

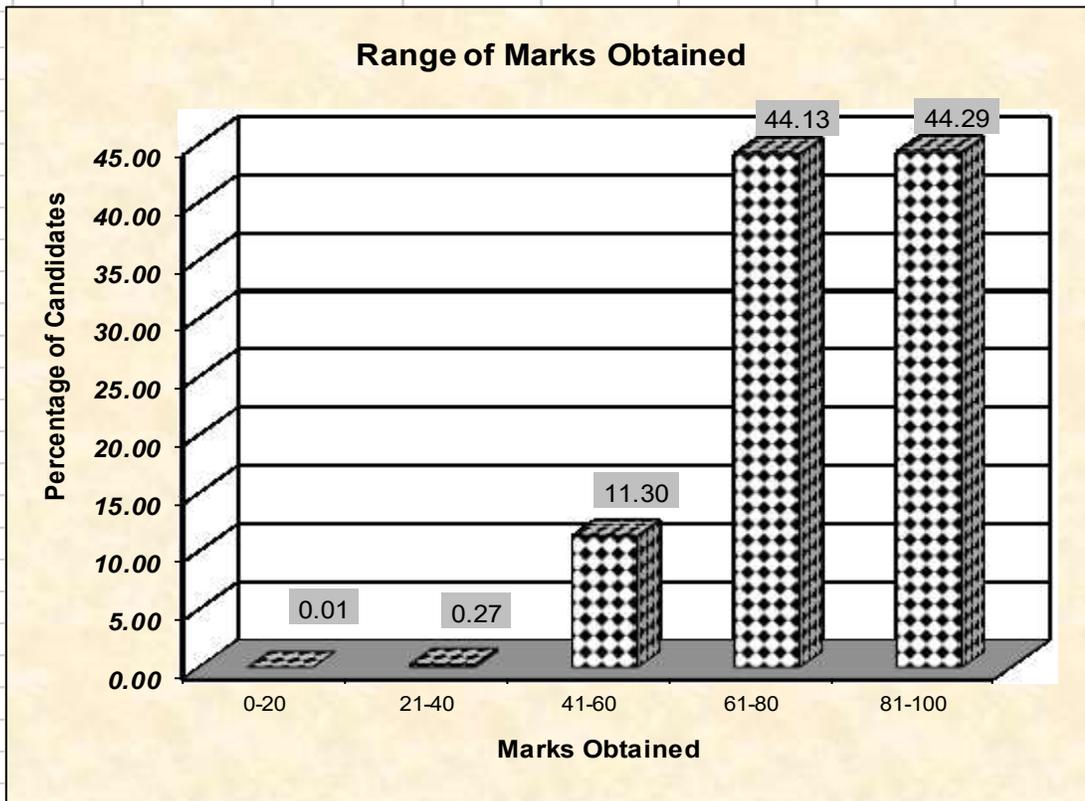
## COMMERCIAL APPLICATIONS

### STATISTICS AT A GLANCE

Total Number of students who took the examination	12,879
Highest Marks Obtained	100
Lowest Marks Obtained	18
Mean Marks Obtained	78.67

### Percentage of Candidates according to marks obtained

Details	Mark Range				
	0-20	21-40	41-60	61-80	81-100
Number of Candidates	1	35	1,455	5,684	5,704
Percentage of Candidates	0.01	0.27	11.30	44.13	44.29
Cumulative Number	1	36	1,491	7,175	12,879
Cumulative Percentage	0.01	0.28	11.58	55.71	100.00



## COMMERCIAL APPLICATIONS

### ANALYSIS OF PERFORMANCE

#### Question 1

State the difference between each of the following:

- (a) *Commodity* market and *Capital* market. [2]
- (b) *Skimming* pricing and *Penetrating* pricing. [2]
- (c) *Current Deposit Account* and *Saving Deposit Account*. [2]
- (d) *Training* and *Education*. [2]
- (e) *Money costs* and *Real costs*. [2]

#### Examiners' Comments

- (a) Most candidates answered this question incorrectly. Commodity market and capital market were not explained with key words with concepts being unclear.
- (b) Most candidates answered this question correctly. A few candidates got confused on skimming price and penetrating price and misinterpreted them both.
- (c) Most candidates answered this question correctly. A few candidates did not write the correct difference.
- (d) Most candidate answered this question correctly. A few candidates were unable to differentiate on practical and theoretical aspects.
- (e) Most candidates answered this incorrectly with the concept of Money costs and Real costs not being understood.

#### Suggestions for teachers

- A proper explanation with appropriate examples must be conducted in class. Emphasise on key words while explaining topics.
- Provide practical knowledge as far as possible and advise students to write the main points of distinction.
- A clear distinction should be made when difference based questions are asked that will enable students to comprehend and answer correctly.
- Explain with practical examples.
- A comparative and analytical discussion must be conducted regarding various types of costs and highlight key terms/words.

## MARKING SCHEME

### Question 1.

#### (a) Commodity market

- i. This is an organised market where commodities are bought and sold according to prescribed rules and regulations
- ii. eg. cotton

#### (b) Skimming pricing

- i. In this strategy, a very high price is set so that in the initial stage the cream of demand may be skimmed and the investment made in the product is quickly realised.
- ii. It is effective for new and distinctive products

- (c) **Current Account:** The number of withdrawals are not restricted. No Interest is paid

#### (d) Training

- i. Training involves increasing knowledge and skills for a specific job
- ii. Training is often given on the job

#### (e) Money costs

- i. Money costs means the amount of money which a producer spends on the production of a particular commodity
- ii. Money paid for hiring a factor of production is money cost.

#### Capital market

This is a specialised market for providing long-term finance to business enterprises

eg. stock exchanges, investment trusts, insurance companies

#### Penetrating pricing

This strategy involve setting a low price in the initial stage so as to make the brand quickly popular and to maximise the market share.

It is an aggressive pricing strategy and it may be used to restrict the entry of new firm in the industry.

**Savings Account:** The Number of withdrawals are limited. Nominal rate of Interest is paid.

#### Education

Education involves improving general knowledge and intelligence. Education is generally imparted in schools and colleges.

#### Real Costs

Real costs means the sacrifice, discomfort and pain involved supplying the factors of production by their owners. Such costs cannot be measured in terms of money.

Sacrifice made by the owner of factors of production is a real costs.

## Question 2

- (a) What is meant by “Variable Cost”? [2]
- (b) What is Tidal energy? [2]
- (c) Mention any four main reasons for the rapid growth of public relations. [2]
- (d) What is a ‘Balance Sheet’? [2]
- (e) State two essentials of a good advertisement. [2]

### Examiners’ Comments

- (a) Most candidates answered this question correctly. Some candidates however did not mention variable costs with reference to the volume of output.
- (b) Most candidates answered this question incorrectly. Some candidates misinterpreted “tidal energy” as hydel energy. They were not able to write the main concepts.
- (c) Most candidates were unable to answer this question correctly. Some candidates misinterpreted it as elements of public relations.
- (d) Most candidates answered this question correctly. A few candidates wrote that the Balance Sheet helps to depict profit and loss instead of its financial position.
- (e) Most candidates answered this question correctly.

### Suggestions for teachers

- Variable Cost must be explained with suitable examples.
- Provide adequate practice to bring clarity in concepts that will improve the understanding of the concerned topic.
- A clear explanation of concepts must be done to facilitate a better understanding.
- Teach students to be specific while writing answers.
- Regular tests through work sheets should be conducted in class.

## MARKING SCHEME

### Question 2

(a) Variable Cost:

- i) It varies in proportion to change in the volume of output
- ii) It is controllable

(b) Tides are caused by the gravitational force of the sun and the moon. The tides have a tremendous amount of mechanical energy. This energy can be used to generate electricity. Thus, tidal energy is derived from the tides of the oceans.

(c) i. Communication gap ii. Population growth iii. Recognition of social responsibility  
iv. Big Government v. Development of communication media vi. New ethical standards  
vii. Consumerism viii. Education in public relation.

( Any four reasons give two marks)

(d) Balance Sheet: It is a statement which shows the Assets & Liabilities of an Organisation on a particular date.

(e) Essentials of a Good Advertisement:

- i) Attention value
- ii) Memorizing value
- iii) Suggestive value

### Question 3

- (a) What are Receipts and Payments Accounts? [2]
- (b) What is understood by the 'Principle of consistency'? [2]
- (c) What is meant by 'Discounting of a Bill of Exchange'? [2]
- (d) What are the components of Marketing mix? [2]
- (e) What is meant by In-house market? [2]

### Examiners' Comments

- (a) Most candidates answered this question correctly. Some candidates however incorrectly related the given term with 'Income and Expenditure account'.
- (b) Only a few candidates answered the question correctly while others lacked the basic knowledge related to the Principle of consistency.
- (c) Most candidates answered the question correctly. Some candidates however were confused and wrote rediscounting of bills with the Central Bank.
- (d) Most candidates wrote the answer correctly.
- (e) Most candidates misinterpreted it as online marketing and answered incorrectly.

### Suggestions for teachers

- Adequate revision must be conducted in class to bring about clarity in answering questions.
- Encourage students to revise 'Principles in accounting' with key words.
- Concepts should be made clear to students through a sound revision.
- Regular practice is essential through question and answer sessions and paper solving techniques.
- Suggest role plays in class discussions that will help in better comprehension of concepts.

## MARKING SCHEME

### Question 3.

- (a) Receipts and payments account is a summary of cash transactions. It is prepared by a non-trading organisation at the end of every accounting year. In it, opening balance of cash in hand, cash at bank and all cash receipt are shown on the debit side. All cash payments are recorded on the credit side. The excess of debit side total over credit side total represents cash balance at the end of the accounting year.
- (b) This principle states that accounting procedure and methods should remain consistent from one year to another. These should not be changed from year to year otherwise the net profit of different year will not be comparable. However, change may be made to adopt improved techniques of accounting, to keep accounting flexible and to ensure better disclosure of financial information. In case a change becomes necessary, the change and its effect should be stated clearly.
- (c) Discounting of a Bill of Exchange : refers to Commercial Banks pay the amount of the bill before the date of its maturity after deducting discount charges.
- (d) Components of Marketing Mix: Product, Price, Place,& Promotion
- (e) Door-to-door sales persons visit the home of consumers and offer products to them. Before the visit, initial contact may be created through telephone or mailed-in-coupon. This is an effective method and offers great convenience to the customer. This offers a friendly and social environment for shopping.

### Question 4

Justify a reason either *for* or *against* each of the following:

- (a) Services are not homogeneous. [2]
- (b) Firms live forever (explain with reference to the concept of accounting). [2]
- (c) Public relations is a propaganda. [2]
- (d) The cost of sugarcane is an avoidable cost. [2]
- (e) A cheque is an inconvenient method of making payments. [2]

### Examiners' Comments

- (a) Most candidates answered this question correctly. Some candidates failed to give a proper justification.
- (b) Most candidates answered this question correctly, however a few candidates lacked conviction in answering.
- (c) Most candidates were unable to answer this question correctly as the term propaganda was interpreted wrongly by many candidates.
- (d) Most candidates were unable to justify the concept and therefore answered it incorrectly.
- (e) Most candidates answered this question correctly.

### Suggestions for teachers

- Encourage students to make an indepth study to make concepts simple. Advise students to read the question carefully.
- Practical examples will ensure a thorough understanding of the concept.
- Revision of closely related concepts will enhance a better understanding of topics.
- A clear explanation of the concept must be done to facilitate a better understanding.
- Highlight the significance of writing a cheque

### **MARKING SCHEME**

#### **Question 4.**

(Any two reasons give two marks)

- (a) FOR: Services are highly variable. A patient cannot get the same treatment in a village hospital which he can get in a metro hospital.
- (b) FOR: Account of a firm are prepared on the assumption that the firm will continue to exist forever. It is known as 'going concern concept' of accounting. It is on the basis of this concept that outstanding and prepaid expenses are recorded in the final accounts.
- (c) AGAINST: It involves analysing and understanding the attitudes and feeling of different stakeholders. It requires continuous efforts to create and sustain a good public image of the organisation.
- (d) FOR: Avoidable costs are those costs which can be avoided by discontinuing the business activity to which they relate. The cost of sugarcane can be avoided by closing down the sugarcane factory for one year.
- (e) AGAINST: A cheque is a very convenient method of making payment. There is no need of counting and checking notes when payment is made by a cheque.

### Question 5

- (a) Distinguish between a *Product and a Service* citing suitable examples. [5]
- (b) Describe the various steps involved in Personal selling. [5]
- (c) Explain the main principles of Accounting. [5]

#### Examiners' Comments

- (a) Most candidates answered correctly but failed to state relevant examples.
- (b) Most candidates answered correctly with a few candidates writing it in order.
- (c) Most candidates answered correctly. Some candidates wrote all the principles of accounting while few candidates wrote only two principles.

#### Suggestions for teachers

- Highlight the distinction between a product and a service with the help of suitable examples.
- Encourage students to read the question carefully before making an attempt to answer.
- Classroom discussions and role plays simplify concepts that enable an easy comprehension of the topic.

## MARKING SCHEME

### Question 5.

- (a) **Product:** 1. Its tangible, Fully separated from the seller, Quality can be measured and controlled, It can also be stored, It can be replaced.  
**Service:** It is intangible, Inseparable from the seller, difficult to control or measure, cannot be stored, cannot be replaced.

(b) STEPS IN PERSONAL SELLING PROCESS:

- (i) **PREPARATION:** First of all a well-trained and motivated sales force is developed. Sales positions must have knowledge of the firm and its products and services, competitors and their products and their services, customers and selling techniques.
- (ii) **PROSPECTING:** Prospecting means locating and identifying the potential buyers. A list of prospective customers can be prepared with the help of dealers, salespersons, telephone and trade directories etc.
- (iii) **APPROACH:** In this step, the salesperson makes face-to-face contact with the prospective buyer. The salesperson should introduce himself, greet the customer and start conversation with him/her so as to create a good first impression.
- (iv) **PRESENTATION:** Now the salesperson displays and describes the product to be sold. He should tactfully demonstrate the product and explain its quality, utility, performance etc. He should explain how the product meets the needs of the customer and arouses his interest.
- (v) **CONVINCING:** At this stage, the salesperson handles the objections raised by the customer. Objections should be considered as sales opportunities. Instead of arguing or losing temper, the salesperson should understand the causes of objections and should try to convince the customer.
- (vi) **CLOSING THE SALE:** The salesperson concludes the sale by obtaining the consent of the buyer. Some concession may be necessary for this purpose. The salesperson should know when and how to close the sale.
- (vii) **POST-SALE FOLLOW UP:** The salesperson should check whether the product sold is working to the satisfaction of the customer. Follow up action helps to win the trust and faith of the customer.

The steps in personal selling may be summed up in the acronym 'AIDCAM' which stands for Attention, Interest, Desire, Conviction, Action and More sales.

c) Main Principles of Accounting:

- i) Business Entity Concept
- ii) The Going concern concept
- iii) Money Measurement concept
- iv) Accounting Period concept
- v) Matching Principles

### Question 6

- (a) Describe any two stages of Marketing. [5]
- (b) 'Advertising is a Social waste'. Give reasons in support of your answer. [5]
- (c) Explain any two causes responsible for the destruction of the ecosystem. [5]

### Examiners' Comments

- (a) Many candidates answered the stages of a product life cycle instead of stages of marketing. Some candidates answered the stages of marketing but explained incorrectly. Candidates were confused with the explanation relating to that stage.
- (b) Most candidates answered incorrectly. Some candidates misinterpreted and wrote the advantages of advertising instead.
- (c) Most candidates answered correctly. Some candidates incorrectly wrote the effects of pollution instead of the causes of pollution.

### Suggestions for teachers

- Guide students to find examples of each type so that the topic develops an interest.
- Expose students to different patterns of questions on a topic, using different phrases. This will infuse confidence among them who in spite of knowing the answer were unable to comprehend the question.
- Environmental related topics must be taught and discussed in class as they form an integral part of the syllabus.

## MARKING SCHEME

### Question 6

- (a) Two Stages of Marketing:
- i) Production Oriented Stage
  - ii) Sales Oriented Stage
- i) Product Oriented Stage
- ii) Marketing Oriented Stage
  - iii) Social Marketing Stage
- (b) CRITICISM OF ADVERTISING:
- (i) Higher prices:  
Advertising increases prices of products to consumers because the expenses incurred on advertisement are passed on to consumers.
- (ii) Creation of Monopoly:  
Big firms spend huge amounts of money on advertising. Small firm cannot compete with them and ultimately fail. As a result, big firm become monopolies and use their monopoly power to exploit consumers.
- (iii) Wastages of resources:  
Money spent on advertising is sheer waste because it does not add to the utility of products and services. Most of the advertisement are either ignored or escape the attention of consumers. Advertisement do not create new demand but only shift demand from one product to another.
- (iv) Deceptive and untruthful:  
In order to impress the people, false statements and exaggerated claims are made in advertisements. As a result, innocent people are misled to buy inferior and even worthless products.
- (v) Extravagance :  
Advertising tempts people to buy goods which they cannot afford. They become extravagant and do not hesitate even to adopt corrupt practices to earn more.
- (vi) Vulgarity:  
Advertisements exploit emotions and sentiment of people. Several advertisements are vulgar, obscene and stupid. They are offensive to public decency and insulting to women. However, this can be checked by enforcing moral and ethical standard in advertisements. Advertising is used to promote sales of harmful products such as cigarette, liquor, etc.
- (c) (i) Population Growth:  
Rapid growth of human population is a major cause of environmental problems. It has caused destruction of natural resource, increasing extinction of species, soil erosion, falling water table, pollution of rivers and increase of harmful emissions in atmosphere.
- (ii) Industrialisation:  
Setting up of more and more industries and expansion of existing industrial units is leading to clearing of forest land and fertile agricultural land. Biological diversity is being lost forever. Industries produce chemicals, fertilisers, dyes, paints. Industrialization is an important cause of air pollution and water pollution.

(iii) Dwelling of Business Units:

In order to accommodate the migrating population to industries and commercial cities, more dwelling unit are being developed.

(iv) Transport:

For transport facilities new roads and railway lines are being constructed. Therefore, roads that were once croplands, forests and even wetlands are being occupied.

The traditional ecosystems are being altered to build schools, hospitals, community centres, sports complexes and government offices. Shallow lakes, ponds and other wetland area are being filled up due to non-availability of land. This not only causes destruction of the ecosystem but also affects the migratory birds living in the ecosystem.

(v) Tourism:

The development of facilities for tourism, pilgrimage, recreation and adventure are also major factor responsible for destruction of ecosystem. These facilities are developed in those areas which have rich natural resources. The eco-tourism no being promoted in India also involve opening up national parks and wildlife sanctuaries to tourists.

(vi) Mining:

Mining involves removal of minerals and other materials from the earth's crust for use by people. In India, more than 80,000 hectare of land is under the stress of mining activities.

(vii) Agriculture: Growing of crops involves use of fertilisers and pesticides, creation of irrigation and drainage facilities and removal of weeds.

(Any five points can be given marks)

### Question 7

- (a) Explain any two types of interviews conducted by an Enterprise in the selection of its employees. [5]
- (b) "Real investment in today's society is not in plant and machinery: it is in people". With reference to the above statement, examine the importance of Human resources in a business organisation. [5]
- (c) Distinguish between a *cheque* and a *Demand draft*. [5]

### Examiners' Comments

- (a) Most candidates answered correctly. A few candidates got confused with the types of test and wrote about Aptitude and Dexterity test.
- (b) Most candidates were unable to answer correctly. Some wrote the features or the functions of Human resources in a business organisation rather than the importance.
- (c) Most candidates answered correctly. A few candidates got confused on the concept of a Demand Draft.

### Suggestions for teachers

- A comprehensive understanding of topics must be carried out on a regular basis.
- Instruct students to read the question carefully before making an attempt to answer.
- All differences should be taught with the help of examples, as it not only results in conceptual clarity but also helps in better comprehension.

## MARKING SCHEME

### Question 7.

Selection or employment interview is a formal conversation between a candidate and the employer to judge the former's suitability for a job.

The following types of interviews are used in selection of employees:

(i) Structured or Patterned Interview:

This interview is not planned in advance. The questions to be asked and the time to be allowed to a candidate are decided in advance. This is the most common type of selection interview.

(ii) Unstructured or Non-Directive Interview:

This interview is not planned in advance. The questions to be asked and the expected reactions are not decided. Candidates are asked their views on relevant matters. This type of interview requires experienced interviewers.

(iii) Group Interview:

In this interview, a group of candidates are interviewed at the same time. They are given a problem for discussion and candidates express their views on the problem. The interviewers judge the views and initiative taken by the candidates.

(iv) Panel or Board Interview:

In this type of interview, the candidate is interviewed by a panel or board of selectors. Different interviewers ask questions on different topics. The candidate is judged on the basis of combined rating by the panel.

(v) Stress Interview:

The purpose of this interview is to see how candidates react to awkward questions and difficult situations. The interviewer deliberately adopts a hostile attitude by asking questions rapidly, by criticising the candidate, etc. The reactions of the candidate to stressful conditions is judged. If the candidate keeps his cool he is selected.

(b) Human resource management can help an enterprise in achieving its goals more efficiently and effectively in the following types.

(i) Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotional policies.

(ii) Developing the necessary skills and right attitude among the employees through training, development, performance appraisal etc.

(iii) Securing willing cooperation of employees through motivation, participation, grievance, handling, etc.

(iv) Utilising effectively the available human resources.

(v) Ensuring that the enterprise will have in future a team of competent and dedicated employees.

(c)	
CHEQUE	BANK DRAFT
i. A cheque is drawn by a person	A bank draft is always drawn by a bank.
ii. A cheque can be drawn payable to bearer	A draft cannot be made payable to bearer
iii. In case of a cheque the person who receives the payment has to pay collection charges.	In case of a draft commission is paid in advance by the sender of money.
iv. A cheque is dishonoured if the fund in the drawer's account are insufficient	The draft amount is taken in advance by the bank. There is no question of a draft being dishonoured.
v. The payment of a cheque can be stopped by giving a written notice to the concerned bank.	The payment of a bank draft cannot be so easily stopped.

### Question 8

Write short notes on:

- (a) *Persuasion* and *Empathy* as elements of Public Relations. [5]
- (b) Benefits of Training to a Business Enterprise. [5]
- (c) Uses of Income and Expenditure Accounts. [5]

### Examiners' Comments

- (a) Most candidates answered correctly but a few candidates failed to write a proper explanation.
- (b) Most candidates answered correctly. A few candidates however wrote the subheadings only.
- (c) Most candidates answered correctly. Some candidates however incorrectly wrote on profit and loss instead of surplus and deficit.

### Suggestions for teachers

- Classroom discussions must be supported with active role plays and question answer sessions.
- Encourage students to write answers pointwise to enable a better understanding of topics.
- Adequate revision must be conducted in class to bring about clarity in answering questions.

## MARKING SCHEME

### Question 8.

(a) Persuasion : means convincing somebody to believe in some idea or to take some action in favour of Business enterprise

Empathy: means looking at things and events from other's point of view.

- (b) (i) Trained employees can get employment more easily and quickly.  
(ii) Training helps employees to do the job more efficiently. They can earn more through higher productivity.  
(iii) Training increases adaptability of employees to new methods and new technology.  
(iv) Training helps to improve the motivation and morale of employee.  
(v) Training increases the chances of promotion of employees.  
(vi) Training improve mobility of employee from one organisation and place to another.

(c) USES:

- (i) Income and Expenditure Account shows the surplus or deficit arising from the activities of a non-trading concern during a year.  
(ii) It shows all items of income and expenditure. With the help of this information, the organisation can take steps to increase income and reduce expenditure.  
(iii) It serves as the basis for preparing the Balance Sheet of a non-trading organisation.  
(iv) It fulfils the statutory requirements because non-trading organisation are legally required to prepare it.  
(v) It is prepared on accrual basis and therefore include all accrued and outstanding items.

### Question 9

#### Case Study

With a glorious history of more than 50 years blended with a futuristic outlook, The Presidency Bank has become a leading financial institution. The Bank with its customer centric approach values transparency and nurtures knowledge and learning. It believes in the quality of its people and their efforts and therefore takes continuous initiatives for hiring the best talent and ensuring their development, motivation and growth through intensive training.

The Bank offers excellent career opportunities to dynamic individuals. In addition to exposure to a variety of banking segments, the Bank also provides personal growth opportunities for its employees.

With reference to the above:

- (a) Suggest a suitable source of recruitment for the Bank. Give reasons to support your answer. [5]
- (b) What Employment tests should be conducted by the Bank to select its employees? [5]
- (c) What type of Training methods should be adopted by the Bank to train its employees? Why? [5]

Examiners' Comments

- (a) Most candidates answered correctly. However the reasons were not appropriate and a few candidates wrote vague answers.
- (b) Most candidates wrote the types of training instead of tests that are conducted.
- (c) Most candidates answered incorrectly with a misinterpretation of training methods with that of types of training.

Suggestions for teachers

- Important topics must be comprehensively discussed in class and adequate practice in answering must be ensured.
- Encourage students to revise concepts relating to types of employment tests. Advise students to read case studies thoroughly and understand them.
- Classroom teaching and discussions must involve conceptual clarity as to what is being questioned with methods and types which have a different perspective of answering. Regular practice and correlation with the concepts from the topics already taught should be undertaken.

## MARKING SCHEME

### Question 9

- (a) Advertisement through Newspapers, Internet etc :
- i) It attracts a larger number applications.
  - ii) Secrecy is maintained through applications vis P.O ( Post box) ( Any other source with convincing explanation.) [5]
- (b) Employment Tests: i) **Proficiency Tests:**
- i) Achievement Tests
  - ii) Intelligence Tests
  - iii) Dexterity Tests
  - iv) Aptitude Tests
  - v) Personality Test
  - vi) Attitude Test ( Any two with explanation) [5]
- (c) Training Methods:
- i) On the job training is preferred (with explanation)

### Question 10

#### Case Study

Mbees Tec Ltd. has added its latest addition the Zt and Zht smartphones to its smartphone family. These have created a record of sorts by selling more than 1lac phones in three days since they were launched.

However Mr Pawan, CEO of Mbees Tec Ltd, believes that the Company could have bettered their sales if the supply was met as per the demand for its exciting new range of smartphones.

Mr. Pawan also added that the company stands to deliver on its promises and hence the production capacity has been increased to meet the ever rising demands of its newly launched smartphones that have unmatched features at highly competitive prices.

With reference to the above:

- (a) Explain the pricing strategy the Company has adopted to sell its new smartphones. [5]
- (b) Suggest a suitable media to advertise the newly launched smartphones of Ms Mbees Tech Ltd. [5]
- (c) Explain the stage of the product lifecycle of the smartphones as mentioned in the above case study with the help of a diagram. [5]

### Examiners' Comments

- (a) Most candidates got confused and wrote the wrong pricing strategy. Some candidates were unable to explain due to a lack of understanding.
- (b) Most candidates answered correctly. Some candidates however were unable to explain their answers in a comprehensive manner.
- (c) Most candidates wrote all the stages of marketing. A few candidates drew incorrect diagrams with some unable to explain the stages.

#### Suggestions for teachers

- Conceptual clarity must be made in all topics through intensive revision. Important concepts and commercial terms must be given due emphasis with regular practice and examples. Develop a logical and analytical outlook.
- Topics must be highlighted in class with adequate revision and classroom discussions. Case studies should be read carefully.
- Regular practice is essential through question and answer sessions and paper solving techniques. Well planned assignments and thorough revision would instil confidence among students.

### **MARKING SCHEME**

#### **Question 10.**

- (a) Parity Pricing / Penetrative pricing( can be used with an explanation)
- (b) Television/ Internet Media may be used since product can be demonstrated to new users.
- (c) Growth Stage: Sales grow rapidly, profit increases, possible extension of markets  
Diagram PLC .

### **Topics found confusing/difficult:**

- Discounting of Bills of Exchange
- The cost of sugarcane is an avoidable cost
- The importance of Human resources in a business organisation. "Real investment is not in plant and machinery, it is in people"
- Money cost and Real cost
- 'Advertising is a social waste' Given reasons
- Causes responsible for the destruction of the ecosystem
- Case study employment test and training methods
- Case study pricing strategy and stage of product lifecycle with diagram.

### **Suggestions for students:**

- Read case studies thoroughly and correlate them with the topics learnt.
- Learn and revise each topic on a regular basis.
- Follow the instructions given in the questions carefully.
- Read the question paper carefully and underline the main points.
- Write answers to the point.
- Justify correct or incorrect statements with a valid reason.
- Write differences in a tabular form
- Understanding key terms
- Revise answers before submitting answer scripts
- Question number and sub-questions should be indicated clearly.
- Be clear with the concepts, learn with the help of examples, make your own notes.
- Underline main points.
- Develop a logical and analytical skill for questions on case studies
- Practice diagrams.