
CBSE Class 12
BUSINESS STUDIES (Code No. 054)

Rationale

The courses in Business Studies and Accountancy are introduced at + 2 stage of Senior Secondary Education as formal commerce education is provided after first ten years of schooling. Therefore, it becomes necessary that instructions in these subjects are given in such a manner that students have a good understanding of the principles and practices bearing in business (trade and industry) as well as their relationship with the society. Business is a dynamic process that brings together technology, natural resources and human initiative in a constantly changing global environment. To understand the framework in which a business operates, a detailed study of the organisation and management of business processes and its interaction with the environment is required. Globalisation has changed the way organizations transact their business.

Information Technology is becoming a part of business operations in more and more organisations. Computerised systems are fast replacing other systems. E-business and other related concepts are picking up fast which need to be emphasized in the curriculum. The course in Business Studies will prepare students to analyse, manage, evaluate and respond to changes which affect business. It provides a way of looking at and interacting with the business environment. It recognizes the fact that business influences and is influenced by social, political, legal and economic forces. It allows students to appreciate that business is an integral component of society and develops an understanding of many social and ethical issues.

Therefore, to acquire basic knowledge of the business world, a course in Business Studies would be useful. It also informs students of a range of study and work options and bridges the gap between school and work.

Objectives:

- To develop students with an understanding of the processes of business and its environment;
- To acquaint students with the dynamic nature and inter-dependent aspects of business;

- To develop an interest in the theory and practice of business, trade and industry;
- To familiarize students with theoretical foundations of the process of organizing and managing the operations of a business firm;
- To help students appreciate the economic and social significance of business activity and the social cost and benefits arising there from;
- To acquaint students with the practice of managing the operations and resources of business;
- To enable students to act more effectively and responsibly as consumers, employers, employees and citizens;
- To develop a business attitude and skills in students.
- To inculcate appropriate attitude and develop skills among students to pursue higher education, world of work including self employment.

BUSINESS STUDIES (Code No. 054)
CLASS–XII (2017-18)

One Paper (100 Marks)3 Hours

| Units | | Periods | Marks |
|---------------|---|------------|-----------|
| Part A | Principles and Functions of Management | | |
| 1 | Nature and Significance of Management | 14 | 16 |
| 2 | Principles of Management | 14 | |
| 3 | Business Environment | 12 | |
| 4 | Planning | 14 | 14 |
| 5 | Organising | 18 | |
| 6 | Staffing | 16 | 20 |
| 7 | Directing | 18 | |
| 8 | Controlling | 14 | |
| | | 120 | 50 |

| Part B | Business Finance and Marketing | | |
|---------------|---------------------------------------|------------|-----------|
| 9 | Financial Management | 22 | 15 |
| 10 | Financial Markets | 20 | |
| 11 | Marketing Management | 32 | 15 |
| 12 | Consumer Protection | 16 | |
| Part C | Project Work | 30 | 20 |
| | | 120 | 50 |

Part A: Principle and Function of Management (120 Periods)

Concept includes meaning and features

Unit 1: Nature and Significance of management (14 Periods)

- Management-concept, objectives, and importance
- Concept includes meaning and features
- Management as Science, Art and Profession
- Levels of Management
- Management functions-planning, organizing, staffing, directing and controlling
- Coordination- concept and importance

Unit 2: Principle of Management (14 Periods)

- Principle of Management-Concept and Significance
- Fayol's Principle of Management
- Taylor's Scientific management- principles and techniques

Unit 3: Business Environment (12 Periods)

- Business Environment-Concept and Importance
- Dimensions of Business Environment- Economic, Social, Technological, Political and Legal
- Impact of Government policy changes on business with special reference to liberalization, privatization and globalization in India

Unit 4: Planning (14 Periods)

- Concept, Importance and Limitations
- Planning Process
- Single use and standing plans. Objectives, Strategy, Policy, Procedure, method Rule, budget and Programme

Unit 5: Organising (18 Periods)

- Concept and Importance
- Organising Process
- Structure of organisation- functional and divisional concept. Formal and informal organisation- concept
- Delegation, concept, elements and importance
- Decentralization: concept and importance

Unit 6: Staffing (16 Periods)

- Concept and importance of staffing
- Staffing as a part of Human Resource Management concept
- Staffing Process
- Recruitment Process
- Selection Process
- Training and Development- Concept and importance, Methods of training- on the job and off the job- Induction training, vestibule training, apprenticeship training and internship training

Unit 7: Directing (18 Periods)

- Concept and importance
- Elements of Directing
- Supervision –concept, function of a supervisor
- Motivation-concept, Maslow's hierarchy of needs, Financial and non financial incentives
- Leadership- concept, styles- authoritative, democratic and laissez faire
- Communication- concept, formal and informal communication; barriers to effective

communication, how to overcome the barriers

Unit 8: Controlling (14 Periods)

- Concept and Importance
- Relationship between planning and controlling
- Steps in Process of Control

Part B: Business Finance and Marketing (120 Periods)

Concept includes meaning and features

Unit 9: Financial Management (22 Periods)

- Concept and objective of Financial Management
- Financial decisions: investment, financing and dividend- Meaning and factors affecting
- Financial Planning- concept and importance
- Capital Structure- Concept
- Fixed and Working Capital- Concept and factors affecting their requirements

Unit 10: Financial Markets (20 Periods)

- Financial Markets: Concept, Functions and Types.
- Money Market and its Instruments
- Capital market and its types (primary and secondary)
- Stock Exchange- Functions and trading procedure
- Securities and Exchange Board of India (SEBI) - objectives and functions

Unit 11: Marketing Management (32 Periods)

- Selling and Marketing- concept
- Marketing Management- Concept
- Marketing Function
- Marketing Management Philosophies
- Marketing Mix – Concept and elements
- Product- concept, branding, labelling and packaging
- Price- concept, factors determining price

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- Physical Distribution - concept and components, channels of distribution: types, choice of channels.
 - Promotion – Concept and elements; advertising concept, role, objections against advertising, personal selling-concept and qualities of a good salesman, sales promotion- concept and techniques, public relations- concept and role

Unit 12: Consumer Protection (16 Periods)

- Concept and Importance of Consumer Protection
- Consumer protection Act 1986: Meaning of consumer and consumer protection. Rights and responsibilities of consumers Who can file a complaint against whom? Redressal machinery Remedies available
- Consumer awareness- Role of consumer organizations and Non-Governmental Organizations (NGOs).

Unit 13: Project Work (30 Periods)

As per CBSE guidelines

Time: 3 hrs (Max. Marks – 80)

Typology of Questions:

1. Remembering- (Knowledge based Simple recall questions, to know specific facts, terms, concepts, principles, or theories, identify, define, or recite information)

Very Short Answer (VSA) (1 mark): 2

Short Answer-I (SA-I) (3 marks): 1

Short Answer –II (SA-II) (4 marks): 1

Long Answer (LA) (5 marks): 1

Essay Type (6 Marks): 0

Total Marks: 14

% Weightage: 17%

Understanding - (Comprehension -to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)

Very Short Answer (VSA) (1 mark): 2

Short Answer-I (SA-I) (3 marks): 2

Short Answer –II (SA-II) (4 marks): 1

Long Answer (LA) (5 marks): 0

Essay Type (6 Marks): 1

Total Marks: 18

% Weightage: 23%

Application - (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)

Very Short Answer (VSA) (1 mark): 2

Short Answer-I (SA-I) (3 marks): 1

Short Answer –II (SA-II) (4 marks): 1

Long Answer (LA) (5 marks): 1

Essay Type (6 Marks): 1

Total Marks: 20

% Weightage: 25%

High Order Thinking Skills - (Analysis & Synthesis- Classify, compare, contrast, or differentiate between different pieces of information; Organize and/or integrate unique pieces of information)

Very Short Answer (VSA) (1 mark): 2

Short Answer-I (SA-I) (3 marks): 1

Short Answer –II (SA-II) (4 marks): 2

Long Answer (LA) (5 marks): 0

Essay Type (6 Marks): 1

Total Marks: 19

% Weightage: 24%

Evaluation - (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)

Very Short Answer (VSA) (1 mark): 0

Short Answer-I (SA-I) (3 marks): 0

Short Answer –II (SA-II) (4 marks): 1(Value Based)

Long Answer (LA) (5 marks): 1

Essay Type (6 Marks): 0

Total Marks: 9

% Weightage: 11%

Total

Very Short Answer (VSA) (1 mark): $8 \times 1 = 8$

Short Answer-I (SA-I) (3 marks): $5 \times 3 = 16$

Short Answer –II (SA-II) (4 marks): $6 \times 4 = 24$

Long Answer I (LA I) (6 marks): $3 \times 5 = 15$

Essay Type (6 Marks): $3 \times 6 = 18$

Total Marks: $80(25) + 20(\text{Project})$

% Weightage: 100%

PROJECT WORK IN BUSINESS STUDIES FOR CLASS XI AND XII

(Effective from the Academic Session 2016-17 and Board Examination of Class XII, 2017)

Introduction

The course in Business Studies is introduced at Senior School level to provide students with a sound understanding of the principles and practices bearing in business (trade and industry) as well as their relationship with the society. Business is a dynamic process that brings together technology, natural resources and human initiative in a constantly changing global environment. With the purpose to help them understand the framework within which a business operates, and its interaction with the social, economic, technological and legal environment, the CBSE has introduced Project Work in the Business Studies Syllabus for Classes XI and XII. The projects have been designed to allow students to appreciate that business is an integral component of society and help them develop an understanding of the social and ethical issues concerning them.

The project work also aims to empower the teacher to relate all the concepts with what is happening around the world and the student's surroundings, making them appear more clear and contextual. This will enable the student to enjoy studies and use his free time effectively in observing what's happening around. By means of Project Work the students are exposed to life beyond textbooks giving them opportunities to refer materials, gather information, analyse it further to obtain relevant information and decide what matter to keep.

Objectives

After doing the Project Work in Business Studies, the students will be able to do the following:

- develop a practical approach by using modern technologies in the field of business and management;
- get an opportunity for exposure to the operational environment in the field of business management and related services;
- inculcate important skills of team work, problem solving, time management, information collection, processing, analysing and synthesizing relevant information to derive meaningful conclusions
- get involved in the process of research work;
- demonstrate his or her capabilities while working independently and
- make studies an enjoyable experience to cherish.

CLASS XII GUIDELINES FOR TEACHERS

Students are supposed to select two units out of four and are required to make one project from each selected unit. (Consist of two projects of 20 marks)

1. Help students to select any TWO Topics for the entire year.
2. The topic should be assigned after discussion with the students in the class and should then be discussed at every stage of the submission of the project.

The teacher should play the role of a facilitator and should closely supervise the process of project completion. The teachers must ensure that the project work assigned to the students whether individually or in group are discussed at different stages right from assignment to drafts review and finalization. Students should be facilitated in terms of providing relevant materials or suggesting websites, or obtaining required permissions from business houses, malls etc for their project. The 30 periods assigned to the Project Work should be suitably spaced throughout the academic session which is to be divided between the two projects as per the need. The teachers MUST ensure that the students actually go through the rigors and enjoy the process of doing the project rather than depending on any readymade material available outside.

3. The students must make a presentation of the project before the class.

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4. The teachers must ensure that the student's self-esteem and creativity is enhanced and both the teacher and the student enjoy this process.
 5. The teachers should feel pride in the fact that they have explored the different dimensions of the project in an innovative way and their students have put in genuine work.
 6. The teachers must also ensure that at least one project should be finished before summer holidays.

I. Project One: Elements of Business Environment

The teachers should help the students in selecting any one element of the following:

1. Changes witnessed over the last few years on mode of packaging and its economic impact.

The teacher may guide the students to identify the following changes:

- a) The changes in transportation of fruits and vegetables such as cardboard crates being used in place of wooden crates, etc. Reasons for above changes.
- b) Milk being supplied in glass bottles, later in plastic bags and now in tetrapack and through vending machines.
- c) Plastic furniture [doors and stools] gaining preference over wooden furniture.
- d) The origin of cardboard and the various stages of changes and growth.
- e) Brown paper bags packing to recycled paper bags to plastic bags and cloth bags.
- f) Re use of packaging [bottles, jars and tins] to attract customers for their products.
- g) The concept of pyramid packaging for milk.
- h) Cost being borne by the consumer/manufacturer.
- i) Packaging used as means of advertisements.

2. The reasons behind changes in the following:

Coca – Cola and Fanta in the seventies to Thums up and Campa Cola in the eighties to Pepsi and Coke in nineties.

The teacher may guide the students to the times when India sold Coca Cola and Fanta which were being manufactured in India by the foreign companies.

The students may be asked to enquire about

- a) Reasons of stopping the manufacturing of the above mentioned drinks in India THEN.
- b) The introduction of Thums up and Campa cola range.
- c) Re entry of Coke and introduction of Pepsi in the Indian market.
- d) Factors responsible for the change.
- e) Other linkages with the above.

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- f) Leading brands and the company having the highest market share.
 - g) Different local brands venturing in the Indian market.
 - h) The rating of the above brands in the market.
 - i) The survival and reasons of failure in competition with the international brands.
 - j) Other observations made by the students

The teacher may develop the following on the above lines

- 3. Changing role of the women in the past 25 years relating to joint families, nuclear families, women as a bread earner of the family, changes in the requirement trend of mixers, washing machines, micro wave and standard of living.
- 4. The changes in the pattern of import and export of different Products.
- 5. The trend in the changing interest rates and their effect on savings.
- 6. A study on child labour laws, its implementation and consequences.
- 7. The state of „anti plastic campaign,“ the law, its effects and implementation.
- 8. The laws of mining /setting up of industries, rules and regulations, licences required for running that business.
- 9. Social factors affecting acceptance and rejection of an identified product. (Dish washer, Atta maker, etc)
- 10. What has the effect of change in environment on the types of goods and services? The students can take examples like:
 - a) Washing machines, micro waves, mixers and grinder.
 - b) Need for crèche, day care centre for young and old.
 - c) Ready to eat food, eating food outside, and tiffin centres.
- 11. Change in the man-machine ratio with technological advances resulting in change of cost structure.
- 12. Effect of changes in technological environment on the behaviour of employee.

II. Project Two: Principles of Management

The students are required to visit any one of the following:

- 1. A departmental store.
- 2. An Industrial unit.
- 3. A fast food outlet.
- 4. Any other organisation approved by the teacher.

They are required to observe the application of the general Principles of management advocated by Fayol.

Fayol's principles

1. Division of work.
2. Unity of command.
3. Unity of direction.
4. Scalar chain
5. Espirit de corps
6. Fair remuneration to all.
7. Order.
8. Equity.
9. Discipline
10. Subordination of individual interest to general interest.
11. Initiative.
12. Centralisation and decentralisation.
13. Stability of tenure.

OR

They may enquire into the application of scientific management techniques by F.W. Taylor in the unit visited.

Scientific techniques of management.

1. Functional foremanship.
2. Standardisation and simplification of work.
3. Method study.
4. Motion Study.
5. Time Study.
6. Fatigue Study
7. Differential piece rate plan.

Tips to teacher

- (i) The teacher may organize this visit.
- (ii) The teacher should facilitate the students to identify any unit of their choice and guide them to identify the principles that are being followed.
- (iii) Similarly they should guide the students to identify the techniques of scientific

management implemented in the organisation.

(iv) It may be done as a group activity.

(v) The observations could be on the basis of

- The different stages of division of work resulting to specialisation.
- Following instructions and accountability of subordinates to higher authorities.
- Visibility of order and equity in the unit.
- Balance of authority and responsibility.
- Communication levels and pattern in the organisation.
- Methods and techniques followed by the organisation for unity of direction and coordination amongst all.
- Methods of wage payments followed. The arrangements of fatigue study.
- Derivation of time study.
- Derivation and advantages of method study.
- Organisational chart of functional foremanship.
- Any other identified in the organisation

vi. It is advised that students should be motivated to pick up different areas of visit. As presentations of different areas in the class would help in better understanding to the other students.

vii. The students may be encouraged to develop worksheets. Teachers should help students to prepare observation tools to be used for undertaking the project.

Examples; worksheets, questionnaire, interviews and organisational chart etc.

III. Project Three: Stock Exchange

The purpose of this project is to teach school students the values of investing and utilising the stock market. This project also teaches important lessons about the economy, mathematics and financial responsibility.

The basis of this project is to learn about the stock market while investing a specified amount of fake money in certain stocks. Students then study the results and buy and sell as they see fit.

This project will also guide the students and provide them with the supplies necessary to successfully monitor stock market trends and will teach students how to calculate profit and loss on stock.

The project work will enable the students to:

- understand the topics like sources of business finance and capital market
- understand the concepts used in stock exchange
- inculcate the habit of watching business channels, reading business journals/newspapers and seeking information from their elders.

The students are expected to:

a) Develop a brief report on History of Stock Exchanges in India. (your country)

b) Prepare a list of at least 25 companies listed on a Stock Exchange.

c) To make an imaginary portfolio totalling a sum of Rs. 50,000 equally in any of the 5 companies of their choice listed above over a period of twenty working days.

The students may be required to report the prices of the stocks on daily basis and present it diagrammatically on the graph paper.

- They will understand the weekly holidays and the holidays under the Negotiable Instruments Act. They will also come across with terms like closing prices, opening prices, etc.
- During this period of recording students are supposed to distinctively record the daily and starting and closing prices of the week other days under the negotiable instrument act so that they acquire knowledge about closing and opening prices.
- The students may conclude by identifying the causes in the fluctuations of prices. Normally it would be related to the front page news of the a business journal, for example,
 - Change of seasons.
 - Festivals.
 - Spread of epidemic.
 - Strikes and accidents
 - Natural and human disasters.
 - Political environment.
 - Lack of faith in the government policies.
 - Impact of changes in government policies for specific industry.
 - International events.
 - Contract and treaties at the international scene.
 - Relations with the neighbouring countries.

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- Crisis in developed countries, etc.

The students are expected to find the value of their investments and accordingly rearrange their portfolio. The project work should cover the following aspects;

1. Graphical presentation of the share prices of different companies on different dates.
2. Change in market value of shares due to change of seasons, festivals, natural and human disasters.
3. Change in market value of shares due to change in political environment/ policies of various countries/crisis in developed countries or any other reasons
4. Identify the top ten companies out of the 25 selected on the basis of their market value of shares. It does not matter if they have made profits or losses.

IV. Project Four: Marketing

1. Toothpaste
2. Noodles
3. Shampoo
4. Bathing soap
5. Washing Detergent
6. Washing Powder
7. Lipstick

Any more as suggested by the teacher.

The teacher must ensure that the identified product should not be items whose consumption/use is discouraged by the society and government like alcohol products/pan masala and tobacco products, etc. Identify one product/service from the above which the students may like to manufacture/provide [pre assumption].

Now the students are required to make a project on the identified product/service keeping in mind the following.

1. Why have they selected this product/service?
2. Find out 5 competitive brands that exist in the market.
3. What permission and licences would be required to make the product?
4. What are your competitors Unique Selling Proposition.[U.S.P.]?
5. Does your product have any range give details?
6. What is the name of your product?

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7. Enlist its features.
 8. Draw the „Label of your product.
 9. Draw a logo for your product.
 10. Draft a tag line.
 11. What is the selling price of your competitor's product?
 - (i) Selling price to consumer
 - (ii) Selling price to retailer
 - (iii) Selling price to wholesaler

What is the profit margin in percentage to the

- Manufacturer.
- Wholesaler.
- Retailer.

12. How will your product be packaged?
13. Which channel of distribution are you going to use? Give reasons for selection?
14. Decisions related to warehousing, state reasons.
15. What is going to be your selling price?
 - (i) To consumer
 - (ii) To retailer
 - (iii) To wholesaler
16. List 5 ways of promoting your product.
17. Any schemes for
 - (i) The wholesaler
 - (ii) The retailer
 - (iii) The consumer

18. What is going to be your „U.S.P?
19. What means of transport you will use and why?
20. Draft a social message for your label.
21. What cost effective techniques will you follow for your product.
22. What cost effective techniques will you follow for your promotion plan.

At this stage the students will realise the importance of the concept of marketing mix and the necessary decision regarding the four P's of marketing.

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- Product
 - Place
 - Price
 - Promotion

On the basis of the work done by the students the project report should include the following:

1. Type of product /service identified and the (consumer/industries) process involve there in.
2. Brand name and the product.
3. Range of the product.
4. Identification mark or logo.
5. Tagline.
6. Labeling and packaging.
7. Price of the product and basis of price fixation.
8. Selected channels of distribution and reasons thereof.
9. Decisions related to transportation and warehousing. State reasons.
10. Promotional techniques used and starting reasons for deciding the particular technique.
11. Grading and standardization.

Presentation and Submission of Project Report

At the end of the stipulated term, each student will prepare and submit his/her project report.

Following essentials are required to be fulfilled for its preparation and submission.

1. The total length of the project will be of 25 to 30 pages.
2. The project should be handwritten.
3. The project should be presented in a neat folder.
4. The project report should be developed in the following sequence-
 - Cover page should include the title of the Project, student information, school and year.
 - List of contents.
 - Acknowledgements and preface (acknowledging the institution, the places visited and the persons who have helped).
 - Introduction.

- Topic with suitable heading.
- Planning and activities done during the project, if any.
- Observations and findings of the visit.
- Conclusions (summarized suggestions or findings, future scope of study).
- Photographs (if any).
- Appendix
- Teacher's observation.
- Signatures of the teachers.
- At the completion of the evaluation of the project, it should be punched in the centre so that the report may not be reused but is available for reference only.
- The projects will be returned after evaluation. The school may keep the best projects.

ASSESSMENT

Allocation of Marks = 10 (for each project)

The marks will be allocated on the following heads.

| | | |
|----|---|----------------|
| 1. | Initiative, Cooperativeness and Participation | 1 mark |
| 2. | Creativity in Presentation | 1 mark |
| 3. | Content, Observation and research work | 2 mark |
| 4. | Analysis of Situations | 2 mark |
| 5. | Viva | 4 mark |
| | TOTAL | 10 mark |