

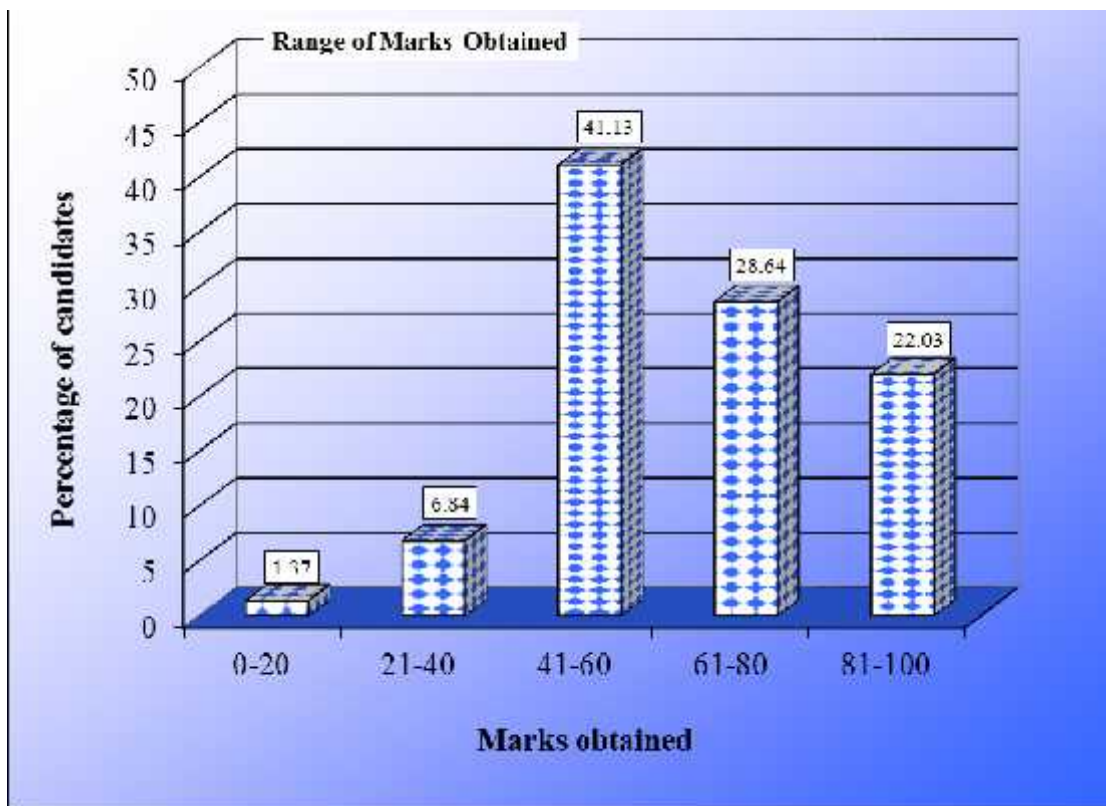
COMMERCE

A. STATISTICS AT A GLANCE

Total number of students taking the examination	27,574
Highest marks obtained	100
Lowest marks obtained	1
Mean marks obtained	63.18

Percentage of candidates according to marks obtained

	Mark Range				
	<i>0-20</i>	<i>21-40</i>	<i>41-60</i>	<i>61-80</i>	<i>81-100</i>
Number of candidates	378	1885	11340	7897	6074
Percentage of candidates	1.37	6.84	41.13	28.64	22.03
Cumulative Number	378	2263	13603	21500	27574
Cumulative Percentage	1.37	8.21	49.33	77.97	100



B. ANALYSIS OF PERFORMANCE

PART I (20 Marks)

Answer *all* questions.

Question 1

[10×2]

Answer briefly each of the questions (i) to (x).

- (i) What is the meaning of *business environment*?
- (ii) Enumerate the main forms in which financial assistance from a commercial bank may be available.
- (iii) Write *any two* features of principles of management.
- (iv) What is *factoring*?
- (v) Distinguish between *gross working capital* and *net working capital*.
- (vi) State *any two* points of distinction between *recruitment* and *selection*.
- (vii) Differentiate between *bearer debentures* and *registered debentures*.
- (viii) In the context of right shares, bring out the meaning of pre-emptive right.
- (ix) What is *marketing research*?
- (x) Mention *any two* specific differences between *product* and *service*.

Comments of Examiners

- (i) The complete definition of 'Business environment' was not stated by many candidates. The candidates either wrote about the factors affecting business environment or the influence of these factors on business environment. A complete definition consisted of both, the factors and their influence on the business environment.

Suggestions for teachers

- Stress upon writing complete answers with the necessary keywords.
- Tell students that each question must be read carefully, understood and then answered.
- Give regular writing practice to students and also provide feedback on the written work.

- (ii) Instead of giving the four forms of short term finance, some candidates gave only two forms. Several candidates got confused between the terms 'Trade credit' and 'Cash credit'. Some candidates gave long term sources of raising finance like, shares and debentures. A few candidates wrote 'Bank draft', instead of 'Bank overdraft', while other candidates wrote 'loans' and 'advances' as separate points.
- (iii) Common errors made by candidates in this question were: instead of features of principles of management, candidates wrote the principles of management .i.e. either Henri Fayol's principles or F.W. Taylor's principles. Some candidates wrote about the importance of management.
- (iv) A number of candidates did not seem to have a clear concept of 'factoring' - the concept of arrangement by banks and 'Book debts were ignored by many candidates. Some candidates stated that factoring was finance available through purchase of 'Bad debts' instead of 'Book debts'. Many candidates gave an inadequate explanation. Some candidates wrote that selling of Mortgage is factoring.
- (v) Several candidates made errors while writing about gross working capital. Some candidates stated that Gross working capital is the amount of capital invested in fixed assets or they wrote that Gross working capital is current assets minus depreciation. In a few cases, the differences were given in tabular form, but the points of difference did not correspond.
- (vi) A few candidates did not know the meaning of *recruitment* and *selection*. In some cases, the points of differences were mismatched and did not relate to each other. However, majority of the candidates answered this question correctly.
- (vii) Following were the common errors made by candidates while writing this answer: differences given did not correlate with one another; answers were inadequate and incomplete; many candidates got confused between the points of transferability, legal formalities and record; a number of candidates did not know in which Book the name of the registered debenture holders is recorded.
- (viii) Many candidates did not write the term 'existing shareholders'. They wrote that these shares are issued to directors or promoters or employees, instead of writing that the right shares are issued to the existing shareholders. Some candidate confused 'right shares' with sweat equity shares and bonus shares.
- (ix) An inadequate/ generalized/ vague explanation was given by most candidates. Some did not write that it is undertaken in order to solve the problems faced by the consumer; some got confused between 'marketing research' and 'marketing information'.
- (x) While most of the candidates answered this question correctly, some made the mistake of not correctly correlating the differences.
- Features of management, Features of principles of management, Principles of management are all different topics and must be explained clearly.
 - Stress upon proper time management while answering questions, so that adequate time is left for last minute revision of the answers written.
 - The terms 'Gross working capital' and 'Net working capital' must be clearly differentiated and explained to candidates.
 - Clear distinction should be made between 'fixed assets', 'current assets' and 'total assets'.
 - Ask students to give differences in a tabular form. The basis of differentiation is also important. Also, the points of differences should relate to one another.
 - Tell students that repetition of points must be avoided and also that merely expanding the headings does not constitute an answer.

MARKING SCHEME

Question 1.

- (i) The term business environment refers to the sum total of all individuals, institutions and the /factors/surroundings/environment that lie outside the business enterprise but that may affect/ its functioning and performance.

OR

Business Environment refers to the environment that affects the functioning and existence of a business enterprise

- (ii) The main terms in which financial assistance from a bank may be available are:

- (i) Cash credit
- (ii) Loan/advances/loans & advances
- (iii) Bank overdraft/Bank O/D
- (iv) Discounting of Bill

- (iii) Two features of principles of management:

- (i) Universality
- (ii) Dynamism or Relativity/ relative principle
- (iii) Influencing Directing human behaviour
- (iv) Flexibility
- (v) Cause and effect relationship
- (vi) Equal importance

(Any two)

- (iv) Factoring:

The finance companies or factors provide finance to business organisations through the purchase of accounts receivables. The debtors of the firm make payments to the finance company. The business organisation is relieved of the cost and effort of collecting debts and bad debts.

Or

It refers to an arrangement whereby the Book debts [trade debtors]/ sale or mortgage of book debt, are assigned to a Bank and payment is received against the debtors balance in advance from the bank. This facility is provided by the bank on the payment of specified charges

(v)

Gross working capital		Net working capital
(i)	Meaning: Gross working capital means the total amount of funds invested in current assets/give e.g. of amount asset.	Net working is excess of current assets over current liabilities
	OR	
(ii)	Formula: Gross working capital = current assets	Net working capital = current assets – current liabilities
		<i>(Either of the points)</i>

(vi)

Meaning:

Recruitment is searching and stimulating the prospective employees to apply for jobs whereas selection is choosing the right person with necessary qualification.

Approach:

Recruitment is a positive approach whereas selection is a negative approach.

Objective:

The objective of recruitment is to create a large pool of candidates while selection's objective is to eliminate all unsuitable candidates.

Process:

Recruitment is a simple process many can cross this stage easily whereas selection is a complex process, difficult to cross this stage.

Number of Candidates:

Recruitment does not restrict the number of candidates whereas in selection only limited candidates are selected.

Order:

Recruitment is done prior to selection – whereas selection is made only after recruitment.

(Any two)

(vii)

		Bearer Debenture	Registered debenture
(i)	Transferability	Bearer debentures can be transferred by mere delivery	Registered debentures can be transferred by transfer deed.
(ii)	Legal Formalities	No legal formalities are required for their transfer and no intimation to the company is necessary	Intimation to the company for their transfer is necessary.
(iii)	Record	No record of such debentures kept in the register of debenture holders	Registered debentures are recorded in the register of debentures holders..
(iv)	Interest Payment	Interest is paid on the production of coupons attached to such debentures.	Interest is paid by the company to registered debenture holders without presenting coupons.
(v)	Document	No new certificate is issued	A new debenture certificate is issued to the buyer and the sellers name is cancelled
			(Any two)

(viii)

The right of the existing shareholders/ members to subscribe for the new shares issued by a joint stock company as per section 81 of the companies Act, is called pre-emptive right.

(ix)

Marketing research is the systematic gathering, recording and analysing of data about the marketing problems to facilitate decision making.

(x)

The differences between product and service are:

		Product	Service
(i)	Tangibility	Product can be seen, touched and felt.	service cannot be touched and seen
(ii)	Inseparability	A product is fully separable from the seller.	It cannot be separated from the seller.
(iii)	Durability/ Storage	A product is durable, can be stored.	There is simultaneous production and consumption of services.
(iv)	Replacement	Possible	Not possible
(v)	Ownership	Transferability can be done	Non Transferable
(vi)	Examples		
			(Any two)

PART II (60 Marks)

Answer any **five** questions.

Question 2

- (a) Explain why management is considered to be an art. [4]
- (b) State and explain *any four* principles of F.W. Taylor. [8]

Comments of Examiners

- (a) Many candidates gave correct headings but could not substantiate the headings with correct explanation. Some candidates just expanded the headings as a part of the explanation. A number of candidates wrote a paragraph on management without subdividing it into appropriate points. Many candidates could not explain the point 'Creativity'.
- (b) Common errors made by candidates while answering this part of the question are as follows:
- (i) Candidates got confused between Henry Fayol's and F.W. Taylor's principles of management.
 - (ii) The headings were given but the explanation given under the heading were not correct. Some explanations given were vague and generalized
 - (iii) While explaining certain principles like, 'Division of work and responsibility', some candidates only explained 'Division of work'.

Suggestions for teachers

- Inform students that in any long answer, subheadings are essential and a proper explanation explaining the subheadings must be given. Explanation written by the candidate must be relevant and adequate.
- Features of Management as an Art as well as Management as a Science must be explained clearly.
- Unnecessary elongation of the answer by including irrelevant subject matter must be avoided.

MARKING SCHEME

Question 2.

- (a) Art means practical application of knowledge and skills to achieve the desired results. As the management fulfils the essential features of art, it is considered an art. The essential features of art are:
- i) Practical knowledge
 - ii) Personal skills
 - iii) Creativity /constructive skills
 - iv) Perfection through practice
 - v) Result oriented approach

(Heading with explanation)

(b) The Principles of F.W. Taylor are:

(i) Science not Rule of Thumb / scientific study and planning of work

Each and every job and method of doing it should be scientifically analysed and decided instead of doing it under trial and error method. The task to be performed should be scientifically planned. The materials, equipment and working condition should be standardized. The amount of work to be done should be decided through objective study.

(ii) Harmony not Discord

Harmony in group action/mental revolution. There should be healthy co-operation between employer and employees. Taylor advocated a complete mental revolution on the part of both management and workers. Management should adopt an enlightened attitude and share the gains of productivity with workers. Workers on their part should work with discipline and loyalty.

(iii) Maximum not Restricted Output / Maximum prosperity for both employees and management

Conflict of interest between management and workers arises mainly on division of surplus. Taylor suggested that the best way to resolve the conflict is to increase the size of surplus so that each side can have a larger share. Management and workers have common interest to increase the productivity.

(iv) Division of work and Responsibility

Taylor suggested separation of planning from operational work. Management should concentrate on planning the job of workers and workers should concentrate on performance of work.

(v) Scientific selection, training and Development

Workers should be selected and trained keeping in view the job requirements. Each and every worker should be encouraged to develop his full potential.

(vi) Standardization of tools and equipment

Standardization is made in respect of tools, equipment, working hours, working conditions etc., for improving the efficiency of workers.

(Any four)

Question 3

- (a) Distinguish between *fixed capital* and *working capital* of a business concern. [3]
- (b) What are *equity shares*? Explain *any three* advantages of issuing equity shares from the point of view of a company. [4]
- (c) Briefly explain *any five* factors to be considered while preparing a suitable capital plan. [5]

Comments of Examiners

- (a) A number of candidates did not know the proper meaning of 'fixed capital' and 'working capital'. Repetition of points was noticeable in many answers. Several candidates only wrote examples by way of explanation. Method of raising finance for both proper working and fixed capital was not known to candidates. Many of candidates were unable to give any concrete differences.
- (b) A number of candidates did not understand the question. Some candidates wrote the advantages of equity shares from the shareholders' point of view. In some cases, Repayment of capital at the time of winding up, and Payment of dividend was not mentioned by candidates.
- (c) Common errors made by candidates while answering this question were as follows:
- Candidates confused the factors affecting capital plan with the factors affecting fixed capital requirement and working capital requirement;
 - Headings were given but the explanation was not correct;
 - Very vague and generalized explanations were given by candidates.

Suggestions for teachers

- Ask students to read, understand and then answer the question.
- Students must be taught the advantages of issuing equity shares from the company's point of view as well as from the shareholders' point of view.
- Regular feedback from teachers in the form of worksheets and oral tests can help reinforce the subject matter as well as enhance retention of the subject matter.
- Give writing practice to students so that they can formulate a qualitative answer.
- Factors affecting the capital plan and factors affecting the fixed capital and working capital are not the same. Teachers must make their teaching more specific and highlight the points which can result in mistakes.

MARKING SCHEME

Question 3.

- (a) Difference between Fixed capital and Working capital.

		Fixed capital	Working capital
(i)	Meaning	It is the capital/block capital or money invested in fixed assets like land and buildings, machinery and etc.,	It is the capital invested in current assets like Stock of materials and finished goods.
(ii)	Tenure	It is invested for a long time	It is invested for a short period
(iii)	Forms	It does not change its form/block capital.	Its form keeps on changing/revolving or rotating capital
(iv)	Sources	It is generally raised through shares, Debentures and long term loans, etc.	It is generally raised through public deposits, bank loans and trade credit, etc.

(b)	<p>Equity shares: The shares which carry no preference rights or priority in <u>the payment of dividend</u> and <u>in the repayment of capital</u> are called equity shares.</p> <p>Advantages of issuing Equity shares from Company's point of view:</p> <ul style="list-style-type: none"> (i) No burden on earnings. (ii) Permanent capital. (iii) No charge on assets. (iv) Source of strength./ making a company financially sound (v) Small nominal value. (vi) Unlimited source/ capacity to raise further capital. <p style="text-align: right;"><i>(Any three with explanation)</i></p>
(c)	<p>Factors to be considered while preparing a suitable capital plan are:</p> <ul style="list-style-type: none"> (i) Nature of business. (ii) Size of business. (iii) Cash inflows (iv) Cost of raising capital. (v) Period of finance. (vi) Flexibility of capital structure. (vii) Trading on equity. (viii) Control of the company. (ix) Needs of investors. (x) Capital market conditions. (xi) Legal requirements. <p style="text-align: right;"><i>(Any five with heading and proper explanation)</i></p>

Question 4

- | | | |
|-----|--|-----|
| (a) | What are <i>sweat equity shares</i> ? | [3] |
| (b) | List <i>any four</i> features of NEFT. | [4] |
| (c) | Briefly explain <i>any five</i> external factors of micro-environment of business. | [5] |

Comments of Examiners

- (a) Majority of the candidates got confused between sweat equity shares, right shares and bonus shares. Many candidates did not write the purpose of issuing sweat equity shares. Some candidates wrote that sweat equity shares are issued to the shareholders instead of writing that these shares are issued to employees and directors.
- (b) Most of the candidates answered this question correctly. Some candidates did get confused between features of NEFT and features of RTGS.
- (c) Most of the candidates answered this question correctly. Some candidates only wrote the heading without giving a proper explanation. A few candidates gave factors of business environment.

Suggestions for teachers

- Emphasize upon conceptual clarity and stress upon usage of correct terminology.
- Teachers must make sure that reference work is done by the candidates and they are not dependent on one book.
- Compare the features of NEFT with the features of RTGS so that the difference between the two is clearly brought out.

MARKING SCHEME

Question 4.

- (a) Sweat Equity Shares:

These shares are issued by the company under section 79A of the Companies Act 1956, to employees/workers or directors.

1. At a discount (to the market price).
2. For consideration other than cash.
3. For providing knowhow or making available property rights



(Any one)

The purpose of these shares is to retain the talent as they have a lock-in-period of 3 years.

(meaning and purpose)

- (b) The Features of NEFT are:

1. Can be processed at NEFT enabled Bank/Branch.
2. In order to receive fund there must be an a/c in NEFT enabled Bank/Branch.
3. Cash transfer is possible by individual firm or company.
4. No minimum or maximum amount in case of Bank account.
5. Transaction takes places in batch/netting.
6. If the customer does not have a bank account, maximum amount to be transferred is ₹ 49,999/.
7. Sender of funds has to pay certain charges.
8. Cannot be used for foreign remittance/transfer nationally (or within nation)

(any four features)

(c)	<p>External factors of micro environment of business are:</p> <ul style="list-style-type: none"> • Customers • Competitors • Suppliers • Marketing Intermediaries • Financiers • Public – NGOs /Local community/media/environmentalist. <p style="text-align: right;"><i>(Any five with brief explanation)</i></p>
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Question 5

- (a) Distinguish between *centralisation* and *decentralisation*. [3]
- (b) Write *four* methods by which the objectives of consumer protection can be achieved. [4]
- (c) Describe *any five* qualities of a good leader. [5]

Comments of Examiners

- (a) Many candidates could not bring out the differences between centralization and decentralization. In some cases, the points were given under wrong headings.
- (b) Majority of the candidates answered this question correctly. However, some candidates got confused and wrote on the Rights of consumers instead of the methods by which objectives of consumer protection can be achieved. Some candidates repeated points just to elongate the answer.
- (c) This was correctly answered by most of the candidates. Some candidates gave the headings but did not give a proper explanation for the same. Some candidates mixed leadership qualities with qualities of salesman and in some places only used adjectives as an answer.

Suggestions for teachers

- Explain to students that while writing differences, the points of difference must correlate with each other.
- Give specific instructions to students to read and understand the question carefully before attempting to answer it.
- Give writing practice to students.

MARKING SCHEME

Question 5.

(a)

Centralisation		Decentralisation
(i)	Centralisation of authority refers to systematic and consistent retention of authority for decision making at top level management.	Decentralisation means systematic dispersal of authority in all departments and all levels of management to taking decisions.
(ii)	Top management retains absolute authority for making all decisions the functioning of the organisation.	The top management retains only authority for overall coordination and control of the organisation. Other works authority are delegated.
(iii)	Centralisation of authority at the top level of management.	Decentralisation of authority takes place at the middle and lower level of management.

(b) Methods of achieving objectives of consumer protection:

1. Self-regulation of the business
2. Consumer awareness/self-help by consumer.
3. Consumer associations
4. Government control (legislative measures)

(heading with explanation of all four points)

(c) **Qualities of a good leader:**

- Sound physique
- Intelligence
- Initiative
- Integrity
- Decisiveness
- Emotional stability
- Self-confidence and will power
- Communication skills
- Vision and foresight
- Sense of responsibility
- Social skills

(Any five points - heading with explanation)

Question 6

- (a) Explain *any three* barriers to communication. [3]
- (b) Explain the features of *planning* as a function of management. [4]
- (c) Explain the various steps involved in the process of *organising*. [5]

Comments of Examiners

- (a) This part was answered well by most of the candidates. Some candidates did not give the explanation in synchronization with the heading.
- (b) Majority of the candidates understood the question and answered it well. Some candidates gave the importance of planning/ steps to planning instead of the features. Several candidates wrote the features of planning but could not substantiate the headings with proper explanation. Points were repeated in many answers.
- (c) Several candidates could not elaborate upon the steps of organizing in a proper sequence, which resulted in loss of marks. A few candidates gave the steps of planning instead of steps of organizing.

Suggestions for teachers

- More writing practice should be given to candidates and shortcomings in answers discussed.
- Systematic revision can help candidates retain the subject matter and avoid confusion between features, importance and steps in planning.
- Instruct students to write the steps in a proper sequence.

MARKING SCHEME

Question 6.

- (a) Barriers to communication:
1. Physical barrier
 2. Personal or psychological barrier
 3. Semantic barrier
 4. Status barrier
 5. Organisational barrier
 6. Inattention
 7. Premature evaluation
 8. Language barrier
 9. Different comprehensions of reality

(Heading with explanation – any three)

(b) Features of planning as a function of management:

1. Goal oriented
2. Future oriented/forward looking
3. Intellectual process
4. Pervasive function/common to all
5. Continuous function
6. It aims at efficiency
7. Primary function
8. Selective in nature/involves choices.

((Heading with explanation – any four))

(c) Steps involved in the process of organising:

1. Division of work
2. Grouping activities
3. Assigning duties
4. Delegation of authority
5. Co-ordinating activities

OR

1. Identifying work to be performed }
Division of work }
2. Grouping of similar activities
3. Assignment of duties
4. Delegation of adequate authority }
Defining responsibility relationship }
5. Providing proper physical facilities }
Proper coordination and communication }

(Five points to be explained in the given order)

Question 7

Write short notes on:

- | | |
|----------------------------------|-----|
| (a) Maslow's theory of needs. | [4] |
| (b) Line and staff organisation. | [4] |
| (c) Modern concept of marketing. | [4] |

Comments of Examiners

- (a) Several candidates were unable to follow the 'hierarchy of needs'.
- (b) Majority of the candidates failed to give a satisfactory answer. The explanation given by candidates were vague and generalized.
- (c) Several candidates wrote the definition of 'market' instead of 'modern concept of marketing'. A few candidates wrote the definition without writing the features and they repeated the points several times. The core of modern concept of marketing, that is, consumer satisfaction was missing in most of the answers.

Suggestions for teachers

- Tell students that a proper sequence must be followed while writing Maslow's hierarchy of needs.
- Each type of organization, that is, line, line and staff, functional organization must be taught and their features, merits and demerits discussed in detail in class.
- Ensure that students know the role of 'line' and 'staff' in the organization.
- The difference between the modern concept of marketing and the traditional concept of marketing must be clearly brought out.

MARKING SCHEME

Question 7.

(a) **Maslow's hierarchy of needs:**

According to Maslow, human needs can be classified into five categories and can be arranged in order of their importance or priority. This arrangement of human needs according to their priority is called "hierarchy of needs":

- Physiological needs
- Safety or security needs
- Social or affiliation needs
- Ego or esteem needs
- Self-actualisation needs.

(points to be explained in the given order)

(b) **Line and Staff Organisation:**

Meaning: Line and staff organisation is a combination of line structure and the functional structure. The line managers serve to maintain unity of command while the staff provides expert advice and counsel for efficient management. In this system is bifurcated into conceptual and executive functions.

Features:

- Planned Specialisation: /separation of planning and execution. Line Managers are relieved of day to day jobs. They can concentrate on executive functions and they get expert advice or counsel from staff.

- Balanced decisions: Staff specialists provide adequate information and expert advice at the right time so that executives can take better decisions.
- Discipline: Unity of command is maintained, staff provides only advice they cannot issue instructions to subordinates in line department. There is a direct chain of command which facilitates decision.
- Line managers have undivided authority which cannot be delegated.
- In Line and staff organization, there is scope for growth and expansion. But, in this, there is generally a conflict between line executives and staff specialists. Lack of well-defined authority results in confusion and lack of coordination. Lastly, line and staff structure is more expensive because two separate sets of personnel are required. In practice, line and staff structure has become most popular in larger organizations. Often an enterprise begins with line structure and adds up staff specialists as the business expands.

(Meaning and any three)

(c) Modern concept of Marketing:

- Meaning: According to the modern concept of marketing, marketing is the process of planning and executing the conception pricing, promotion and distribution of goods and services and ideas to create exchanges with large groups that satisfy consumers and organisational objectives.
- Features: Modern concept of marketing is a wider concept/ which focuses attention on the consumers and satisfaction of their needs.
- Marketing begins much before production /and continues after sales (to provide after sale services)
- Modern marketing is a two way traffic wherein the marketer provides satisfaction and consumer provides feedback or response to the efforts of the marketers.
- Modern marketing is customer oriented/ It involves marketing research in order to understand and satisfy needs of the consumers/ Modern marketing is a dynamic process which aimed at satisfying customer's needs.

(Meaning and any three)

Question 8

- (a) Explain *any three* elements of Promotion Mix. [3]
- (b) Explain the meaning of: [4]
- (i) SMS alert
- (ii) Fayol's principle of centralization
- (c) Explain *any five* sources of external recruitment. [5]

Comments of Examiners

(a) Instead of writing about the 'elements of promotion mix', some candidates wrote about the 'elements of marketing mix'. Others wrote the elements correctly, but the keywords necessary to be incorporated in the answer, such as, 'paid form' and 'identified sponsor' were missing. Several candidates gave a generalized explanation and at times, elements had overlapping explanation. For example, 'creation of demand' and 'persuading customer' were mentioned in every element of promotion mix, by a few candidates.

Suggestions for teachers

- Interactive sessions which include group discussions are a must and should be encouraged by teachers.
- Instruct students to read the question carefully and then answer the same.

(b) (i) This part was answered correctly by majority of the candidates.

(ii) The principle of centralization, as given by Henry Fayol, was not written correctly by a number of candidates. Many candidates explained in general about centralization and got confused between 'centralization' and the 'principle of centralization' as advocated by Henry Fayol.

(c) Majority of the candidates answered this question correctly. However, some candidates repeated the sources, which resulted in loss of marks. Several candidates wrote 'Internet' and 'website' as two separate points; similarly Newspaper, Magazines and Advertisements were written separately by some candidates.

MARKING SCHEME

Question 8.

(a) Elements of Promotion Mix:

- Personal selling - face to face/direct or oral presentation between buyer and seller to persuade and sell.
- Advertising - paid/non personal/identified sponsor/stimulate, create and educate customer.
- Publicity-non paid/personal or non-personal/no sponsor/ positive or negative features.
- Sales Promotion – all activities other than advertisement, publicity and personal selling and includes exhibition fairs, coupons, samples, etc. Activities that are non-recurring or non-routine in nature.

(Any three with brief explanation)

- (b) (i) SMS Alert: Under this service, customer gives his/her mobile number. The bank records the mobile number in its computer system in the customer's account. Whenever, a transaction takes place in the customer's account, the customer receives information about withdrawal and deposits by an SMS on his/her mobile phone. The SMS states the nature and amount of transaction, date of the transaction and the balance in the account on that date.
- (ii) According to Fayol, everything that increases the importance of subordinate's role is decentralisation and everything that reduces it is centralisation. Centralisation and decentralisation is a matter of proportion and the right proportion between them should be decided keeping in view the circumstances of the particular case. There should be a proper balance between centralisation and decentralisation.

(c) Sources of external recruitment are:

1. Advertisements
2. Employment Exchanges
3. Educational Institutions/university or campus recruitment.
4. Placement agencies/ private employment agencies
5. Casual callers/waiting list
6. Direct recruitment
7. Recommendation from present employees
8. Labour contractors or jobbers
9. Intermediaries –agent or any other intermediary not covered as separate point.
10. Gate giving
11. Internet/webs

(Any five with brief explanation)

Question 9

- (a) Write the meaning of the following types of plans: [3]
- (i) Policy
 - (ii) Procedure
 - (iii) Method
- (b) Explain *any four* functions of a supervisor. [4]
- (c) What is *packaging*? Explain *three* functions of packaging. [5]

Comments of Examiners

- (a) The explanations given by candidates were inadequate and vague; at times, the same explanation was repeated in all the headings. Candidates did not seem to have conceptual knowledge related to all types of plans. Many candidates ignored keywords while explaining about policy, procedure and method.
- (b) Some candidates confused ‘functions of a supervisor’ with ‘qualities of a good leader’. In several cases, the headings were written correctly but explanations were not satisfactory.
- (c) A number of candidates got confused between ‘packing’ and ‘packaging’. The complete meaning was not written in many cases. At times, the same points were repeated by candidates.

Suggestions for teachers

- Different types of plans must be explained well with illustrations and case studies.
- Ensure that students know the importance and significance of key words in an answer.
- Encourage group discussion in class on functions of a leader and supervisor: Who is a supervisor? What functions does he perform? What is his job in the organization? Answers to these questions must be known to students.
- The exact meaning of packaging should be clarified by making students aware of the keywords and their significance.

MARKING SCHEME

Question 9.

- (a) **Policy:** A policy is a general statement that guides decision making. Policies define the boundaries within which decisions can be made and they direct decisions towards the accomplishment of objectives.

Procedure: A procedure describes the exact manner in which a certain activity is to be performed. It is a chronological sequence of steps to be taken. It helps to ensure consistency and uniformity of action by avoiding chaos and random activity.

Methods: Methods are formalised and standardised ways of accomplishing repetitive and routine jobs. They are designed to keep operations running on planned and desired lines to prevent confusion and to ensure economy and efficiency.

- (b) Functions of a Supervisor:

- Scheduling the work.
- Issuing orders and instructions
- Guiding subordinates
- Motivating workers
- Maintaining discipline
- Handling grievances
- Monitoring performance/coordinate
- Ensuring safety
- Reporting/feedback
- Serving as a linking pin

(Any four points with brief explanation)

- (c) Packaging:

Packaging refers to covering, wrapping, crafting, filling, compressing of goods to protect them from spoilage, pilferage, breakage, leakage, etc.

OR

Packaging involves designing and producing appropriate packages for products.

Benefits:

1. Protection
2. Identification
3. Prestige
4. Economy
5. Reuse or resale
6. Promotion
7. Convenience
8. Innovation

(Meaning and functions)

GENERAL COMMENTS:

(a) Topics found difficult by candidates in the Question Paper:

Question 1: (iv) Factoring.

(v) Gross working capital & net working capital

(viii) Right Shares

(ix) Marketing research

Question 2: Management as an Art.

Question 3: Factors affecting capital plan.

Question 4: Sweat equity shares.

Question 5: Centralization & decentralization

Question 7: Line and staff organization

Question 8: Fayol's principle of centralization

(b) Suggestions for candidates:

- Study regularly.
- Write differences in a tabular form, making sure that the differences correlate with each other.
- Write steps sequentially, in the correct order.
- Headings and explanation must correlate with one another.
- Learn time management.
- Read and understand the question before attempting to answer.
- Avoid writing overlapping of points.