

# Analysis of Pupil Performance

**Year 2018  
Examination**

**ICSE**

**COMMERCIAL  
STUDIES**



*Research Development and Consultancy Division*

**Council for the Indian School Certificate Examinations  
New Delhi**

**Year 2018**

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## FOREWORD

This document of the Analysis of Pupils' Performance at the ISC Year 12 and ICSE Year 10 Examination is one of its kind. It has grown and evolved over the years to provide feedback to schools in terms of the strengths and weaknesses of the candidates in handling the examinations.

We commend the work of Mrs. Shilpi Gupta (Deputy Head) of the Research Development and Consultancy Division (RDCD) of the Council and her team, who have painstakingly prepared this analysis. We are grateful to the examiners who have contributed through their comments on the performance of the candidates under examination as well as for their suggestions to teachers and students for the effective transaction of the syllabus.

We hope the schools will find this document useful. We invite comments from schools on its utility and quality.

**October 2018**

**Gerry Arathoon  
Chief Executive & Secretary**

The Council has been involved in the preparation of the ICSE and ISC Analysis of Pupil Performance documents since the year 1994. Over these years, these documents have facilitated the teaching-learning process by providing subject/ paper wise feedback to teachers regarding performance of students at the ICSE and ISC Examinations. With the aim of ensuring wider accessibility to all stakeholders, from the year 2014, the ICSE and the ISC documents have been made available on the Council's website [www.cisce.org](http://www.cisce.org).

The documents include a detailed qualitative analysis of the performance of students in different subjects which comprises of examiners' comments on common errors made by candidates, topics found difficult or confusing, marking scheme for each answer and suggestions for teachers/ candidates.

In addition to a detailed qualitative analysis, the Analysis of Pupil Performance documents for the Examination Year 2018 have a component of a detailed quantitative analysis. For each subject dealt with in the document, both at the ICSE and the ISC levels, a detailed statistical analysis has been done, which has been presented in a simple user-friendly manner.

It is hoped that this document will not only enable teachers to understand how their students have performed with respect to other students who appeared for the ICSE/ISC Year 2018 Examinations, but also provide information on how they have performed within the Region or State, their performance as compared to other Regions or States, etc. It will also help develop a better understanding of the assessment/ evaluation process. This will help teachers in guiding their students more effectively and comprehensively so that students prepare for the ICSE/ ISC Examinations, with a better understanding of what is required from them.

The Analysis of Pupil Performance document for ICSE for the Examination Year 2018 covers the following subjects: English (English Language, Literature in English), Hindi, History, Civics and Geography (History and Civics, Geography), Mathematics, Science (Physics, Chemistry, Biology), Commercial Studies, Economics, Computer Applications, Economic Applications, Commercial Applications.

Subjects covered in the ISC Analysis of Pupil Performance document for the Year 2018 include English (English Language and Literature in English), Hindi, Elective English, Physics (Theory), Chemistry (Theory), Biology (Theory), Mathematics, Computer Science, History, Political Science, Geography, Sociology, Psychology, Economics, Commerce, Accounts and Business Studies.

I would like to acknowledge the contribution of all the ICSE and the ISC examiners who have been an integral part of this exercise, whose valuable inputs have helped put this document together.

I would also like to thank the RDCD team of, Dr. M.K. Gandhi, Dr. Manika Sharma, Mrs. Roshni George and Mrs. Mansi Guleria who have done a commendable job in preparing this document.

*October 2018*

*Shilpi Gupta  
Deputy Head - RDCD*

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# INTRODUCTION

This document aims to provide a comprehensive picture of the performance of candidates in the subject. It comprises of two sections, which provide Quantitative and Qualitative analysis results in terms of performance of candidates in the subject for the ICSE Year 2018 Examination. The details of the Quantitative and the Qualitative analysis are given below.

## Quantitative Analysis

This section provides a detailed statistical analysis of the following:

- Overall Performance of candidates in the subject (Statistics at a Glance)
- State wise Performance of Candidates
- Gender wise comparison of Overall Performance
- Region wise comparison of Performance
- Comparison of Region wise performance on the basis of Gender
- Comparison of performance in different Mark Ranges and comparison on the basis of Gender for the top and bottom ranges
- Comparison of performance in different Grade categories and comparison on the basis of Gender for the top and bottom grades

The data has been presented in the form of means, frequencies and bar graphs.

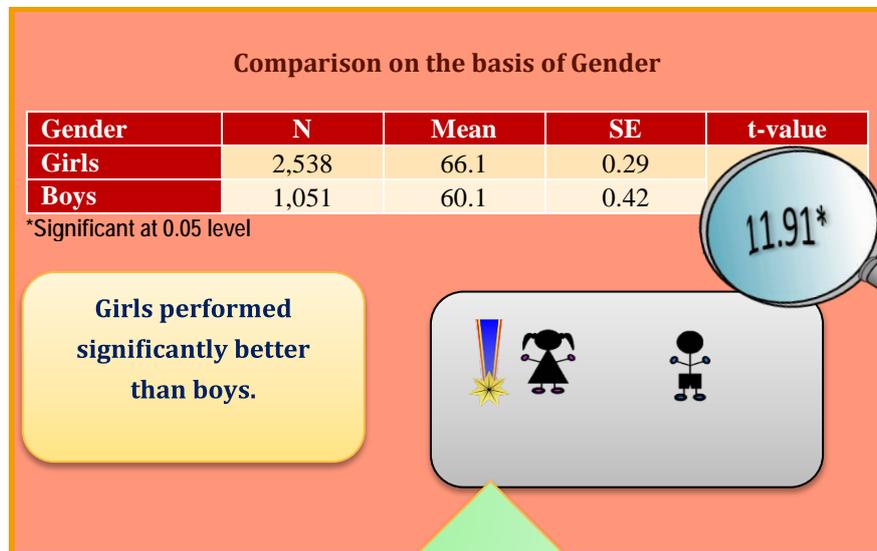
## Understanding the tables

Each of the comparison tables shows N (Number of candidates), Mean Marks obtained, Standard Errors and t-values with the level of significance. For t-test, mean values compared with their standard errors indicate whether an observed difference is likely to be a true difference or whether it has occurred by chance. The t-test has been applied using a confidence level of 95%, which means that if a difference is marked as 'statistically significant' (with \* mark, refer to t-value column of the table), the probability of the difference occurring by chance is less than 5%. In other words, we are 95% confident that the difference between the two values is true.

t-test has been used to observe significant differences in the performance of boys and girls, gender wise differences within regions (North, East, South and West), gender wise differences within marks ranges (Top and bottom ranges) and gender wise differences within grades awarded (Grade 1 and Grade 9) at the ICSE Year 2018 Examination.

The analysed data has been depicted in a simple and user-friendly manner.

Given below is an example showing the comparison tables used in this section and the manner in which they should be interpreted.



The table shows comparison between the performances of boys and girls in a particular subject. The t-value of 11.91 is significant at 0.05 level (mentioned below the table) with a mean of girls as 66.1 and that of boys as 60.1. It means that there is significant difference between the performance of boys and girls in the subject. The probability of this difference occurring by chance is less than 5%. The mean value of girls is higher than that of boys. It can be interpreted that girls are performing significantly better than boys.

The results have also been depicted pictographically. In this case, the girls performed significantly better than the boys. This is depicted by the girl with a medal.

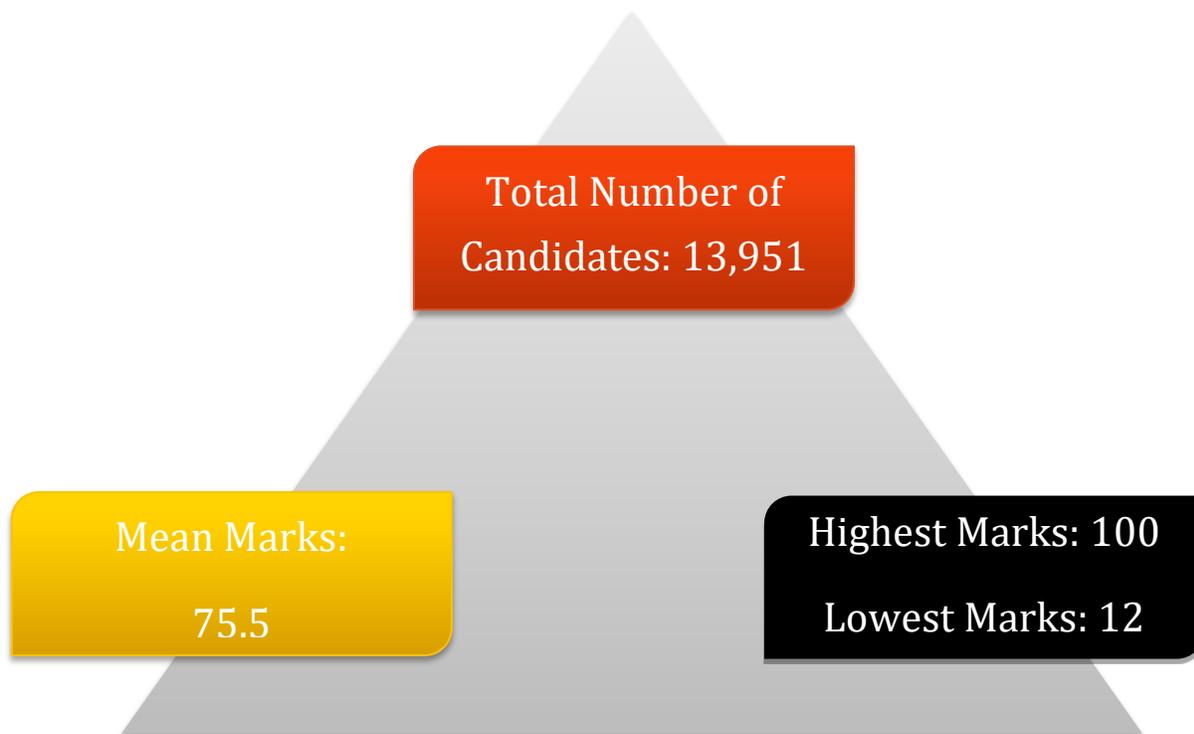
## Qualitative Analysis

The purpose of the qualitative analysis is to provide insights into how candidates have performed in individual questions set in the question paper. This section is based on inputs provided by examiners from examination centres across the country. It comprises of question wise feedback on the performance of candidates in the form of *Comments of Examiners* on the common errors made by candidates along with *Suggestions for Teachers* to rectify/ reduce these errors. The *Marking Scheme* for each question has also been provided to help teachers understand the criteria used for marking. Topics in the question paper that were generally found to be difficult or confusing by candidates, have also been listed down, along with general suggestions for candidates on how to prepare for the examination/ perform better in the examination.

# QUANTITATIVE ANALYSIS

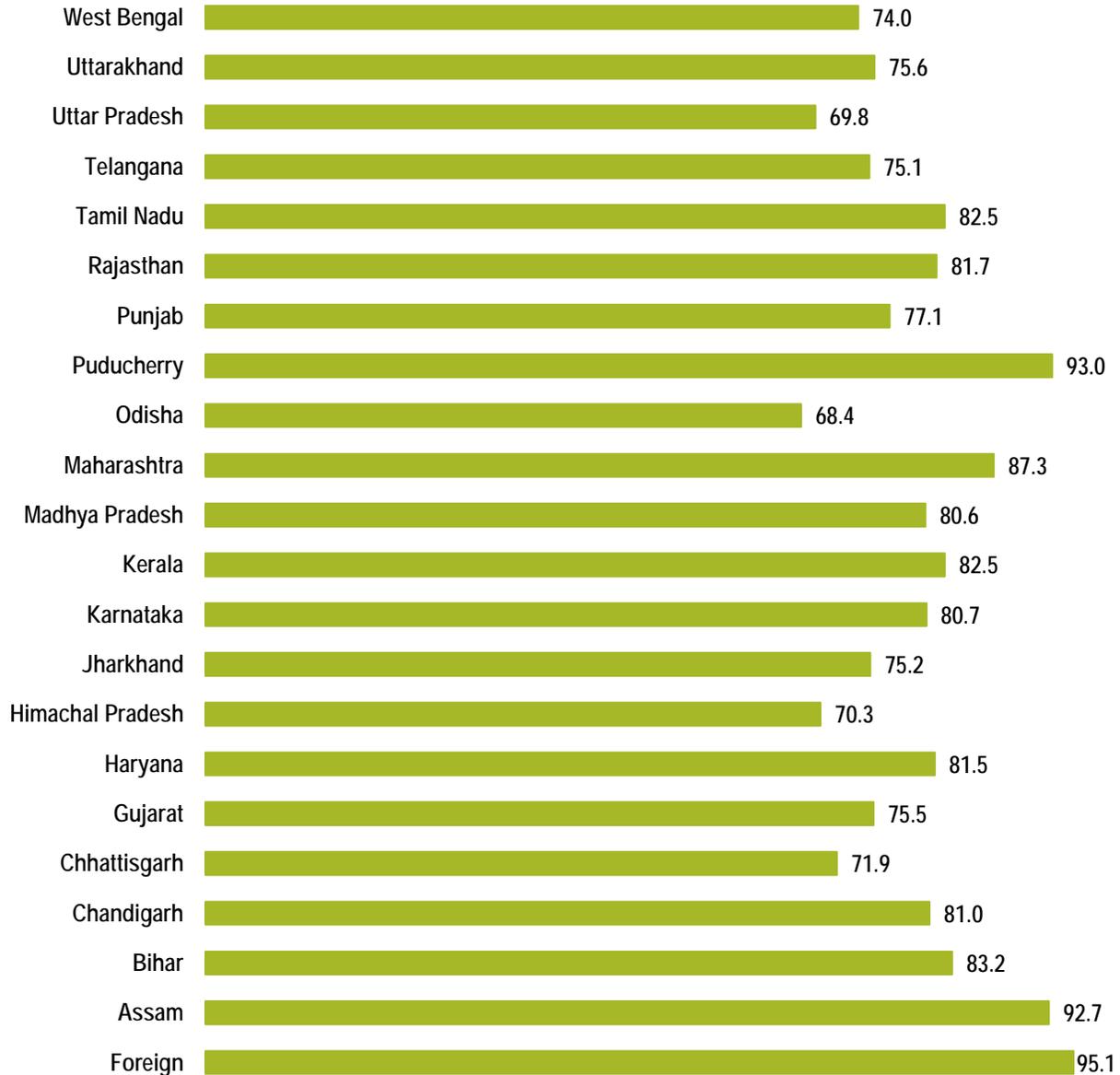


## STATISTICS AT A GLANCE

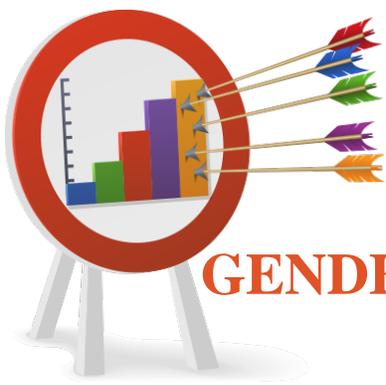




## PERFORMANCE (STATE-WISE & FOREIGN)



**The States/ UTs of Puducherry, Assam and Maharashtra secured highest mean marks. Mean marks secured by candidates studying in schools abroad were 95.1.**



## GENDER-WISE COMPARISON



**GIRLS**

Mean Marks: 78.3

Number of  
Candidates: 6,511



**BOYS**

Mean Marks: 73.0

Number of  
Candidates: 7,440

### Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	6,511	78.3	0.20	18.35*
Boys	7,440	73.0	0.21	

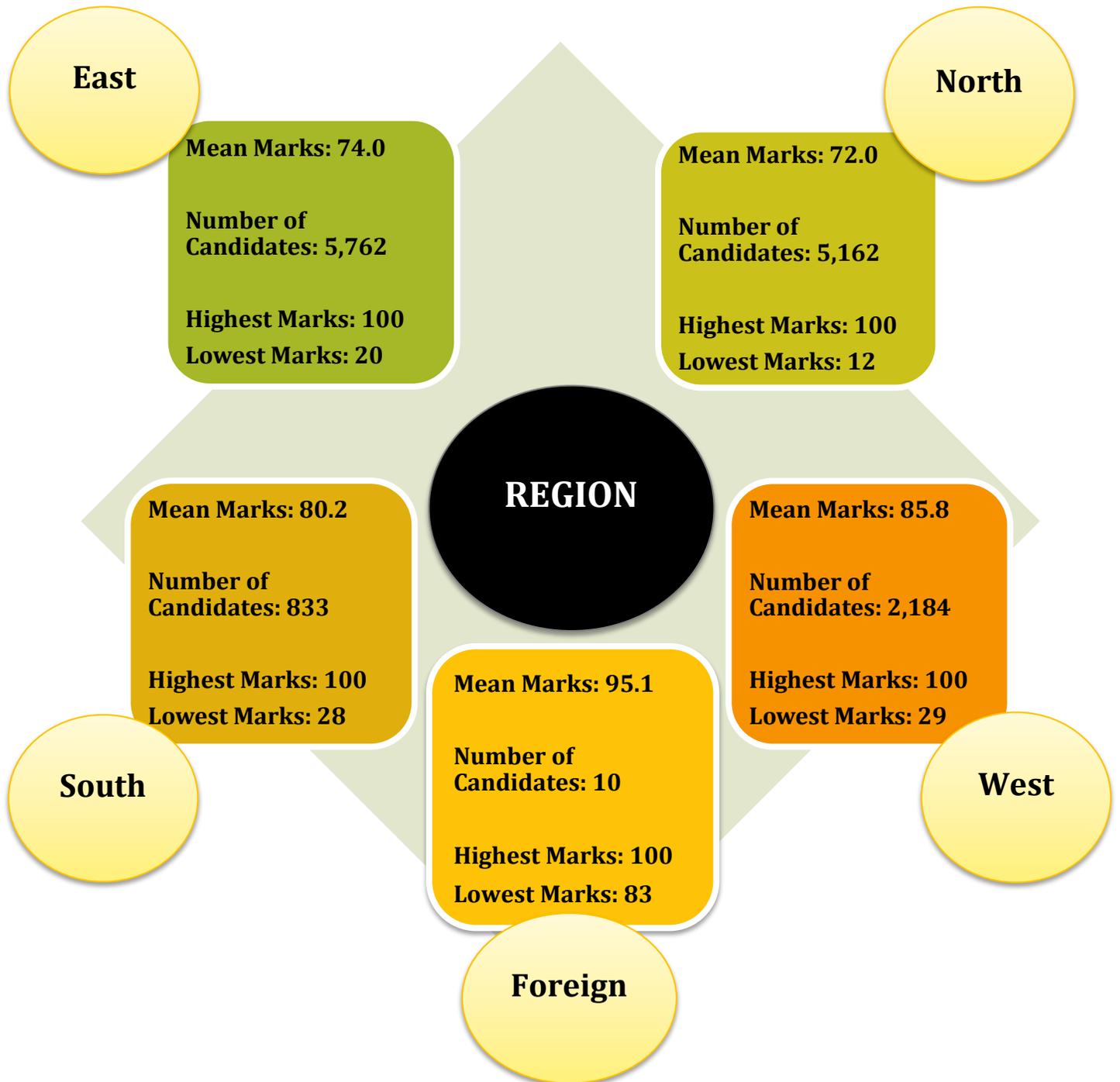
\*Significant at 0.05 level

**Girls performed  
significantly better than  
boys.**

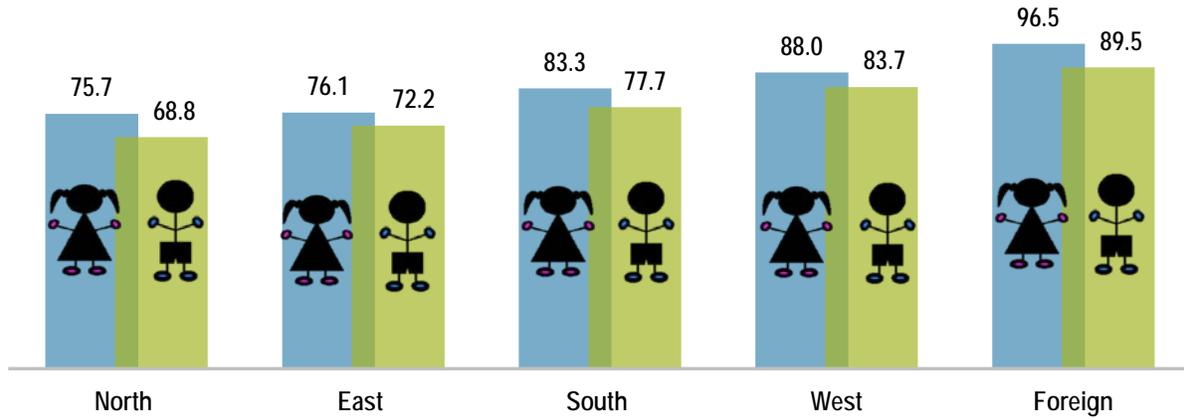




## REGION-WISE COMPARISON



## Mean Marks obtained by Boys and Girls-Region wise



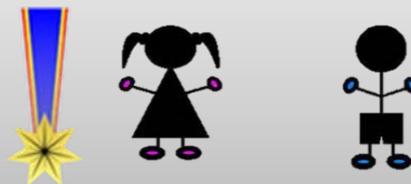
### Comparison on the basis of Gender within Region

Region	Gender	N	Mean	SE	t-value
North (N)	Girls	2,401	75.7	0.36	13.38*
	Boys	2,761	68.8	0.36	
East (E)	Girls	2,657	76.1	0.31	9.11*
	Boys	3,105	72.2	0.29	
South (S)	Girls	375	83.3	0.64	5.59*
	Boys	458	77.7	0.75	
West (W)	Girls	1,070	88.0	0.34	8.08*
	Boys	1,114	83.7	0.40	
Foreign (F)	Girls	8	96.5	1.39	1.05
	Boys	2	89.5	6.50	

\*Significant at 0.05 level

The performance of girls was significantly better than that of boys in all the regions except foreign region.

#### REGION (N, E, S, W)





## MARK RANGES : COMPARISON GENDER-WISE

### Comparison on the basis of gender in top and bottom mark ranges

Marks Range	Gender	N	Mean	SE	t-value
Top Range (81-100)	Girls	3,397	91.1	0.10	7.09*
	Boys	2,968	90.0	0.10	
Bottom Range (0-20)	Girls	1	20.0	0	1.19
	Boys	3	17.0	2.52	

\*Significant at 0.05 level

#### Marks Range (81-100)

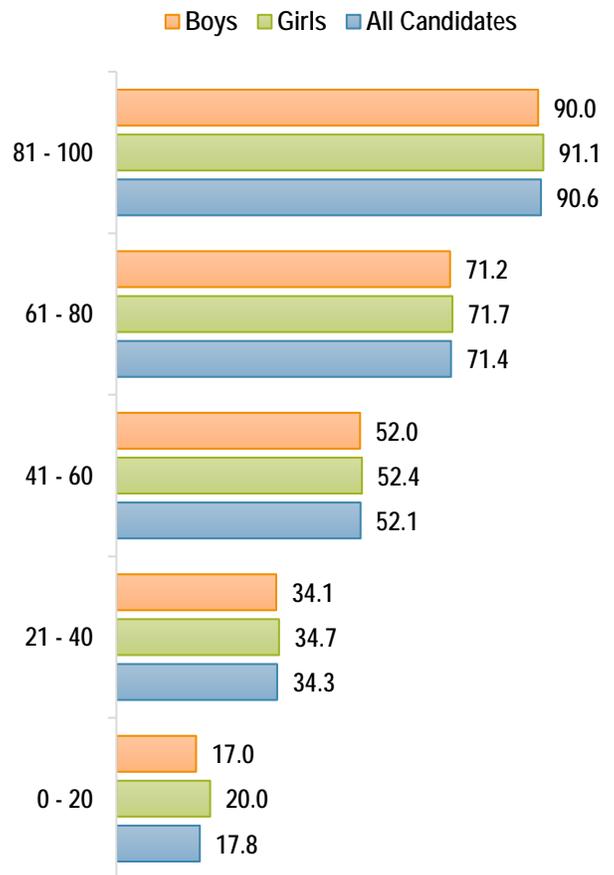
Performance of girls was significantly better than the performance of boys.

#### Marks Range (81-100)



#### Marks Range (0-20)

No significant difference was observed between the average performance of girls and boys.





# GRADES AWARDED : COMPARISON GENDER-WISE

## Comparison on the basis of gender in Grade 1 and Grade 9

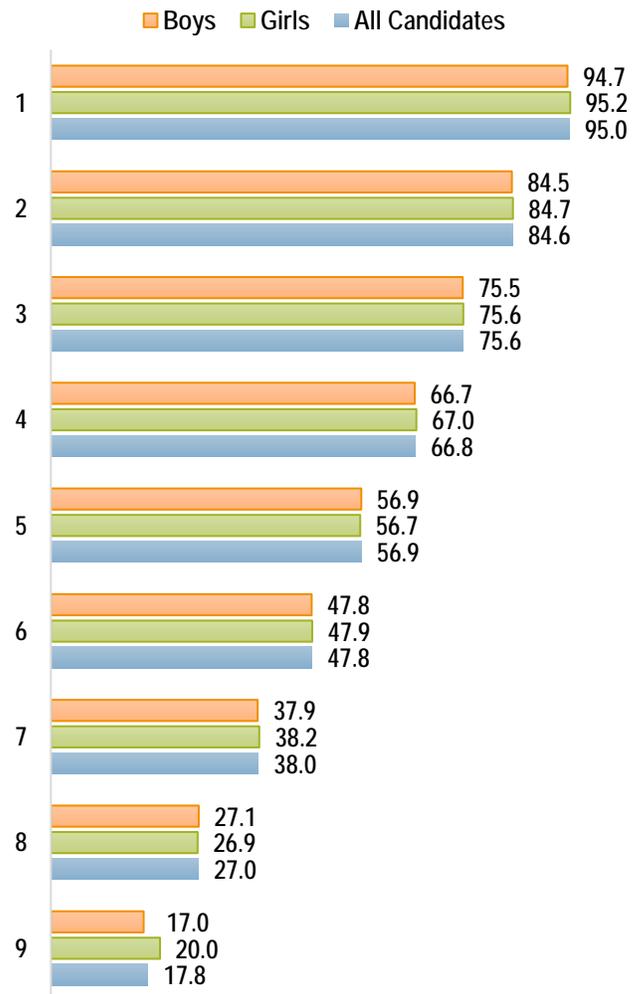
Grades	Gender	N	Mean	SE	t-value
Grade 1	Girls	2,009	95.2	0.07	4.17*
	Boys	1,536	94.7	0.08	
Grade 9	Girls	1	20.0	0	1.19
	Boys	3	17.0	2.52	

\*Significant at 0.05 level

### Grade 1

Performance of girls was significantly better than the performance of boys.

### Grade 1



# QUALITATIVE ANALYSIS

## SECTION A (40 Marks)

*Attempt all questions*

### Question 1

Distinguish between:

- (a) Consumer goods and Industrial goods. [2]
- (b) Shut down costs and Sunk costs. [2]
- (c) Standardisation and Grading [2]
- (d) Savings Account and Current Account [2]
- (e) Downward Communication and Upward Communication [2]

### Comments of Examiners

- (a) Most of the candidates were able to answer the question correctly along with the proper basis of distinction. Some candidates however, were unsure about the examples of industrial goods.
- (b) Majority of the candidates were unable to write the correct meaning of *Shut down cost* and *Sunk cost*.
- (c) Majority of the candidates were unable to write the clear meaning of the terms *standardisation* and *grading*. Some candidates interchanged their meanings. Very few candidates were able to write the proper differences.
- (d) Most of the candidates were able to answer the question correctly along with the proper basis of distinction. Some candidates were confused between *recurring deposit account* and *fixed deposit account*.
- (e) Majority of the candidates were unable to bring out a clear distinction between Downward Communication and Upward Communication in their answer.

### Suggestions for teachers

- Explain the different types of goods with examples.
- Illustrate the meaning of Shut down costs and Sunk costs with concrete examples.
- Explain the different concepts of the marketing process with their functions and examples
- Explain the key words relating to different types of bank account with examples.
- Teach all differences-based topics with the help of examples in a tabular form to help the students to get a better clarity of the concept.
- Stress on the use of correct terminology and proper definitions of the terms.
- Stress on practical knowledge.

## MARKING SCHEME

### Question 1

(a)	<p><b>Consumer goods</b></p> <ol style="list-style-type: none"> <li>1. Goods meant for direct use by customers.</li> <li>2. Examples are soaps, jam, bread, butter, etc.</li> <li>3. There are 3 types of these goods. (convenience, shopping &amp; specialty)</li> </ol>	<p><b>Industrial goods</b></p> <ol style="list-style-type: none"> <li>1. Goods used in production of other goods.</li> <li>2. Examples are nails, oil, cotton, etc.</li> <li>3. They are of 5 types. (raw materials, supplies, installations, accessory equipment and fabricated parts.</li> </ol>
(b)	<p><b>Shut down costs</b></p> <ol style="list-style-type: none"> <li>1. Costs that are to be incurred even when plant is idle.</li> <li>2. Examples are shortage of raw materials, Non-availability of required labour or power.</li> </ol>	<p><b>Sunk Cost</b></p> <ol style="list-style-type: none"> <li>1. These are historical costs that cannot be changed.</li> <li>2. Investments in plant and machinery, etc.</li> </ol>
(c)	<p><b>Standardisation</b></p> <ol style="list-style-type: none"> <li>1. Process of setting up basic measures to which the products must conform.</li> <li>2. Classified in terms of weight, colour and design.</li> <li>3. It is done before grading-wider scope.</li> </ol>	<p><b>Grading</b></p> <ol style="list-style-type: none"> <li>1. Process of sorting individual units of product into well-defined grades of quality.</li> <li>2. Classified in terms of quality and size.</li> <li>3. It is done after standardization-narrow scope.</li> </ol>
(d)	<p><b>Saving Account</b></p> <ol style="list-style-type: none"> <li>1. To cultivate habit of saving and thrift.</li> <li>2. No fixed period for deposits.</li> <li>3. Deposits can be made any number of times in this account.</li> <li>4. Interest is allowed.</li> </ol>	<p><b>Current Account</b></p> <ol style="list-style-type: none"> <li>1. To provide facilities to industrialists and businessman to deposit or withdraw the money as and when they need.</li> <li>2. It is an open and a running account for which there is no fixed period.</li> <li>3. There is no restriction on making deposits in such account.</li> <li>4. No interest is allowed.</li> </ol>
(e)	<p><b>Downward Communication</b></p> <ol style="list-style-type: none"> <li>1. The flow of communication from the top management downwards to the operating level.</li> <li>2. It is used for giving order and instructions.</li> </ol>	<p><b>Upward Communication</b></p> <ol style="list-style-type: none"> <li>1. The flow of communication from the operating level upwards to top management.</li> <li>2. It is used to convey information relating to work performance.</li> </ol>

3. It consists of plans, policies, order, rules procedure etc.	3. It gives opportunity to workers to express their opinions and feelings. Inform management about the progress of work.
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## Question 2

- (a) Why is brand loyalty considered an asset for the company? [2]
- (b) How does 'Status barrier' affect Effective Communication? [2]
- (c) What do you mean by 'Indirect material'? Give two examples. [2]
- (d) 'Selection is a negative process.' Explain. [2]
- (e) Explain 'Contribution' as a principle of insurance. [2]

## Comments of Examiners

- (a) A few candidates were able to correctly answer the question. Majority of the candidates were unable to write the reason of brand loyalty being considered as an asset.
- (b) This question was correctly answered by most of the candidates, but a few candidates confused Status barrier with Semantic barrier. Some candidates wrote a general answer.
- (c) Many candidates instead of writing the examples of indirect materials wrote the examples of indirect expenses.
- (d) This question was correctly answered by most candidates. A few candidates defined the term selection but did not write how it was a negative process.
- (e) Most of the candidates answered this question correctly. A few candidates, however, wrote on premium being the contribution of the insured.

### Suggestions for teachers

- Explain the concept of brand loyalty and brand equity along with their functions with examples from daily life.
- Make a flow chart to explain to the students, the different types of barriers of communication along with their reasons or causes and remedies.
- Clarify the element of costs relating these costs with daily life situations.
- Explain, with examples, concept of recruitment and selection.
- Teach the Principles of Insurance in detail with various examples.

## MARKING SCHEME

### Question 2

(a)	<p>Brand loyalty means commitment of customer towards a particular brand.</p> <p>Brand equity creates commitment by boosting the confidence of customer. Brand loyalty is an asset for the company because:</p> <ul style="list-style-type: none"><li>(i) It ensures high sales turnover</li><li>(ii) It helps to reduce costs of marketing</li><li>(iii) It provides defense against competitors so as to retain customers.</li><li>(iv) It enables the company to charge higher prices than competing brands.</li><li>(v) It gets support and co-operation from distribution channels.</li><li>(vi) It helps to attract new customers.</li></ul>
(b)	<p>Status means the position of a person in the higher authority of an organization. Major barrier in free flow of communication. A superior (boss) may pass only selected information to his subordinates in order to maintain status differences. Subordinate often conveys. Status causes distortion both downward and upward communication.</p>
(c)	<p>All materials which are used for ancillary purposes and which cannot be conveniently assigned to specific physical units or indirectly used. E.g. consumable stores, oil lubricants, cotton waste, printing and stationery materials, nails, glue, polish used in making furniture.</p>
(d)	<p>Because it involves weeding out or eliminating unsuitable candidates. Choosing the candidates having necessary qualifications.</p> <p>Only a limited number of candidates are selected.</p>
(e)	<p>Contribution means right of an insurer who has paid claim under an insurance policy, asking other insurers to contribute to the payment proportionately.</p>

### Question 3

- (a) Mention any two utilities of a Budget. [2]
- (b) Name and explain the type of training designed to correct mistakes. [2]
- (c) What is meant by 'Capital Receipts'? [2]
- (d) State any two advantages of Travellers' cheques. [2]
- (e) Briefly describe the role of Marketing Research. [2]

## Comments of Examiners

- (a) Most of the candidates answered this question correctly. However, a few candidates wrote vague answers.
- (b) Majority of the candidates were unable to even identify the type of training. A few candidates were able to name the type of training and explain it.
- (c) Most candidates were able to explain capital receipts with relevant examples.
- (d) Most of the candidates were able to state the advantages of travellers' cheques. However, a few candidates wrote the general advantages of cheques.
- (e) Most of the candidates were able to define market research but were unable to explain its role.

## Suggestions for teachers

- Explain the types of budgets and their utility with examples.
- For better clarity, explain the different types of training through a power point presentation.
- Stress upon that revenue receipts are recurring while capital receipts are non-recurring.
- Explain the role of travellers' cheques distinguishing it from the cheques drawn to make payments.
- Explain the definition and role of market research., stressing on the key words.
- Ask students to read and understand the questions before attempting them.

## MARKING SCHEME

### Question 3

(a)	<p>Utilities of Budget:</p> <ul style="list-style-type: none"> <li>(i) Sound planning</li> <li>(ii) to improve efficiency</li> <li>(iii) to fix responsibility</li> <li>(iv) Source of motivation</li> <li>(v) Co-ordination</li> <li>(vi) Delegation of authority</li> <li>(vii) Effective control etc.</li> </ul> <p style="text-align: right;"><i>(Any two points only.)</i></p>
(b)	<p>Training is remedial training.</p> <p>Remedial training is designed to correct mistakes and shortcomings in the work behavior and job performance of employees. It is used to remove defects and teach right methods of doing the job.</p> <p style="text-align: center;"><i>(or any type of training designed to correct mistakes with its name &amp; explanation.)</i></p>

(c)	<p>Capital Receipts refers to the receipts of a non-recurring nature such as additional capital from owners, loans raised by the firm and money obtained from a sale of fixed assets. Receipts involved creation of a liability.</p> <p>Examples:</p> <ol style="list-style-type: none"> <li>1. Amount received by way of loans.</li> <li>2. Capital raised by an issue of shares and debentures.</li> <li>3. Government grants and endowments.</li> </ol>
(d)	<p>Traveller's cheque is a credit instrument issued by a bank which is encashable from any branch of the bank. It helps travellers in avoiding loss of cash during their travel. It can be used to make payments to strangers. Travellers' cheque are not much in use because of ATM facility.</p>
(e)	<p>Marketing Research:</p> <ol style="list-style-type: none"> <li>1. Helps to measure market potential and market share.</li> <li>2. To learn consumer's taste.</li> <li>3. To prepare plans.</li> <li>4. To select right channel and distribution. <i>(Any two points only.)</i></li> </ol>

## Question 4

- (a) Why is Financing an essential function of Marketing? [2]
- (b) Explain any two advantages of Rail Transport. [2]
- (c) Explain the Right to Consumer Education under the Indian Consumer Protection Act. [2]
- (d) State any four sustainable uses of Water. [2]
- (e) "Both, conservation and restoration of natural resources or ecology cannot be possible without public awareness and community participation". Comment. [2]

## Comments of Examiners

- (a) Majority of the candidates were able to answer this question. A few candidates explained the term marketing.
- (b) Majority of the candidates were able to answer this question.
- (c) Almost all the candidates were able to answer this question.
- (d) Majority of the candidates were able to answer this question. Some candidates, however, instead of writing on the sustainable uses of water, wrote on the uses of water.
- (e) Most of the candidates were able to give their comment with relevant examples. However, a few candidates wrote about public awareness or the community participation programme.

### Suggestions for teachers

- Explain the functions of marketing through a flow chart.
- Do a comparative analysis of the different modes of the transport system, explaining the conditions as well as the benefits and limitations of each mode.
- Clarify various types of Rights of Consumers as given in the Consumer Protection Act.
- Teach the various conservation and restoration forms of natural resources with examples.
- Stress upon that the answers must be written in a complete sentence and the explanation should be given to the point as per the requirement of the question.

## MARKING SCHEME

### Question 4

(a)	Financing is an essential function of marketing because it exercises an important influence on the financial policies of the firm. Finance is required to keep stocks, meet transport expenses, storage and other costs and to grant credit. The prosperity, working and future of a business depends on the availability of adequate finance. <i>(Any two points to be considered.)</i>
(b)	<ol style="list-style-type: none"> <li>1. Dependability</li> <li>2. Safety</li> <li>3. High Speed</li> <li>4. Reliable</li> <li>5. Wide scope</li> </ol>
(c)	According to the Right to Consumer Education, consumer must be made aware of his rights and remedies available under different laws. This will help to make consumers conscious and protect themselves against frauds by businessmen. <i>(Any one point to be considered)</i>
(d)	Four sustainable uses of water are- <ol style="list-style-type: none"> <li>(i) Encourage and improve methods of rain water harvesting and storage.</li> </ol>

	<p>(ii) Build many small reservoirs in place of few big projects.</p> <p>(iii) Protect wet lands.</p> <p>(iv) Use drip irrigation and other water conservation measures in agriculture.</p> <p>(v) Check over exploitation of surface and ground water.</p> <p>(vi) Protect water in water bodies from effluents and toxic materials.</p> <p style="text-align: right;"><i>(Any four points to be considered)</i></p>
(e)	<p>Conservation is planned management of our surroundings to prevent its exploitation or destruction.</p> <p>Restoration means recreation and enhancement of natural resources.</p> <p>Therefore, ecology cannot be protected without public awareness and community participation.</p>

## **SECTION B (40 Marks)**

*Attempt any four questions from this Section*

### **Question 5**

- (a) Explain any five expectations of Suppliers from a business organisation. [5]
- (b) Explain any five merits of Written Communication to a business organisation. [5]

### **Comments of Examiners**

- (a) Majority of the candidates either confused the expectations of suppliers with expectations of the government and other stakeholders of the organization or did not attempt this question.
- (b) Most candidates were able to answer this question. Some candidates, however wrote the demerits of written communication.

### **Suggestions for teachers**

- Guide students to read and understand the questions before attempting them.
- Explain thoroughly to the students the expectations of the stakeholders from a business organisation.
- Teach the merits and demerits of communication through comparative analysis.

## MARKING SCHEME

### Question 5

(a)	<p>Expectations of supplier from business organisation are-</p> <ul style="list-style-type: none"><li>(i) Fair price for the supplies.</li><li>(ii) Regular and timely payment according to credit terms.</li><li>(iii) Regular orders for supply.</li><li>(iv) Reasonable terms of delivery and payment.</li><li>(v) Correct information about company's financial position.</li><li>(vi) Healthy and co-operative inter-business relationship.</li></ul> <p style="text-align: right;"><i>(Any five points to be considered)</i></p>
(b)	<p><b>Written communication is useful when</b></p> <ul style="list-style-type: none"><li>(i) Lengthy messages are to be conveyed.</li><li>(ii) Message is to be sent to large number.</li><li>(iii) Record of communication is required for use in future.</li><li>(iv) Information is to be retrieved for repeated use in future.</li><li>(v) It is necessary to fix responsibility to carry out specific instructions.</li></ul> <p style="text-align: right;"><i>( Five merits with explanation)</i></p>

### Question 6

- (a) Mention five differences between Advertising and Personal Selling (Salesmanship). [5]
- (b) Explain any five techniques used in Sales Promotion. [5]

## Comments of Examiners

- (a) Most candidates were able to answer this question. Some candidates, however gave very vague differences or wrote the differences, either without the basis of distinction or in a paragraph. A few candidates mentioned the qualities of a salesman.
- (b) Most candidates were able to answer this question. Some candidates, however, confused it with brand promotion.

### Suggestions for teachers

- Explain to the students the difference between advertising and personal selling through real life examples.
- Discuss the merits and demerits of advertising also.
- Teach the specific techniques of sales promotion laying stress on the key terms like customer's sales promotion and dealer's sales promotion.

## MARKING SCHEME

### Question 6

(a)	<p><b>Advertising</b></p> <ol style="list-style-type: none"> <li>1. Impersonal and no face to face to contact.</li> <li>2. Direct payment for each advertisement.</li> <li>3. To create customer.</li> <li>4. Not immediately available.</li> <li>5. Incomplete sales tool.</li> <li>6. It supports personal selling.</li> <li>7. Less costly and less time consuming.</li> </ol>	<p><b>Personal Selling</b></p> <ol style="list-style-type: none"> <li>1. Direct and personal, face to face interaction.</li> <li>2. No direct payments for each contact.</li> <li>3. To make sales.</li> <li>4. Immediately available.</li> <li>5. Complete sales tool.</li> <li>6. It makes use of advertising.</li> <li>7. More costly and more time consuming.</li> </ol> <p><i>(Any five differences to be considered)</i></p>
(b)	<ol style="list-style-type: none"> <li>(i) Exchange offer is a technique of sales promotion where customers are offered the facility of exchanging old products with new.</li> <li>(ii) Premium offer also known as bonus offer is a technique of sales promotion where customers are offered an article free of cost or at a nominal price on the purchase of a specified product. This method helps to increase immediate sale and clear accumulated stock.</li> <li>(iii) Discount</li> <li>(iv) Free gifts</li> <li>(v) Trading Stamps</li> <li>(vi) Display (free)</li> <li>(vii) Fairs and Exhibition</li> </ol> <p><i>(Explanation of any five techniques)</i></p>	

## Question 7

- (a) Briefly explain the importance of Marketing. [5]
- (b) Explain: [5]
- (i) Bank Draft
- (ii) Indemnity as a principle of insurance

### Comments of Examiners

- (a) Most candidates were able to answer this question. A few candidates, instead of writing the importance of marketing, wrote its functions.
- (b) (i) Majority of the candidates were able to explain Bank Draft. Some candidates confused it with overdraft.
- (ii) Majority of the candidates were able to explain Indemnity as a principle of insurance. Some candidates, however, wrote about the other principles of insurance instead of the principle of indemnity.

### Suggestions for teachers

- Clearly distinguish between the importance and functions of marketing.
- Clarify the features and functions of a bank draft and demand draft.
- Explain the principles of insurance with examples.
- Train the students to make mind maps for better retention.

## MARKING SCHEME

### Question 7

(a)	<p>Two importance of marketing are-</p> <p>(i) Generation of revenue: It is the only source from which business can generate revenue to meet its expenses and to earn profit. The survival and growth of a business depends on the effectiveness and efficiency of marketing.</p> <p>(ii) Customer satisfaction: Marketing helps to identify and satisfy the needs and wants of consumers. Modern marketing begins and ends with the consumers.</p> <p>(iii) Employment generation: Marketing offers challenging and rewarding jobs to a large number of persons. It also generates employment in production by enlarging the scale of distribution and production. <i>(Any two points to be considered)</i></p>
(b)	<p>(i) Bank Draft is a type of cheque drawn by the bank either on its own branch or another bank. It is convenient, cheap and safe method of remitting money from one place to another. There is no risk of dishonour. Also known as Banker's Cheque.</p> <p>(ii) Indemnity means a promise to compensate in case of loss. The objective of every insurance contract is to place the insured as possible in the same financial position after the loss as he was before the loss. The insured is entitled to recover from the insurer only the amount of loss actually buffered. Security against loss.</p>

## Question 8

- (a) Briefly explain any five types of Budgets. [5]
- (b) Describe the role of Trade Union in a business concern. [5]

### Comments of Examiners

- (a) Most candidates explained five types of Budgets correctly. A few candidates, however, wrote on family budget, deficit budget, government budget etc.
- (b) A well answered question, except for a few candidates who wrote vague points to explain the role of trade union in a business concern.

### Suggestions for teachers

- Explain, in a tabular form, the types of budgets and their utility with examples.
- Give sufficient written practice to the students to answer questions as per their requirements.
- Regularly take oral and written tests which will help the students in retaining the contents taught.

## MARKING SCHEME

### Question 8

(a) **Five types of budgets are:**

1. Sales Budget
2. Production Budget
3. Purchase Budget
4. Cash Budget
5. Master Budget

*(Five types of budgets with brief explanation.)*

(b) **Role of Trade Union:**

1. Protection
2. Proper standard of living
3. Economic security
4. Sense of belonging
5. Self-expression
6. Collective Bargaining
7. Participation
8. Protest
9. Education

- |     |                        |
|-----|------------------------|
| 10. | Welfare and Recreation |
| 11. | Legislation            |
| 12. | Representation         |
| 13. | Advice                 |
| 14. | Communication          |

(At least two points with brief explanation.)

## Question 9

(a) Explain any five advantages of air transport over water transport. [5]

(b) What do you mean by Group Life Insurance? [5]

Explain three main features of Group Life Insurance.

## Comments of Examiners

- (a) Most candidates were able to answer this question. A few candidates, however, wrote only the advantages of air transport.
- (b) A few candidates were able to answer this question. Several candidates made up their own meaning and features of Group Life Insurance.

### Suggestions for teachers

- Make a flow chart showing the different types of transport.
- Do a comparative analysis of the different modes of the transport system.
- Teach the topic on life insurance as per the scope of the syllabus.

## MARKING SCHEME

### Question 9

- |     |   |
|-----|---|
| (a) | <p>(i) Air transport is most suitable for light goods of high value e.g., diamonds, watches, etc.</p> <p>(ii) It is also useful for perishable goods such as flowers, fruits, etc.</p> <p>(iii) Water transport is slow, whereas air transport is the fastest mode.</p> <p>(iv) During natural calamities such as floods, it is the only mode of transport.</p> <p>(v) Air transport can be utilized to go to any place. It is not bound by boundaries, whereas water transport needs a proper route through water.</p> <p>(vi) Goods may deteriorate during transport. The quality and flavour may be adversely affected due to corrosion. Air transport does not have that problem.</p> |
|-----|---|

(Any five advantages of air transport over water transport.)

(b)	<p>Group Life Insurance is a scheme which provides Insurance cover on lives of several persons under one insurance policy or contract. It is generally provided to employees working under one employer. The Insurance on each life is however, independent of that on the other lives.</p> <p>Three features of Group Life Insurance:</p> <p>(i) Provided to all employees without any evidence of insurability.</p> <p>(ii) It provides risk coverage to the employees as long as they remain in the service of the employer.</p> <p>(iii) The premium is generally paid jointly or by employee or the employer.</p> <p>(iv) The amount of premium is payable at a flat rate without any regard of the age and salary of the employees.</p> <p>(v) Basically, it is a contract between the Insurance Company and employer is called master contract.</p> <p>(vi) In case of injury, the claim received by the employer is paid to employee.</p> <p style="text-align: right;"><i>(Any three main features of Group Life Insurance with explanation.)</i></p>
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## Question 10

The Trial Balance given below was prepared by Pratim Pal on 31<sup>st</sup> December 2000. Prepare [10]  
a Trading Account and a Profit and Loss Account for the year ending 31<sup>st</sup> December 2000  
and Balance Sheet as on 31<sup>st</sup> December 2000.

### TRIAL BALANCE

	Dr. ₹		Cr. ₹
Drawings	1,000.00	Capital Account	14,400.00
Premises	7,500.00	Sales	23,120.00
Fixtures & Fittings	1,560.00	Discount received	330.00
Opening Stock (1.1.2000)	2,730.00	Purchase Returns	730.00
Purchases	15,410.00	Sundry Creditors	1,700.00
Discount Allowed	580.00		
Sales return	1,020.00		
Rates	750.00		
Insurance	210.00		
Wages	1,250.00		
Trade expenses	960.00		

Sundry Debtors	2,310.00	
Cash in Hand	650.00	
Cash at Bank	2,350.00	
Salaries	2,000.00	
	<u>40,280.00</u>	<u>40,280.00</u>

Closing stock was valued at ₹ 3140/- on 31<sup>st</sup> December 2000.

## Comments of Examiners

Most candidates were able to prepare the Trading Account and Profit and Loss Account and the Balance Sheet except for a few, who were confused about the Balance Sheet format and posting of items relating to sales returns and purchases returns, trade expenses and premises in the Trading and Profit and Loss Account.

Common anomalies were observed in the following entries:

- Interchanging of sales return and purchase returns in the Trading A/c.
- Entering Trade expenses in the Trading A/c.
- Premises being entered in the Profit and Loss A/c.
- Closing stock not being entered in the Balance Sheet.
- Interchanging of Creditors and Debtors in the Balance Sheet.
- Considering Fixture and Fittings as office expenses.

## Suggestions for teachers

- Explain direct expenses, indirect expenses, capital and revenue expenditure, various common assets and liabilities, with relevant examples.
- Explain the logic behind entering direct expenses and indirect expenses in the Trading and Profit and Loss account and assets and liabilities in the Balance Sheet.
- Illustrate students the effect of purchases returns and sales returns on purchases and sales respectively.
- Guide students that closing stock, being an asset, has to be shown in the Balance Sheet.

## MARKING SCHEME

### Question 10

In the Books of Pratim Pal

Trading a/c & Profit and Loss a/c for the year ended 31<sup>st</sup> December 2000

Particulars	Amount	Particulars	Amount
To opening stock	2,730	By sales	23,120
To purchases	15,410	Less- sales	1,020
Less-purchase return	<u>730</u>	return	<u>22,100</u>
To wages	1,250	By closing stock	3,140
To Gross Profit (transfer to P/L a/c)	6,580		

		25,240			25,240
To salaries		2,000	By Gross profit		6,580
To discount allowed		580	Transfer from T <sup>A</sup> /C		
To rates		750	By discount received		330
To insurance		210			
To trade expense		960			
To Net profit		2,410			
		<b>6,910</b>			<b>6,910</b>

**In the books of Pratim Pal**  
**B/S for the year ended 31st December 2000**

Liabilities	Amount	Assets	Amount	
Capital	14,400	Premises	7,500	
add- net profit	2,410	Fixtures & Fittings	1,560	
	16,810	Sundry debtor	2,310	
Less- Drawing	1,000	15,810	Cash in hand	650
			Cash at bank	2,350
Creditors		1,700		
			Closing stock	3,140
Total		<b>17,510</b>	Total	<b>17,510</b>

## GENERAL COMMENTS

### Topics found difficult/confusing by candidates

- Distinction between Shut down costs and Sunk costs; Downward Communication and Upward Communication.
- Brand loyalty was considered an asset for the company.
- Examples of indirect material.
- 'Contribution' as a principle of insurance being confused with contribution of premium by the insured.
- Travellers' cheques.
- Sustainable uses of water.
- Expectations of Suppliers from the business organization.
- Group life insurance
- Right to consumer education was confused with fundamental rights.
- Indirect material confused with indirect expenses.
- Bank draft confused with overdraft.
- Standardization and Grading confused with over all grading
- Sales promotion techniques confused with brand promotion.
- A few items like Fixtures & fittings, trade expenses, premise etc. incorrectly posted in final accounts.

### Suggestions for candidates

- Go through the topic in detail according to scope of the syllabus.
- Write the distinctions in a tabular form with the basis of distinction.
- Practise writing answers point wise with a brief explanation and with suitable examples.
- Read the question carefully before answering.
- Reading time must be utilized fully and carefully.
- Do not forget to attempt every sub-part of a question.
- Avoid selective study.
- Revise thoroughly before submission of the answer script.