

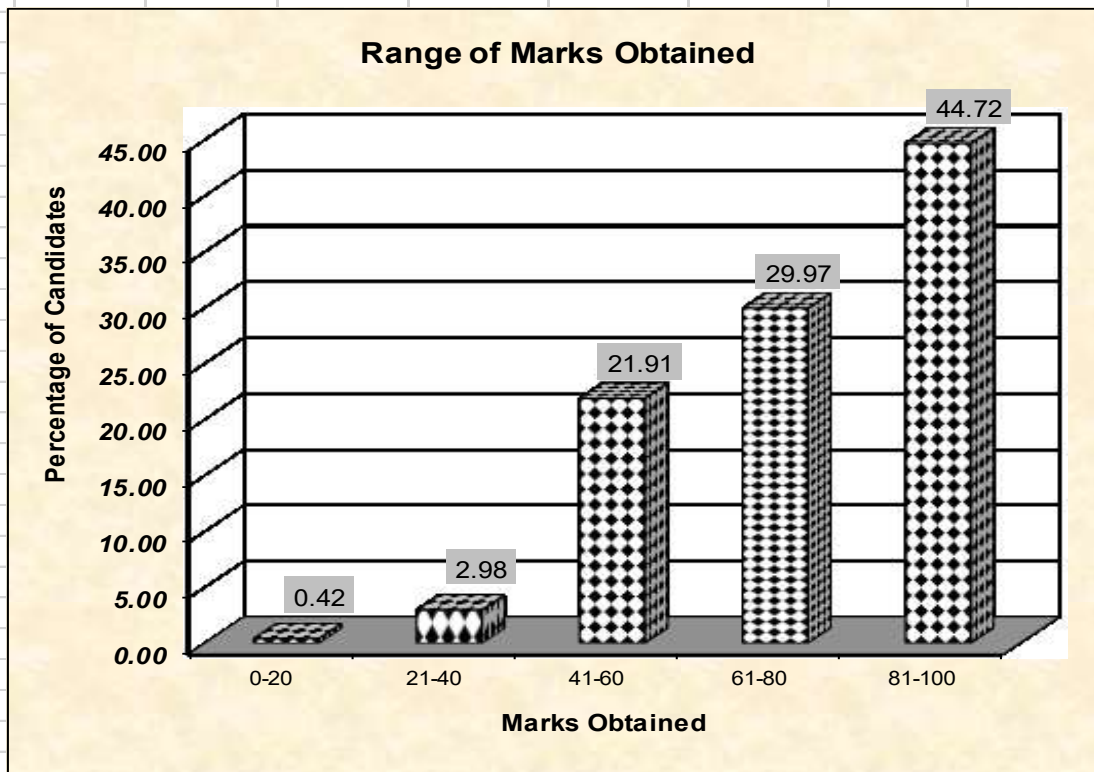
COMMERCIAL STUDIES

STATISTICS AT A GLANCE

Total Number of students who took the examination	12,022
Highest Marks Obtained	100
Lowest Marks Obtained	12
Mean Marks Obtained	75.14

Percentage of Candidates according to marks obtained

Details	Mark Range				
	0-20	21-40	41-60	61-80	81-100
Number of Candidates	51	358	2,634	3,603	5,376
Percentage of Candidates	0.42	2.98	21.91	29.97	44.72
Cumulative Number	51	409	3,043	6,646	12,022
Cumulative Percentage	0.42	3.40	25.31	55.28	100.00



COMMERCIAL STUDIES

ANALYSIS OF PERFORMANCE

Question 1

Distinguish between:

- (a) *Advertising and Publicity.* [2]
- (b) *Stakeholders and Customers.* [2]
- (c) *Marketing and Sales.* [2]
- (d) *Controllable Costs and Uncontrollable Costs.* [2]
- (e) *The Central Bank and a Commercial Bank.* [2]

Examiners' Comments

- (a) Some candidates answered correctly, but most were confused about the term publicity and wrote vague and incorrect answers.
- (b) Most candidates wrote correct answers. Only a few however got confused and wrote incorrect answers.
- (c) Candidates got confused and wrote about market instead of marketing.
- (d) No noticeable errors made by candidates.
- (e) Most candidates answered correctly.

Suggestions for teachers

- It is important to relate advertisement with publicity and explain the concepts with examples/illustrations.
- Emphasis should be given about the concept of stakeholders and customers citing examples.
- Explain the chapter from the not only from the book but also explain concepts with suitable examples to give clarity.
- Topics should be frequently discussed to enable a better understanding of concepts

MARKING SCHEME**Question 1.**

(a)

	Advertising	Publicity
1.	To stimulate and create demand for products.	To create a favourable public opinion about the organisation.
2.	It is directly paid by the sponsor	It is not paid by the sponsor.

(b)

	Stakeholder	Customer
1.	He may or may not buy a product or a service from the business concern	He is the one who buys a product or service from the organization
2.	He supplies financial/human capital to the organization	He does not supply any capital to the organization

(c)

	Marketing	Sales
1.	It involves identifying and satisfying wants	It involves exchanging goods/services for money
2.	It ensures growth and stability of the firm – aims at achieving long term goals.	It aims at achieving short term goals i.e. maximization of profits through increase in sales volume.

(d)

	Controllable Cost	Uncontrollable Cost
1.	It can be controlled or regulated by an organization	It is beyond the administrative control of an enterprise
2.	Example – Inventory cost can be controlled	Example – Cost of obsolescence cannot be controlled.

(e)

	Central Bank	Commercial Bank
1.	It regulates the entire Banking system of a country	It received deposits and grants loan to the public

2.	It is the Banker to the Government	It is the Banker to the Public.
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Question 2

- (a) What is meant by ‘Recruitment’? [2]
- (b) Give any *two* advantages of advertising by Television. [2]
- (c) Briefly explain the term ‘Insurance’. [2]
- (d) Give *two* advantages of Marketing Research. [2]
- (e) What is meant by Environmental Ethics? [2]

Examiners’ Comments

- (a) Most candidates answered correctly. Only a few were confused with the term ‘selection’.
- (b) Most candidates wrote correct answers. However, some got confused and mistook it with factors determining the choice of media.
- (c) Key words were missing in many answers of the candidates with some being confused on understanding the concepts.
- (d) A few candidates wrote ambiguous answers with many candidates writing answers on marketing instead.
- (e) Most candidates answered correctly. Some only wrote the examples.

Suggestions for teachers

- Emphasis must be given while explaining the two concepts with examples.
- It is an important as well as an interesting topic. The interest can be infused through interactive class and examples taken from practical life.
- A thorough explanation must be done with the help of notes and examples.
- The topic must be taught with a clear distinction won concepts related to marketing.
- Regular assignments and class discussions with notes will help in bringing clarity to the topic.

MARKING SCHEME

Question 2.

- (a) Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.
- (b) Products can be demonstrated and their users are informed about availability of products in the market.
- (c) It is a contract whereby one part agrees to compensate a loss caused by some uncertain event for a price(Premium)
- (d) Advantages of Marketing Research :
 - (i) It helps in identifying potential market for a particular product.
 - (ii) It helps in assessing customers' response to a new product.
- (e) Moral principles guiding environmental affairs are called environmental ethics. These are concerned with the values, we as a society apply, with regard to our Earth

Question 3

- (a) What is a Trade Union? [2]
- (b) Enumerate *two* types of Warehouses found in India. [2]
- (c) Explain the term 'Budget'. [2]
- (d) Give *two* advantages of Rail Transport over Road Transport. [2]
- (e) Name any *two* forms of Non-Verbal Communication. [2]

Examiners' Comments

- (a) Barring a few, most candidates answered correctly.
- (b) Answered correctly by most candidates.
- (c) Most candidates answered correctly but a few got confused and compared it with the Government Budget.
- (d) Answered correctly by most candidates. Few candidates however wrote advantages of both rail and road.
- (e) Most candidates answered correctly but a few were unable to understand the meaning of non-verbal communication.

Suggestions for teachers

- Emphasis has to be given on learning the definition thoroughly.
- Concept should be explained clearly with examples and frequent written work.
- Focus should be given on each mode of transport along with a comparative study.
- Comparative analysis of both verbal and non-verbal communication should be made clear.

MARKING SCHEME

Question 3.

- (a) Trade Union is a voluntary association of workers formed to promote and protect their interests by collective action.
- (b) Warehouses found in India are :
 - (i) Public Warehouse- meant to store goods that belong to any enterprise for charges.
 - (ii) Private Warehouse- meant to store goods of producers who own the warehouse.
 - (iii) Bonded Warehouse- situated near a port, and abides by custom rules.
- (c) A budget is a financial and/or quantitative statement, prepared prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective.
- (d) Advantages of Rail Transport over Road Transport :
 - (i) Rail Transport can carry heavy and bulky goods but Road Transport cannot.
 - (ii) Rail Transport carries passengers and goods to distant places whereas, Road Transport can cover only short distances.
- (e) Two forms of Non-Verbal Communication :
 - (i) Visual Communication
 - (ii) Aural Communication

Question 4

- (a) Write a short note on Recurring Deposits. [2]
- (b) Briefly explain the term 'Pension'. [2]
- (c) Mention any *two* factors to be kept in mind while determining the price of a product. [2]
- (d) Give *two* measures to ensure the sustainable use of resources. [2]
- (e) State any *two* demerits of Advertising. [2]

Examiners' Comments

- (a) Most candidates answered correctly but a few were confused on comprehending the different types of deposits.
- (b) Many candidates were unable to explain the term.
- (c) Answered correctly by most candidates.
- (d) Most candidates wrote ambiguous and vague answers with no proper concept.
- (e) Answered correctly by most candidates.

Suggestions for teachers

- The different types of deposits should be explained clearly with the help of a comparison table.
- The topic has to be discussed in detail with the help of examples.
- A thorough and detailed explanation with help of examples is essential for a thorough understanding of the topic.

MARKING SCHEME

Question 4.

- (a) Recurring Deposits – In this type of account, a customer is allowed to deposit a certain amount of money every month for a specified period of time. At the end of the period, he is given the total deposit along with the interest.
- (b) Pension scheme was launched with the objective of providing long term recurring financial assistance to the employee after retirement and to his family in case of premature death, while in service.
- (c) Factors kept in mind while determining price of product :
 - (i) Cost of product
 - (ii) Extent of competition
- (d) We can ensure Sustainable use of resources by :
 - (i) Reducing over use or excessive use of resources.
 - (ii) Recycling and reuse of waste material.
- (e) 'Advertising undermines social values'. The reasons to support the given statement are as follows :
 - (i) It degrades ethical and aesthetic values through nude photographs and indecent language.
 - (ii) It encourages social evils like drinking and smoking.

Question 5

- (a) Briefly explain the five main objectives of Marketing. [5]
- (b) Explain any two methods of *On-the-Job* Training. [5]

Examiners' Comments

- (a) Most candidates answered correctly however some wrote on the functions of marketing instead.
- (b) Most answers were written correctly. However a few wrote vague answers and were confused with methods relating to on-the-job and off-the-job.

Suggestions for teachers

- The topic should be revised thoroughly in the class with the help of assignments.
- Encourage students to study all study and revise the topics extensively.

MARKING SCHEME

Question 5.

(a) The main objectives of Marketing :

- (i) Creation of Demand – The first purpose of marketing is to create demand for goods and services.
- (ii) Customer satisfaction – Modern marketing is customer oriented. Today, all marketing activities begin and end with the customers.
- (iii) Market share – Every business firm seeks to have a reasonable share of the total demand.
- (iv) Profitability and growth – Marketing seeks to achieve long term goals of profitability and growth by satisfying the wants of customers.
- (v) Goodwill – Marketing aims at building the reputation of the enterprise over a time.

(b) Methods of on-the-job training :

- (i) Coaching – An employee is trained on-the-job by his immediate superior.
- (ii) Job Rotation – The employees move from one place to another at planned intervals.
- (iii) Temporary Promotion – A junior employee may be given a promotion on temporary basis to handle that position.
- (iv) Special Committee – Managers from various functional areas form a committee to train existing employees from different viewpoints.
- (v) Assistant to senior positions – A junior is made assistant to a senior person so as to work under his command and his guidance.
- (vi) Apprenticeship – Job instruction training. (Any two)

Question 6

- (a) Distinguish between Capital Expenditure and Revenue Expenditure. [5]
(b) Explain any *two* principles of Insurance. [5]

Examiners' Comments

- (a) Few candidates wrote vague answers that reflects a lack of understanding of the topic.
(b) The principles were not explained with conviction by a majority of candidates.

Suggestions for teachers

- The Topic require a detailed explanation with the help of examples and written assignments.
- These topics need to be discussed thoroughly with adequate notes and classroom discussion.

MARKING SCHEME

Question 6.

(a)

	Capital Expenditure	Revenue Expenditure
1.	It is incurred for the acquisition or erection of Fixed Assets.	It is incurred for day-to-day conduct of business
2.	It increases the earning capacity of the business	It does not increase the earning capacity of the business
3.	Benefit extends to more than one year	Benefit extends upto one year
4.	It is shown in the Balance Sheet as an asset	It is shown as an expense in the Trading or Profit & Loss Account
5.	It is of a non recurring nature	It is recurring in nature.

(b) Principles of Insurance :

Utmost good faith,

Indemnity,

Insurable Interest,

Proximate cause,

Mitigation of loss

Contribution of Doctrine of subrogation. –(Any two to be explained)

Question 7

- (a) Explain any *two* Internal sources of Recruitment. [5]
- (b) Explain any two functions of the Central Bank of the country. [5]

Examiners 'Comments

- (a) Majority of candidates who attempted this question were able to answer correctly. Only a few got confused with the external sources of recruitment.
- (b) Most candidates answered correctly.

Suggestions for teachers

Emphasis must be stressed on a carefully reading and understanding of the question before attempting to answer.

MARKING SCHEME

Question 7

- (a) Internal sources of recruitment :
- (i) Promotion :
 - (ii) Transfers
 - (iii) Hiring from Ex-Employees
 - (iv) Through Labour Unions
- (b) Two Functions of the Central Bank :
- (i) Sole Monopoly of Issue of Currency notes:
 - (ii) Banker to the Government:
 - (iii) Banker to the Banks:
 - (iv) Custodian of Foreign Currency:
 - (v) Maintenance of Exchange rate :
 - (vi) Lender of the last resort
 - (vii) Providing Clearance House facilities. (Any two to be explained)

Question 8

- (a) Give any *five* expectations of Creditors from a Business Enterprise. [5]
- (b) State any *five* codes of conduct adopted in the field of Advertising. [5]

Examiners' Comments

- (a) Most candidates got confused with the expectations of creditors and that of other stakeholders.
- (b) Many candidates wrote about various methods of advertisement like radio, TV etc. Others wrote about the themes of advertisement like prestige, beauty etc.

Suggestions for teachers

- Each expectation should be explained clearly with written assignments.
- The various codes of advertisement should be explained clearly giving examples.

MARKING SCHEME

Question 8.

- (a) Expectations of Creditors :
 - (i) To receive fair rate of interest on loans.
 - (ii) To get regular interest on loans and advances.
 - (iii) To receive repayment of loans on due dates.
 - (iv) To get correct information about the financial position of the organization.
 - (v) To expect healthy and cooperative relationship.
- (b) Rules of conduct for Advertisers :
 - (i) Not to violate Trademark, patent, Copyright and Publicity Acts.
 - (ii) Not to make exaggerated claim about the quality of products and/or services.
 - (iii) Not to publish misleading advertisements on obscene matters.
 - (iv) Not to advertise any matter that may hurt the religious sentiments.
 - (v) Not to disclose any confidential information for short term benefit.

Question 9

- (a) What is meant by 'Barriers to effective Communication'? Explain any *four* barriers. [5]
- (b) Explain *five* main rights of consumers as provided in the Consumer Protection Act, 1986. [5]

Examiners' Comments

- (a) Most candidates missed out on the first part of the question and some got confused with the elements of communication in the second part of the question.
- (b) Most candidates answered correctly. However, few answers were general and abstract. Instead of right to be informed, it was written as right to information.

Suggestions for teachers

- Emphasis should be given to read the paper thoroughly and avoid selective study.
- It is an important topic and it has to be explained with the help of examples and notes.

MARKING SCHEME

Question 9.

Any type of hurdle, stoppage, etc. in the way of effective communication is called Barriers to Communication. They are:

- (i) Language Barrier – The pronouncement of words may not be clear.
 - (ii) Physical Barrier – Physical distance between the sender and receiver may also be an obstacle.
 - (iii) Emotional Barrier – These barriers often arise due to lack of mutual trust and confidence.
 - (iv) Semantic Barrier – This arises due to symbolic system itself. The same symbol may carry different meanings to different people.
 - (v) Status Barrier – The difference between the status of sender & receiver may also be an obstacle to effective communication.
- (c) Five main Rights of Consumer :
- (i) Right to safety – The consumers have no right to get protection against the risks involved in the consumption of drugs, toys, electrical appliances, etc.
 - (ii) Right to be informed – The consumer has the right to be informed about the quality, quantity, potency, purity, etc. of the goods he intends to purchase.
 - (iii) Right to choose – The consumer should be assured access to a variety of goods at competitive prices.
 - (iv) Right to be heard – Consumer has the right to register his dissatisfaction and get his complaint heard at appropriate forums.
 - (v) Right to seek redressal – Consumer has the right to get claims and complaints settled against sellers due to unfair trade practices and exploitation by them.

Question 10

Prepare a Trading, Profit & Loss A/C and Balance Sheet of Ms Jindal Enterprises for the year ended 31st March, 2011 from the following Trial Balance. [10]

The Closing Stock on 31st March was valued at `26,000.

Trial Balance

Heads of Accounts	Dr.(Rs.`)	Cr. (Rs.`)
Capital		20,000
Drawings	1,500	
Cash at Bank	1,400	
Purchases & Sales	22,000	45,000
Returns	2,000	1,000
Discount	400	
Carriage Outwards	600	
Salaries	6,000	
Trade Expenses	1,200	
Opening Stock	5,000	
Bad Debts	600	
Rent	1,500	
Machinery	36,000	
Furniture	5,000	
Debtors & Creditors	5,000	10,000
Stationery	2,500	
Commission		300
Bank Loan		14,400
	90,700	90,700

Examiners' Comments

- (i) Many candidates answered correctly. However Postings of return inward and return outward were interchanged. Closing stock was shown in balance sheet but was missing from the Trading account. The entries on commission and trade expenses were wrongly posted.
- (ii) A few candidates posted entries correctly but did not calculate the gross profit/loss, net profit/loss or the total of the balance sheet.

Suggestions for teachers

Regular practice is necessary. Step by step teaching beginning with theoretical knowledge followed by solving the numerical problem is essential and necessary.

MARKING SCHEME**Question 10.**

Trading and Profit and Loss Account of Ms Jindal Enterprises for the year ending 31st March, 2011.

Dr.

Cr.

Particulars	Amount	Particulars	Amount
To Opening Stock	5000	By Sales : 45000 less Returns 2000	43000
To Purchases : 22000 less Returns 1000	21000	By Closing Stock	26000
To Gross Profit transferred to P&L A/C	43000		
	69000		69000
To Salary	6000	By G.P. transferred From Trading A/C	43000
To carriage outwards	600		
To Rent	1500	By Commission	300
To Discount	400		
To Sundry Trade Expenses	1200		
To Bad Debts	600		
To Stationery	2500		
To Net Profit transferred To Capital A/C	30500		
	43300		43300

Balance Sheet of Ms Jindal Enterprises as on 31st March, 2011

Liability	Amount	Asset	Amount
Creditors	10000	Cash in hand and at Bank	1400
Bank Loan	14400	Machinery	36000
Capital : 20000 Less drawings 1500 18500 Add Net Profit 30500	49000	Debtors Furniture	5000 5000
		Closing Stock	26000
	73400		73400

Topics found confusing/difficult:

- ❖ Publicity
- ❖ Insurance
- ❖ Environmental ethics
- ❖ Code of conduct for advertisers
- ❖ Sustainable use of resources
- ❖ Entries in the Trading and Profit & Loss Account and Balance Sheet.

Suggestions for candidates:

- ❖ Reading time must be utilised judiciously.
- ❖ Selective study must be avoided.
- ❖ Thorough revision be done by practising from previous years question papers.
- ❖ Draw charts and give examples wherever required.
- ❖ Write the distinctions in tabular form along with the basis of distinction.
- ❖ Long answers should be explained in points with appropriate headings (paragraph form explanations to be avoided).
- ❖ Main points should be highlighted by an UNDERLINE.
- ❖ Good and neat handwriting will be an added advantage.