (d) or Only (Q) and (S) [1]
- (iv) (b) or Corporate culture [1]
- (v) (b) or Directing – Motivation [1]
- (vi) (a) or Informal organisation – Divisional structure [1]
- (vii) (c) or Assertion is true and Reason is false. [1]
- (viii) (a) Profession [1]
(b) Selection [1]
- (ix) (a) True [1]
(b) False [1]
- (x) Trading on equity [1]
- (xi) Participating preferences shareholders [1]
- (xii) Bank draft cannot be dishonoured. [1]
- (xiii) Publicity [1]
- (xiv) Universal / Universality / Pervasiveness [1]

SECTION B – 32 MARKS

Question 2 [4]

Difference between debit card and credit card

Basis	Debit card	Credit card
Status	It is not issued to a debtor.	It is issued to a debtor.
Credit facility	This facility is not available.	This facility is available.
Payment	It is made before using the card.	It is made after using the card.
Security	It is not required.	It is required.

Interest	Money is not borrowed on credit, so no interest is charged.	Interest rate is levied on the credit card issuer if one is unable to repay the amounts borrowed on time.
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(Candidates are required to compare the two methods on common basis. Comparison written in a paragraph will also be accepted.)

Question 3

[4]

Trade credit: is a short-term financing method where a supplier allows a buyer to purchase goods or services and pay for them at a later date, usually within a specified period, without incurring interest charges if paid on time. It's a common practice in business-to-business transactions and is often seen as a way to manage cash flow and build supplier relationships.

Key Features of Trade Credit:

- **Short-term financing:** Trade credit typically covers a period of a few weeks to a few months, making it a useful tool for managing working capital.
- **No immediate payment:** The buyer receives goods or services and pays later, often within a pre-agreed timeframe.
- **Potential for interest-free credit:** If the buyer pays within the agreed-upon period, trade credit is often interest-free, making it a cost-effective financing option.
- **Flexibility in payment terms:** The specific terms of trade credit (e.g., credit period, discounts for early payment) are usually negotiated between the buyer and supplier and can vary based on factors like relationship, the buyer's credit worthiness and the industry.
- **Minimal documentation:** It involves simple documentation like invoices or delivery notes.
- **Accounting treatment:** For the buyer, trade credit appears as accounts payable (a liability), while for the seller its recorded as accounts receivable (an asset).
- **Potential for discounts:** Suppliers might offer discounts for early payment, encouraging buyers to settle their dues sooner.
- **Impact on cash flow:** Trade credit helps businesses manage their cash flow by allowing them to delay payments while still utilising the purchased goods or services.

(Candidates have to suggest an ideal short-term financing and briefly explain any three of its features. Headings are not mandatory.)

Question 4

(i) Middle Management [1]

(ii) Functions: [3]

- To interpret the plans and policies framed by top management.
- To monitor and control the operating performance.
- To train, motivate and develop supervisory personnel.
- To lay down rules and regulations to be followed by the supervisory personnel.

(Candidates have to briefly discuss any three functions of the level of management that Arjun belongs to.)

Question 5

(i) Principle of Equity [2]

Explanation:

This principle states that all the employees should be treated equally and respectfully. There should be no discrimination on any basis like gender, caste, position, religion etc. It is a combination of kindness and justice.

(Candidates have to briefly explain the principle of Henri Fayol that is being violated in the given scenario.)

(ii) Principle of Order [2]

Explanation:

This principle indicates that there should be a place for everything and everything should be in its place. / There should be both material order as well as social order in an organisation.

(Candidates have to first identify and then briefly explain the principle of Henri Fayol that is not followed in the given image.)

Question 6 [4]

(i) Importance of Organising

- Specialisation
- Optimum use of human resources
- Coordination and cooperation
- Security and support
- Growth and diversification
- Adaptation to change
- Training and development of personnel
- Aid to management

(Candidates have to write any four points on the areas specified above.)

OR

(ii) Type of Plan: Budget

A budget is essentially a financial plan that outlines expected income and expenses over a specific period, like a month or a year. It serves as a roadmap for managing finances, helping individuals and organizations allocate resources effectively and achieve their financial goals. A good budget is realistic, comprehensive, flexible, time-bound, and measurable.

Key Features of a Budget:

- **Financial Plan:** A budget is a structured document that details income, expenses, and often includes projections for assets, liabilities, and cash flow.
- **Defined Period:** Budgets are typically created for a specific time frame, such as a month, quarter, or year, allowing for focused planning and tracking.
- **Resource Allocation:** Budgets guide the allocation of resources, such as money, time, and materials, to different activities or departments.
- **Goal Setting:** Budgets help in setting financial goals and tracking progress towards achieving them.
- **Performance Measurement:** Budgets provide a benchmark for measuring actual financial performance and identifying areas where adjustments are needed.
- **Control and Accountability:** Budgets establish spending limits and promote accountability for financial decisions.
- **Flexibility:** While budgets should be realistic, they should also be flexible enough to accommodate unexpected changes or opportunities.

(Candidates have to first identify the type of plan and then briefly explain any three of its features. Headings are not mandatory.)

Question 7

[4]

On the job training – vestibule - Vestibule training is a method where employees learn job-specific skills in a simulated work environment that closely mirrors the actual workplace. This allows trainees to practice usage of equipment and machinery in a safe, controlled setting.

Type – safety training – It involves training given to use machinery and equipment and safety devices while doing work. It helps to minimize accidents and damage to machinery.

(Candidates have to first identify the method and the type of training evident in the above case and then briefly explain the same.)

Question 8

[4]

In the above case of misleading advertisement, the following provisions of Consumer Protection Act is empower it to:

- prohibit the endorser of a misleading advertisement from endorsing that particular product or service for a period of up to one year. For every subsequent offence, the period of prohibition may extend to three years. However, there are certain exceptions when an endorser will not be held liable for such a penalty.

- impose a penalty on a manufacturer or an endorser of up to Rs 10 lakh and imprisonment for up to two years for a false or misleading advertisement. In case of a subsequent offense, the fine may extend to Rs 50 lakh and imprisonment of up to five years.

(Candidates are required to correctly identify the provisions that enable Consumer Protection Act to protect the consumers.)

Question 9

[4]

- (i) **Price skimming** - It is a strategy where a company sets a high initial price for a new product to target customers who are willing to pay more. Later, the price is gradually reduced to attract more budget-conscious buyers. This approach helps the company maximize profits from early adopters before lowering the price to compete in a broader market.

Competitive pricing - It is the strategy of setting prices based on competitors' prices to gain market advantage. It is commonly used by businesses when there are many substitutes available for their product in the market. This type of pricing strategy is generally used once a price for a product or service has reached a level of equilibrium, which occurs when a product has been on the market for a long time and there are many substitutes for the product.

(Candidates are required to correctly identify and explain the pricing strategies indicated in the above case.)

OR

- (ii) Type of Product: Service

Features of a Service:

- **Intangibility:** Services cannot be seen or touched. The training Ms. Sheena offers cannot be physically handled. It is experienced by the learner.
- **Inseparability:** The service is produced and consumed simultaneously. The trainer (Ms. Sheena or her staff) must be present to deliver the service to the trainees.
- **Variability** (Heterogeneity): Services differ from person to person. Each training session may vary based on the trainer's style, participants, and delivery method.
- **Perishability:** Services cannot be stored or inventoried. If a training session is scheduled and no one attends, that time and opportunity is lost.
- **Human Involvement:** Services like training heavily depend on human skills, personality, and communication. Ms. Sheena's corporate experience adds value to the service.

(Candidates are required to correctly identify the product that Ms. Sheena is planning to offer and then explain any three of its features. Headings are not mandatory.)

SECTION C – 32 MARKS

Question 10

- (i) SWOT Analysis [5]
- S – Strength is the inherent capability of the informal organisation which gives the company a strategic advantage.
- W – Weakness is the inherent limitation of a company which creates a strategic disadvantage for it.
- O – Opportunity is a favourable condition in the company's external environment which strengthened its position.
- T – Threat is an unfavourable environment which damages its position.
- (Candidates are required to name and explain the technique used by business organisations.)*
- (ii) Coordination in Planning, Organising and Staffing [3]
- In planning, coordination is required between the master plan of the enterprise and the plans of different departments.
 - During organising, there should be coordination between the authority and responsibility of every individual.
 - While staffing, coordination is achieved by placing the right person in right job.
- (Candidates have to justify the statement by giving three reasons.)*

Question 11

- (i) Debentures [5]
- Features:
- There is an acknowledgment of debit / borrowed funds.
 - There is a specified amount of loan.
 - There is a specified rate of interest.
 - Interest is a charge against profits.
 - They have no voting rights.
 - They do not participate in management of company.
 - Their investment is paid back before equity and preference share at the time of winding up of the company.
 - They generally involve a charge on the assets usually redeemable.
- (Candidates are required to recommend the correct debt security and explain any four of its features.)*

(ii) Features of IMPS or Immediate Payment Service [3]

- **Instant Transfers:** IMPS facilitates immediate fund transfers, making it a convenient option for urgent payments and transactions.
- **24/7 Availability:** Unlike some other payment systems, IMPS operates around the clock, including weekends and bank holidays.
- **Interbank Transfers:** IMPS enables transfers between different banks, not just within the same institution.
- **Multiple Channels:** You can access IMPS through various platforms, including mobile banking apps, internet banking portals, and ATMs.
- **Secure and Reliable:** IMPS is managed by the National Payments Corporation of India (NPCI), ensuring a safe and secure payment system.
- **Cost-effective:** While some banks may charge fees, IMPS transactions are generally considered cost-effective compared to other transfer methods.

(Candidates have to write any three features in complete sentences. Headings are not mandatory.)

OR

(iii) Advantages of retained earnings: [5]

- **Dependable Source:** Being an internal source, retained earnings are a more dependable and permanent source of finance than external sources of funds. This is because all external sources depend upon market conditions, the preference of the creditors, etc.
- **No Explicit Cost:** Using retained earnings does not involve any costs to be incurred as no expenditure is to be made on issuing prospectus, advertising, floatation costs, etc.
- **No Fixed Liability:** There is no fixed liability to pay dividends or interest on this source of funds as retained earnings are a company's own money.
- **No Interference:** When a company utilises its retained profits, it does not need to issue any new shares. As a result, there is no risk of dilution of control in the organization.
- **No Security:** Unlike debentures, no charge is created on the assets of the company. As a result, the company is free to use its assets for raising loans in the future.
- **Goodwill:** Retained earnings add to the financial strength and credibility of the company. Large reserves enable businesses to respond with ease to any crisis or unforeseen contingency. Retained earnings may lead to an increase in the market price of the equity shares.

Retained Earnings has the following limitations:

- **Dissatisfaction:** In cases of excessive ploughing back of profits, i.e., where a major portion of the profits has been kept in the form of reserves, the shareholders might be disappointed by the lower amounts of dividends paid to them.
- **Uncertainty:** Retained earnings are a highly uncertain method of raising funds since the profits of a business are always fluctuating.

- **Opportunity Cost:** The opportunity cost associated with the usage of retained profits is often overlooked or sometimes, not even recognised by a lot of firms, which leads to sub-optimal usage of the funds.

(Candidates have to justify the given statement by writing relevant advantages and disadvantages. Headings are not mandatory.)

- (iv) Digital banking is the automation of traditional banking services through a digital platform. [3]
- Digitally enabled banks allow the users to access its services 24×7 .
 - The growth of digital banking has established a new dimension to banking services. It has led to the introduction of new banking services such as UPI, e-wallet etc.
 - It has promoted contactless and cashless payment.
 - It has made the transaction swifter specially in time of pandemic.

(Candidates have to write any three features in complete sentences.)

Question 12

- (i) Physical distribution encompasses all the activities involved in physically moving goods from the manufacturer to the end consumer. It's a crucial part of the supply chain and marketing mix, ensuring products reach customers efficiently and effectively. Key elements include transportation, warehousing, inventory management, order processing. [5]

Key Elements of Physical Distribution:

- **Transportation:** The physical movement of goods, choosing the most appropriate mode (truck, rail, sea, air) based on cost, speed, and product characteristics.
- **Warehousing:** The storage of products, ensuring safe and efficient retrieval when needed.
- **Inventory Management:** Balancing stock levels to meet demand without overstocking or understocking.
- **Order Processing:** The efficient handling of customer orders, including verification, picking, packing, and shipping.

(Candidates are required to briefly explain physical distribution and any three of its key elements. Headings are not mandatory.)

- (ii) [3]
- Capital market
 - Money market
 - Commodity market

(Candidates have to describe the markets that indulge in exchange.)

Question 13

- (i) Steps of Controlling [2]

- Establishment of standards
- Taking of corrective action

(The above two steps have to be discussed in brief.)

(ii) Objectives of communication [2]

- Implementing decisions
- Carry out change
- Secure feedback
- Educate employees
- Motivate employees

(Any two of the above objectives have to be mentioned.)

(iii) Importance of Controlling [4]

- It helps in achieving organisation's objectives.
- It ensures an optimum utilisation of resources.
- It decentralises authority and establishes a democratic work environment.
- It is an effective means of coordination.
- It also boosts morale of employees.
- It simplifies supervision.
- It leads to better planning.
- It helps in coping with change.

(Candidates have to explain the importance of controlling by highlighting any four points.)