

# Analysis of Pupil Performance

# Year 2017 Examination

# ICSE

# COMMERCIAL APPLICATIONS



*Research Development and Consultancy Division*

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

**Year 2017**

---

***Published by:***

Research Development and Consultancy Division (RDCD)

Council for the Indian School Certificate Examinations

Plot No. 35-36, Sector VI

Pushp Vihar, Saket

New Delhi-110017

Tel: (011) 29564831/33/37

E-mail: [council@cisce.org](mailto:council@cisce.org)

**© Copyright, Council for the Indian School Certificate Examinations**

All rights reserved. The copyright to this publication and any part thereof solely vests in the Council for the Indian School Certificate Examinations. This publication and no part thereof may be reproduced, transmitted, distributed or stored in any manner whatsoever, without the prior written approval of the Council for the Indian School Certificate Examinations.

## 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) and the Research Development and Consultancy Division (RDCD) of the Council 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.

**November 2017**

**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 document includes 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 2017 have a new 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 2017 Examinations, 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 them 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 2017 covers the following subjects: English (English Language, Literature in English), Hindi, History, Civics and Geography (History & Civics, Geography), Mathematics, Science (Physics, Chemistry, Biology), Commercial Studies, Economics, Computer Applications, Economics Applications, Commercial Applications.

Subjects covered in the ISC Analysis of Pupil Performance document for the Year 2017 include English (English Language and Literature in English), Hindi, Elective English, Physics (Theory and Practical), Chemistry (Theory and Practical), Biology (Theory and Practical), 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. Manika Sharma, Dr. M.K. Gandhi, Ms. Mansi Guleria and Mrs. Roshni George, who have done a commendable job in preparing this document. The statistical data pertaining to the ICSE and the ISC Year 2017 Examinations has been provided by the IT section of the Council for which I would like to thank Col. R. Sreejeth (Deputy Secretary - IT), Mr. M.R. Felix, Education Officer (IT) – ICSE and Mr. Samir Kumar, Education Officer (IT) - ISC.

**November 2017**

***Shilpi Gupta***  
**Deputy Head - RDCD**

# CONTENTS

---

	<b>Page No.</b>
<b><i>FOREWORD</i></b>	<b><i>i</i></b>
<b><i>PREFACE</i></b>	<b><i>ii</i></b>
<b>INTRODUCTION</b>	<b>1</b>
<b>QUANTITATIVE ANALYSIS</b>	<b>3</b>
<b>QUALITATIVE ANALYSIS</b>	<b>10</b>

# 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 2017 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 2017 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.

**Comparison on the basis of Gender**

Gender	N	Mean	SE	t-value
Girls	2,538	66.1	0.29	11.91*
Boys	1,051	60.1	0.42	

\*Significant at 0.05 level

**Girls performed 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.

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.

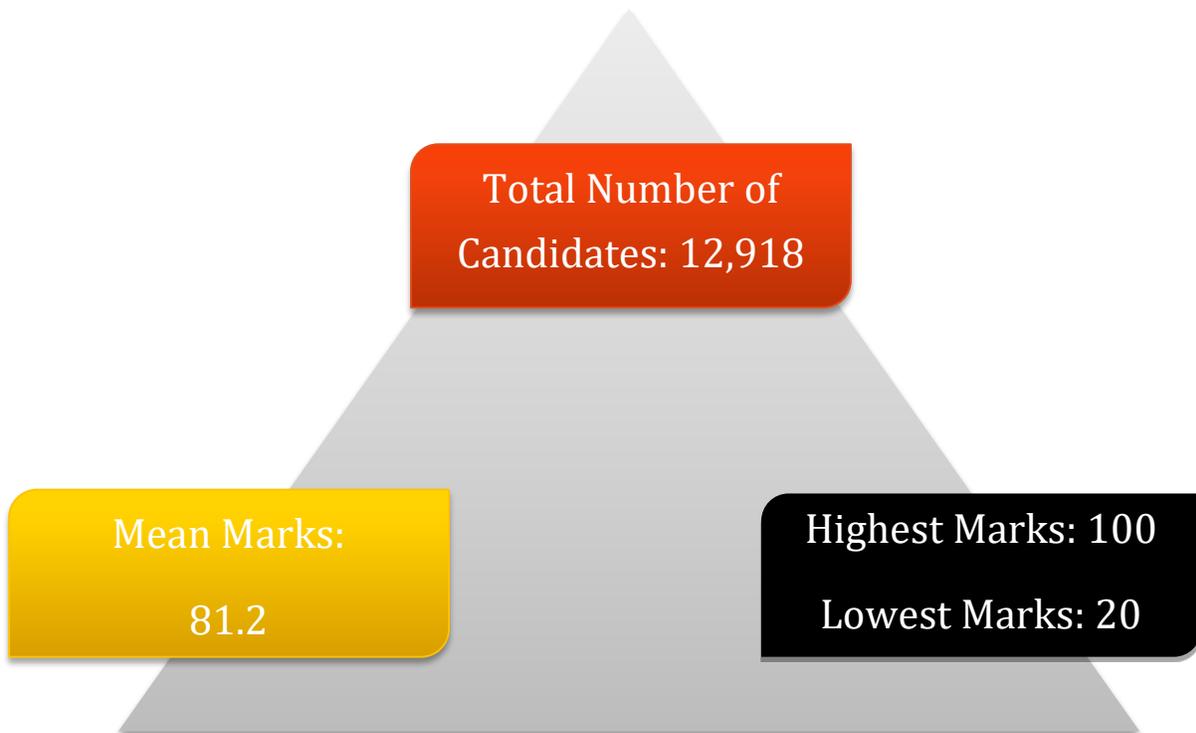
## Qualitative Analysis

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

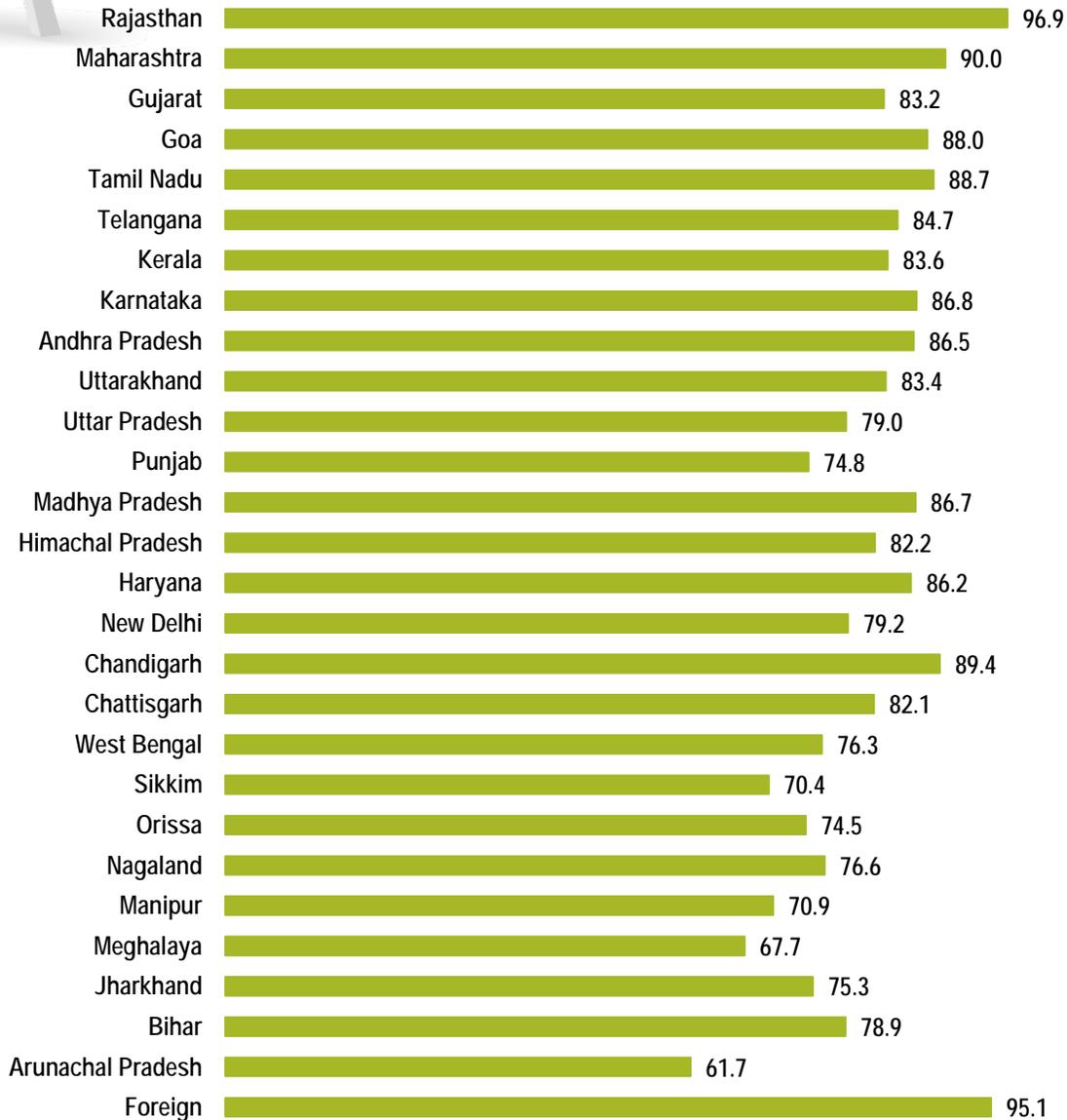


## STATISTICS AT A GLANCE





## PERFORMANCE (STATE-WISE & FOREIGN)



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



## GENDER-WISE COMPARISON



**GIRLS**

Mean Marks: 83.2

Number of  
Candidates: 5,677



**BOYS**

Mean Marks: 79.7

Number of  
Candidates: 7,241

### Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	5,677	83.2	0.16	15.58*
Boys	7,241	79.7	0.15	

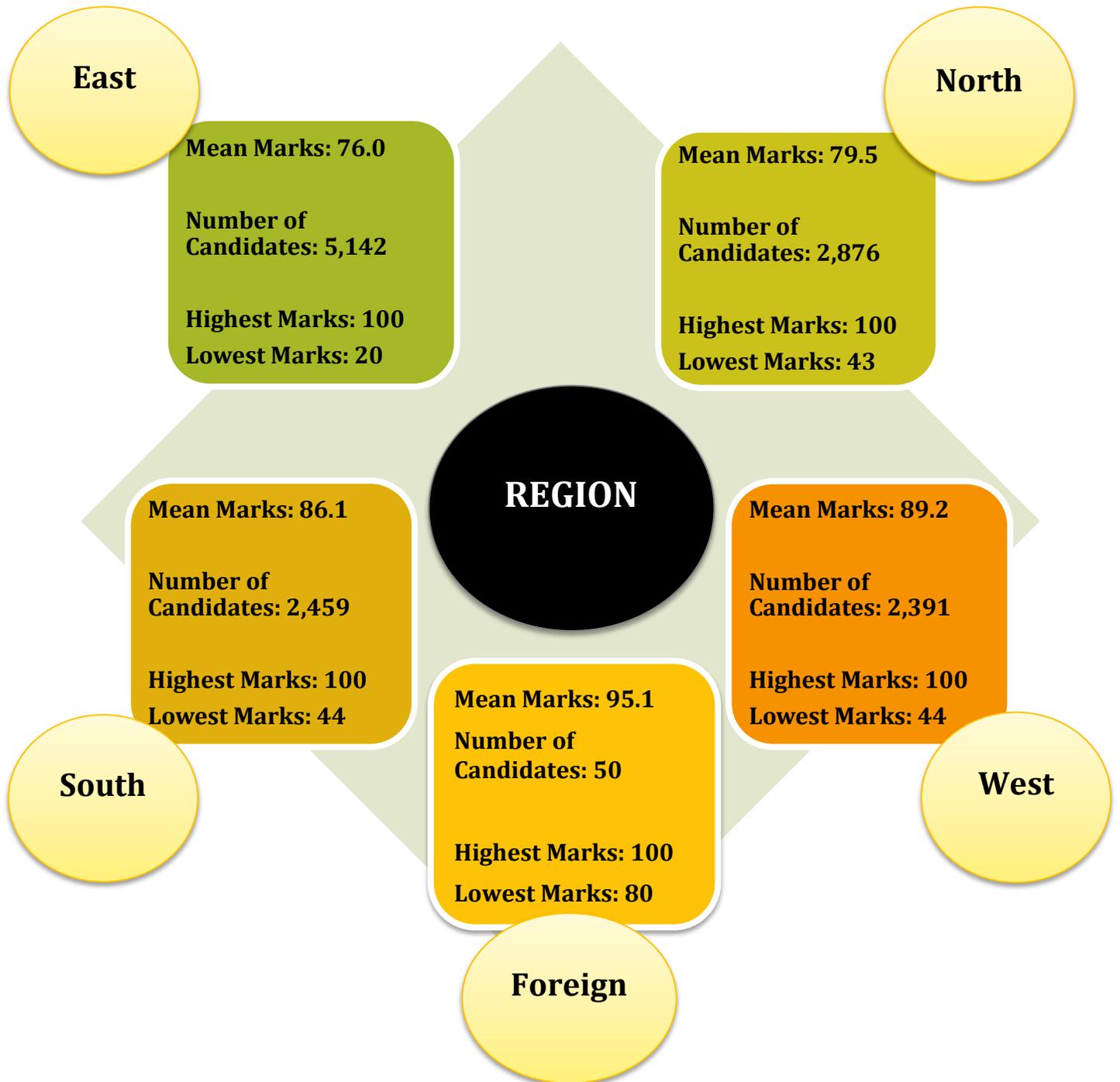
\*Significant at 0.05 level

**Girls performed  
significantly better than  
boys.**

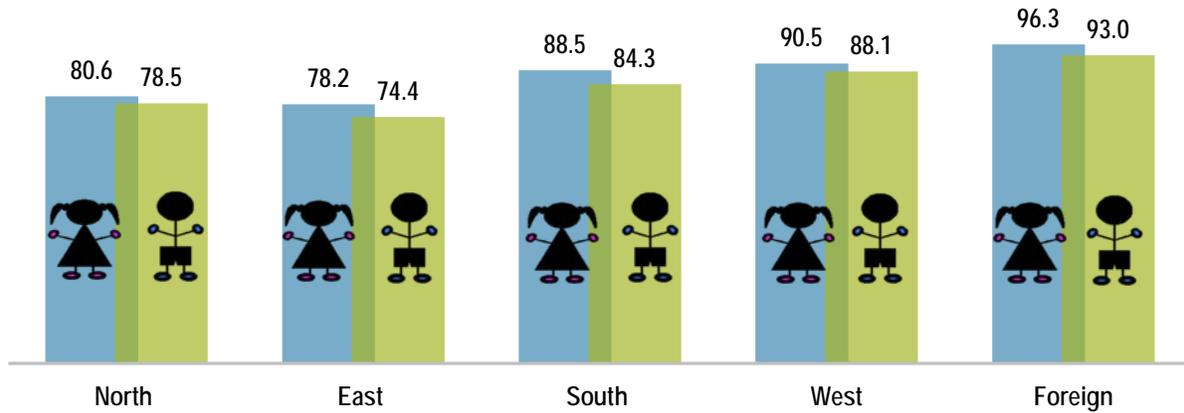




## REGION-WISE COMPARISON



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

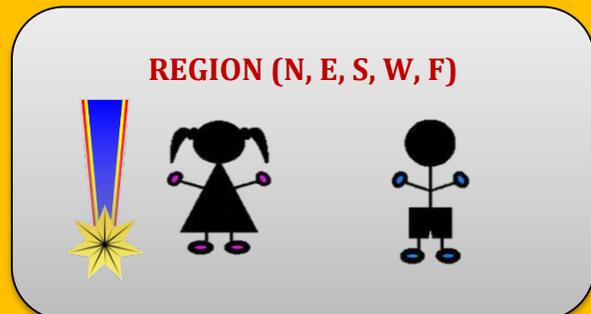


### Comparison on the basis of Gender within Region

Region	Gender	N	Mean	SE	t-value
North (N)	Girls	1,362	80.6	0.31	4.84*
	Boys	1,514	78.5	0.31	
East (E)	Girls	2,133	78.2	0.28	10.36*
	Boys	3,009	74.4	0.24	
South (S)	Girls	1,058	88.5	0.28	10.46*
	Boys	1,401	84.3	0.28	
West (W)	Girls	1,092	90.5	0.27	6.33*
	Boys	1,299	88.1	0.27	
Foreign (F)	Girls	32	96.3	0.80	2.07*
	Boys	18	93.0	1.40	

\*Significant at 0.05 level

**The performance of girls was significantly better than that of boys in all the regions.**





## MARK RANGES : COMPARISON GENDER-WISE

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

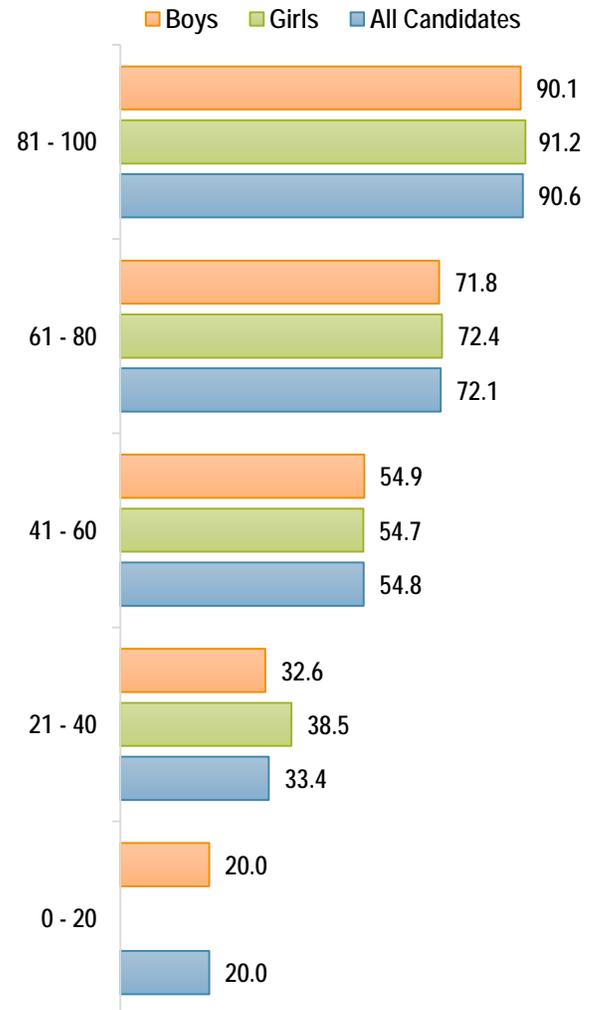
Marks Range	Gender	N	Mean	SE	t-value
Top Range (81-100)	Girls	3,535	91.2	0.09	8.13*
	Boys	3,736	90.1	0.09	
Bottom Range (0-20)	Girls	0	0	0	-
	Boys	1	20.0	0	

\*Significant at 0.05 level

#### Marks Range (81-100)

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

#### Marks Range (81-100)





## GRADES AWARDED : COMPARISON GENDER-WISE

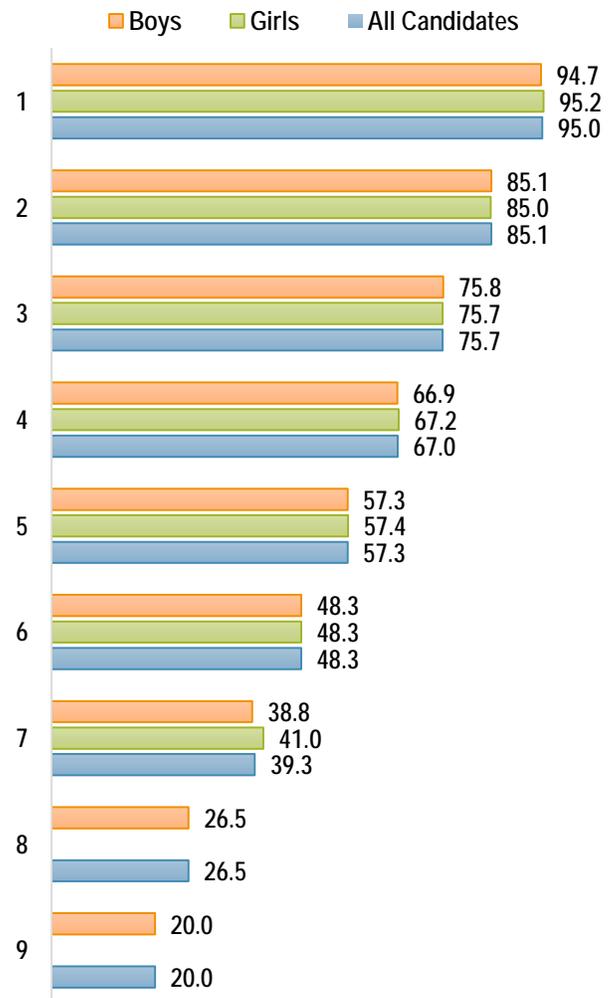
### Comparison on the basis of gender in Grade 1 and Grade 9

Grades	Gender	N	Mean	SE	t-value
Grade 1	Girls	2,053	95.2	0.07	4.80*
	Boys	1,863	94.7	0.07	
Grade 9	Girls	0	0	0	-
	Boys	1	20.0	0	

\*Significant at 0.05 level

**In Grade 1 average performance of girls was significantly better than the performance of boys.**

#### Grade 1



# QUALITATIVE ANALYSIS

## SECTION A (40 Marks)

*Attempt all questions from this Section*

### Question 1

State one *difference* between each of the following:

- |   |     |
|---|-----|
| (a) Consumer Goods and Producers' Goods         | [2] |
| (b) Orientation Training and Refresher Training | [2] |
| (c) Transfer and Promotion                      | [2] |
| (d) Historical Costs and Predetermined Costs    | [2] |
| (e) Advertising and Publicity                   | [2] |

### Comments of Examiners

- (a) Most candidates stated one *difference* between *Consumer Goods* and *Producers' Goods* correctly. However, a few candidates were unable to express it in proper terms.
- (b) A few candidates were unable to answer correctly as they lacked clarity in understanding the concepts of *Orientation Training* and *Refresher Training*.
- (c) Most candidates wrote one difference between *Transfer* and *Promotion* correctly.
- (d) The concept of Historical costs and Predetermined costs was not clearly understood by most candidates and led to many candidates writing incorrect explanations.
- (e) Most candidates answered it correctly. A few candidates could not bring out the basic difference between *Advertising* and *Publicity*.

### Suggestions for teachers

- Proper explanations with appropriate examples must be given.
- Enable students to comprehend the question correctly.
- Inculcate in the students the habit of reading, understanding and then answering the questions.
- Train students to write the main points of distinction in a tabular form.
- Explain all the concepts with examples. Group discussion and examples must be taken up in class.
- Systematic revision will help avoid confusion.

## MARKING SCHEME

### Question 1

(a)	<p><b>Consumer Goods</b></p> <ol style="list-style-type: none"> <li>1. This is a market where goods are purchased for personal consumption.</li> <li>2. Produced goods are directly used by individual consumers.</li> </ol>	<p><b>Producers' Goods</b></p> <ol style="list-style-type: none"> <li>1. This is a market where goods are purchased for use in further production.</li> </ol> <p>Produced goods are used by the producers as a factor of production of a new product.</p>
(b)	<p><b>Orientation</b></p> <p>Given to new employees to familiarise with policies of rules and regulations of the organisation.</p>	<p><b>Refresher training</b></p> <p>Given to old employees to teach latest developments in work methods and procedures.</p>
(c)	<p><b>Transfers</b></p> <ol style="list-style-type: none"> <li>1. Transfer means shifting of an employee from one place to another.</li> <li>2. There is no change in rank, responsibility and remuneration.</li> <li>3. It involves horizontal movement of the employee.</li> <li>4. Transfer may be for shifting surplus staff from one factory, branch or office of the organisation to fill the job vacancies in another factory, branch or office.</li> </ol>	<p><b>Promotions</b></p> <ol style="list-style-type: none"> <li>1. Promotion means shifting of an employee from a lower post to a higher post.</li> <li>2. It leads to increase in status, responsibility and remuneration.</li> <li>3. It involves a vertical movement of an employee.</li> </ol> <p>Promotion may be on the basis of merit or seniority of employees to fill a higher post.</p>
(d)	<p><b>Historical Costs</b></p> <ol style="list-style-type: none"> <li>1. They are ascertained after being incurred.</li> <li>2. They are actual or original costs.</li> </ol>	<p><b>Predetermined Costs</b></p> <ol style="list-style-type: none"> <li>1. They are computed in advance of production keeping in view past costs and future trends.</li> <li>2. They are estimated or budgeted costs.</li> </ol>
(e)	<p><b>Advertising</b></p> <ol style="list-style-type: none"> <li>1. The identity of the advertiser/sponsor is clearly known.</li> <li>2. The message originates from the advertiser/sponsor.</li> <li>3. The advertiser/sponsor has to pay to the media owners.</li> <li>4. The advertiser/sponsor controls the</li> </ol>	<p><b>Publicity</b></p> <ol style="list-style-type: none"> <li>1. The identity of the sponsor is not clear.</li> <li>2. The message originates from the media.</li> <li>3. The individual or firm involved does not have to pay.</li> <li>4. Media has control over the contents and timing of the message.</li> <li>5. Informative message designed to</li> </ol>

	<p>message, its style, content, format and frequency.</p> <p>5. Persuasive message designed to persuade customers to favour a product, service, idea or organisation.</p> <p>6. The potential customer may have doubts about what is advertised. Its credibility runs from low to moderate.</p>	<p>inform public.</p> <p>6. It is reliable as it is done by others. Its credibility runs from moderate to high.</p>
--	---	---

## Question 2

- (a) Mention two features of Services. [2]
- (b) What are indirect expenses? Give an example. [2]
- (c) Mention the advantages of Cost plus pricing. [2]
- (d) Explain any two impacts of Acid Rain. [2]
- (e) Mention any two merits of internal sources of recruitment. [2]

### Comments of Examiners

- (a) Most candidates mentioned the two features of *Services* correctly.
- (b) Many candidates explained *indirect expenses* correctly. However, a few candidates were not able to give an example.
- (c) A number of candidates wrote the advantages of *Cost plus pricing* correctly. However, a few candidates wrote the meaning instead of the advantages.
- (d) Some candidates were confused about the impact of *Acid Rain* and wrote the impact of Global warming instead.
- (e) Most candidates wrote two merits of internal sources of recruitment correctly.

### Suggestions for teachers

- Explain the topic by providing examples.
- Provide practical knowledge to students as far as possible.
- Repeated tests through work sheets should be conducted in class.
- Revision of closely related concepts followed by discussions will facilitate better understanding of topics.
- Practical examples will ensure a thorough understanding of the concept.

## MARKING SCHEME

### Question 2

(a)	Two features of services are as follows: 1. Intangibility 2. Perishability 3. Inseparability 4. Variability
(b)	Indirect expenses are those expenses which cannot be wholly and directly identified with a specific job or product. These expenses include factory expenses, office expenses and selling expenses.
(c)	Cost Plus Pricing is the safest approach to pricing. It ensures full coverage of costs and helps in achieving a reasonable return on capital employed. The method is logical and can be defended on moral grounds. It discourages cut-throat competition in the market. This is a simple strategy to administer than other demand based techniques.
(d)	The following are the impacts of Acid Rain: 1. Impact on buildings and monuments 2. Impact on human health 3. Impact on wildlife 4. Impact on trees 5. Impact on microorganisms <i>(Any two with brief explanations)</i>
(e)	Employee morale, economical, familiarity, experienced staff, easy evaluation, upgrading.

### Question 3

- (a) Distinguish between Shut Down Cost and Sunk Cost. [2]
- (b) Why is Dialogue an important element in Public relations? [2]
- (c) State any two features of a Balance Sheet of a company. [2]
- (d) Explain briefly Employee Relations as a scope of Public Relations. [2]
- (e) Explain *current assets* with an example. [2]

## Comments of Examiners

- (a) Most candidates lacked understanding of the concepts *Shut Down Cost* and *Sunk Cost*.
- (b) Many candidates wrote answers that did not explain why *dialogue* as an important element of Public relations.
- (c) Most candidates stated two features of a Balance Sheet of a company correctly.
- (d) Several candidates were unable to write valid points.
- (e) Most candidates explained *current assets* with an example correctly.

### Suggestions for teachers

- Explain clearly and in detail the main points of Shut Down Cost and Sunk Cost.
- A broader understanding with examples will bring clarity to concepts.
- Emphasis on key words while explaining concepts.

<b>MARKING SCHEME</b>		
<b>Question 3</b>		
(a)	<b>Shut Down Cost</b> 1. Costs incurred during temporary shutdown of operations. 2. Relevant for decision making.	<b>Sunk Cost</b> 1. Historical cost incurred even when plant and machinery is idle. 2. Not relevant for decision making.
(b)	Dialogue means a conversation between two persons with a purpose. Dialogue is a weapon of reasoning and understanding. It helps to reduce prejudice and builds up mutual confidence.	
(c)	Features of Balance Sheet are as follows: 1. It shows the financial position on a specified date. 2. It is not account but statement. 3. Assets on the right side and liabilities on the left side are shown. <i>(Any two)</i>	
(d)	Employee Relations as a Scope of Public Relations: – The expansion in the industrial workforce has created serious problems in communication and relations with employees. – The foundation of good employee relations are sound personnel policies and their impartial implementation. – Employees to be allowed to express their opinions about matters affecting their interests. – Information about corporate policies affecting their interest to be given to the employees. – That is, a two-way channel of communication between management and workers is required.	
(e)	Current assets are acquired for resale or conversion into cash as soon as possible. e.g. Cash in hand, debtors, stock in hand.	

## Question 4

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

- (a) Introduction Stage in a Product Life Cycle is not very risky. [2]
- (b) Accounts should disclose all material information (with reference to the concept of accounting) [2]
- (c) Recruitment is a process of elimination. [2]
- (d) Branded goods are normally sold by inspection. [2]
- (e) Training reduces employee absenteeism. [2]

### Comments of Examiners

- (a) Most candidates justified a reason for this part correctly. However, a few candidates lacked conviction in answering.
- (b) Most candidates were confused between the principle of Complete Disclosure and Modifying Principles, the Principle of Materiality and hence were unable to justify the concept.
- (c) Most candidates were able to attempt this part correctly.
- (d) Many candidates were unable to answer this question correctly. They supported the statement from the point of view that branded goods must be inspected for quality control to retain faith of customers.
- (e) Most candidates answered this question correctly. Some candidates reasoned out that training reduces errors and not absenteeism.

### Suggestions for teachers

- Stress on practicing model papers to study the pattern of questions.
- Clearly explain all kinds of Accounting Principles with their purpose, along with suitable examples.
- The various methods of selling must be discussed and the various types of goods which come under that category can be discussed which will create better understanding of topics.

### MARKING SCHEME

#### Question 4

(a)	<b>Against:</b> Introduction stage is characterized by high costs, low sales volume, limited distribution and high prices. This stage is very risky because a high percentage of new products fail during this period.
(b)	<b>For or Against</b> The Principle suggests that there should be complete and understandable reporting on the

	<p>financial statements of all significant information relating to the economic affairs of the firm. According to the Principle of Full Disclosure</p> <p>To meet these requirements of this principle, all financial statements are supported by footnotes.</p> <p>Against</p> <p>Principle of Materiality</p>
(c)	<b>Against:</b> Selection is an elimination process not recruitment. At every stage, some candidates are rejected as unsuitable candidates so that the most suitable candidates may be identified.
(d)	<b>Against:</b> Branded goods may be sold through description in catalogues, circulars, sales letters, etc. as they are standardized products and need not be inspected. They can also be sold on approval or return.
(e)	<b>For:</b>
	As trained employees are satisfied and interested in their work, there will be less absenteeism.

## SECTION B (60 Marks)

*Attempt any four questions from this Section*

### Question 5

- (a) Modern marketing has created several non-traditional markets. Explain the main types of non-traditional markets. [5]
- (b) Explain the advantages of *branding* to producers and consumers? [5]
- (c) Explain the Maturity stage and Decline stage of a product Life cycle. [5]

### Comments of Examiners

- (a) Most candidates explained the main types of non-traditional markets correctly. Some candidates were confused 'with in-house market' and 'door to door market'.
- (b) Most candidates explained the advantages of *branding* to producers and consumers correctly.
- (c) Some candidates lacked understanding of the concept, hence they were confused in the various stages of the product life cycle.

### Suggestions for teachers

- Give concrete examples to help students understand the topics studied.
- Stress upon using the right terminology.
- Stress upon the practical aspects and advantages of branding.
- Advise students to read questions carefully before answering.
- Adequate revision must be conducted in class to bring about clarity in answering questions.

## MARKING SCHEME

### Question 5

(a)	<p>Non-traditional markets:</p> <ol style="list-style-type: none"><li>1. Catalogue Market</li><li>2. In-house Market</li><li>3. Mail order Market</li><li>4. Vending Machines</li><li>5. Tele Market</li><li>6. Network Market</li></ol> <p><i>(Any five with brief explanation)</i></p>
(b)	<p><b>Branding has the following advantages:</b></p> <ol style="list-style-type: none"><li>1. Branding helps consumers to identify and recognize the product and reduces the time and effort involved in purchasing.</li><li>2. A producer can create <b>brand loyalty</b> by constantly repeating the brand name to the public.</li><li>3. Branding is the basis of advertising and other techniques of mass selling.</li><li>4. Branding helps to minimize selling costs by reducing dependence on middlemen. Dealers are ready to handle branded products at lower margins.</li><li>5. Branding ensures uniform standards of quality and design to consumers.</li><li>6. Price of branded products is printed on the product.</li><li>7. Retailers cannot exploit consumers by overcharging.</li><li>8. Branded goods can be sold by description and they fetch better prices.</li><li>9. Branded products are packed which prevents adulteration.</li></ol>
(c)	<p><b>Strategies of Maturity stage:</b></p> <ol style="list-style-type: none"><li>1. Differentiating the product from competitive products.</li><li>2. Focussing on brand image.</li><li>3. Extending the warranty period, eg-life time warranty for type writers.</li><li>4. Introducing reusable packing.</li><li>5. Developing new markets.</li><li>6. Finding new uses of the product.</li></ol> <p><b>Strategies of Decline stage:</b></p> <ol style="list-style-type: none"><li>1. New features maybe added to the product.</li><li>2. Economy model of packs may be introduced to revive the market.</li><li>3. New and attractive packaging may be used to attract customers.</li><li>4. Selective promotion may be adopted to reduce distribution cost.</li></ol>

## Question 6

- (a) Explain briefly the various elements of cost. [5]
- (b) Explain: [5]
- (i) The Dual Aspect Principle
- (ii) The Going Concern Concept
- (c) Write five differences between Receipts and Payments Account and Income and Expenditure Account. [5]

### Comments of Examiners

- (a) Most candidates were unable to explain briefly the various elements of cost. Some wrote on *classification* of cost instead of the *elements* of cost.
- (b) Most candidates answered this part correctly. A few candidates gave vague answers for subpart (i), i.e. The Dual Aspect Principle but subpart (ii), i.e. The Going Concern Concept was answered correctly.
- (c) Some candidates were not able to differentiate properly. In several cases, compatible differences were not given.

### Suggestions for teachers

- The topic of elements of cost must be explained with examples and revised in class thoroughly.
- Advise student to read questions carefully before writing answers.
- An in-depth study of the text must be encouraged.
- Revision of topics by giving assignments to students for better understanding should be done.
- Teach students to write compatible differences.

## MARKING SCHEME

### Question 6

(a)	<p><b>The different elements of cost are: Any three costs with explanation</b></p> <p>Material cost - Direct and indirect</p> <p>Labour cost - Direct and indirect</p> <p>Expenses - Direct and indirect.</p>
(b)	<p><b>The Dual Aspect Principle:</b></p> <p>it means that every transaction has dual aspects – one is debit and another is credit. For example, if you purchase goods worth ₹10,000 for cash, one aspect is the goods and another is the cash. So one account will be debited and another account will be credited with the same</p>

	<p>amount. It is the foundation of accounting. It is because of this principle that the two sides of Trial Balance are always equal and both sides of the Balance Sheet tally. <math>Assets = Liabilities + Capital</math>. The double entry system is based on this principle.</p> <p><b>The Going Concern Concept:</b> It is assumed that the business will continue to exist for a long time in the future. It is on this assumption that a distinction is made between capital expenditure and revenue expenditure.</p> <p>Fixed assets are recorded at their original cost less depreciation.</p> <p>Market value of fixed assets is not recorded, as these assets are not to be sold in the near future.</p> <p>In the absence of this assumption, no outside parties would enter into long-term contracts with the firm for supplying funds and goods. This assumption also justifies the distinction between fixed assets and current assets.</p>	
(c)	<p><b>Receipts and Payments Account</b></p> <ol style="list-style-type: none"> <li>1. It is a summary of cash receipts.</li> <li>2. It is a real account.</li> <li>3. It is prepared to know cash balance at the end of the year.</li> <li>4. It contains both capital and revenue items.</li> <li>5. It starts with opening balance of cash in hand and at bank.</li> <li>6. Its closing balance shows cash in hand and at bank or overdraft at the end of the year.</li> <li>7. It contains only cash items and not accrued outstanding items.</li> <li>8. Receipts are on debit side and payments on credit side.</li> <li>9. It contains only cash items.</li> <li>10. It need not be accompanied by a balance sheet.</li> </ol>	<p><b>Income and Expenditure Account</b></p> <ol style="list-style-type: none"> <li>1. It is like the Profit and Loss Account of a trading organization.</li> <li>2. It is nominal account.</li> <li>3. It is prepared to ascertain surplus at the end of the year.</li> <li>4. It contains only revenue items.</li> <li>5. It has no opening balance.</li> <li>6. Its closing balance shows surplus or deficit.</li> <li>7. It includes all accrued and outstanding items.</li> <li>8. Expenditure is on debit side and income on credit side.</li> <li>9. It also contains non-cash items like depreciation.</li> <li>10. It must be accompanied by a balance sheet.</li> </ol>

## Question 7

- (a) Explain any two functions of the Reserve Bank of India. [5]
- (b) Explain 'Selection Interview' and 'Checking references' as steps in the selection procedure. [5]
- (c) Explain: [5]
- (i) Industrial Advertising
  - (ii) Concept Advertising

### Comments of Examiners

- (a) Most candidates explained the functions of the Reserve Bank of India correctly. In some cases, the answers were very sketchy.
- (b) Few candidates explained the steps '*Selection Interview*' and '*Checking references*' in the selection procedure correctly. Most candidates gave vague answers. Instead of 'checking references' several candidates wrote about final 'selection'.
- (c) Most candidates lacked understanding of the concepts (Industrial Advertising, Concept Advertising), hence they were unable to explain them properly.

### Suggestions for teachers

- Banking is an important topic and the functions can be made clear to students by giving keywords.
- Tell students that if a question requires a definition, ONLY definition is to be given. Time should not be wasted in explanation. Key words should be a part of the definition.
- Teach the content with the help of examples.

## MARKING SCHEME

### Question 7

(a)	<b>Functions of RBI:</b> <ol style="list-style-type: none"><li>1. Issue of Currency Notes</li><li>2. Banker to the government</li><li>3. Banker's Bank</li><li>4. Credit Control</li><li>5. Custodian of foreign currency</li><li>6. Maintenance of Exchange Rate</li></ol>
-----	---

(b)	<p><b>Selection Procedure:</b></p> <ol style="list-style-type: none"> <li>1. Selection Interview To check the information obtained through application form and tests.</li> <li>2. Checking Reference Candidates are asked to give names and addresses of two or more persons from whom information about the candidates may be obtained and verified.</li> </ol>
(c)	<p><b>Types of Advertising:</b></p> <ol style="list-style-type: none"> <li>1. Industrial Advertising Advertising from business to business</li> <li>2. Concept Advertising To educate and introduce new products.</li> </ol>

## Question 8

- (a) Write short notes on: [5]
- (i) Bhopal Gas Tragedy
  - (ii) Chernobyl Disaster
- (b) Describe the role of Sales Promotion and Publicity in promoting a brand. [5]
- (c) Explain *Persuasion* as an element of Public relations and mention any two principles of persuasion. [5]

## Comments of Examiners

- (a) Most candidates wrote ambiguous answers that lacked conceptual clarity.
- (b) While many candidates wrote on ‘Sales Promotion’ some failed to write on ‘Publicity’. Some candidates were confused and wrote on the methods of Sales Promotion.
- (c) Most candidates could explain *persuasion* as an element of Public Relations properly. However, in several cases, the principles of persuasion were not mentioned.

### Suggestions for teachers

- Exposure to a question from different perspectives is essential to prepare student for the examination.
- Explain the role of Sales Promotion and Publicity with examples. Provide practical knowledge with the help of projects.

## MARKING SCHEME

### Question 8

(a)	<p><b>Bhopal Gas Tragedy:</b> In 1984, there was accidental release of 40 tonnes of Methyl Isocyanate (MIC) from the factory of Union Carbide India Limited, located in the heart of Bhopal city (Madhya Pradesh). This was an industrial disaster. It caused more than 15000 deaths and injured more than 60000 persons. The majority of deaths and serious injuries were related to pulmonary edema. But the gas also resulted in variety of other ailments.</p> <p><b>Chernobyl Disaster:</b> The Chernobyl Disaster occurred on April 26, 1986 at the Chernobyl Nuclear Plant located in Chernobyl city of Ukraine. It is considered to be the worst accident in the history of nuclear power generation. A plume of radioactive fallout drifted over the surrounding area. Large areas of Ukraine, Belarus and Russia were badly contaminated. It caused at least 80% of direct deaths. More than 9,000 people died from some form of cancer. About 6.6 million people were exposed to radiation.</p>
(b)	<p><b>Methods of Brand Promotion:</b></p> <ol style="list-style-type: none"><li>1. Sales Promotion Short term incentives induce people to buy a brand.</li><li>2. Publicity Image of the brand can be increased by publicity like maintenance of road side parks etc.</li></ol>
(c)	<p><b>Persuasion</b> Persuasion is an important element of Public Relations and takes place through some kind of communication. To persuade means to convince another person of some idea, product, service or institution. You can be persuasive only when you yourself are convinced and look at the situation from the other person's angle.</p> <p><b>Two Principles:</b></p> <ol style="list-style-type: none"><li>1. Acceptance of Message</li><li>2. Harmony</li><li>3. Conformity</li><li>4. From reliable sources / expert.</li></ol> <p style="text-align: right;"><i>(Any two)</i></p>

## Question 9

Patanjali Ayurved Ltd. (PAL) is an FMCG company established in 2006 by Acharya Balkrishna and Baba Ramdev. It is located in the industrial region of Haridwar. It was started with the objective of promoting the ancient science of Ayurveda in coordination with the latest technology. It manufactures mineral and herbal products and offer healthcare solutions.

They started as a small company, but their revenue kept growing from 163 crores in 2009-10 to 5000 crores in 2015-16 and they are targeting for 10000 crores in 2016-17.

They manufacture products using Ayurveda and natural components. Their products are cheaper than alternatives in the market due to low production and marketing costs. They have over 4700 retail outlets and do a lot of online selling. They are also planning to open outlets at railway stations and airports. They are now tying up with various other retail chain stores like Future group retails, Modern trade stores, Reliance retail, Hypercity and Star Bazaar.

With reference to the above:

- (a) Name and discuss the pricing strategy used by Patanjali Ayurved Ltd. (PAL). Why [5]  
has this strategy been successful?
- (b) PAL's target is to double their sales in the current financial year. How do they plan [5]  
to achieve this?
- (c) PAL has not been using sales promotion techniques to increase their sales. Discuss [5]  
any five such techniques that you feel would help the company achieve its sales  
target.

## Comments of Examiners

- (a) Most candidates mentioned the pricing strategy but they were not able to explain why this strategy was successful. Some candidates copied directly from case study, which was not relevant.
- (b) Most candidates answered correctly. However, a few candidates were unable to comprehend the question.
- (c) Most candidates wrote about *brand promotion* instead of *sales promotion* techniques.

## Suggestions for teachers

- Adequate number of case studies must be discussed in the class to provide a thorough understanding of concepts and their applications.
- Instruct students to answer as per the requirements of the question.
- Questions must be read and understood in their entirety and not piece-meal.
- Well planned assignments and a thorough revision would instill a sense of confidence among students and prepare them for all forms of questions posed.

## MARKING SCHEME

### Question 9

(a)	<p><b>PAL used the Penetrating Pricing:</b></p> <p><b>Parity Pricing</b></p> <p>This strategy involves setting a low price in the initial stage so as to make the brand quickly popular and to maximize the market share.</p> <p>The manufacturer seeks to <b>sell to the masses</b>. This strategy is useful for launching fast moving consumer products (FMCGs). The policy results in high sales volume during the initial stages. Penetrating pricing is an aggressive price strategy.</p> <p>This strategy been successful:</p> <ul style="list-style-type: none"> <li>– Pal sells FMCG products</li> <li>– Demand for the products is highly sensitive to price.</li> <li>– Economies of large scale production available.</li> <li>– There is strong potential competition in the market.</li> <li>– Very few consumers are willing to pay a high price.</li> </ul>
(b)	<ul style="list-style-type: none"> <li>– PAL manufactures products using Ayurveda and natural components.</li> <li>– Their products are cheaper than alternatives in the market</li> <li>– their production and marketing costs are kept low.</li> <li>– They have over 4700 retail outlets and do a lot of online selling.</li> </ul>

	<ul style="list-style-type: none"> <li>– They are also planning to open outlets at railway stations and airports.</li> <li>– They are now tying up with various other retail chain stores like Future group retails, Modern trade stores, Reliance retail, Hypercity and Star Bazaar.</li> <li>– PAL has the credibility of Baba Ramdev and the promise of natural products at affordable prices.</li> <li>– They have also diversified into cosmetics, food, beauty and baby care products.</li> </ul>
(c)	<p><b>Techniques of Sales Promotion:</b></p> <ol style="list-style-type: none"> <li>1. <b>Samples:</b> Business firms distribute free samples of their products to make them popular. This method is used for products of daily use, e.g., soaps, toothpaste, tea. It is an expensive but useful for introducing new products.</li> <li>2. <b>Trading Stamps:</b> Trading stamps are issued to customers through the retailers in proportion to the amount of purchase. The customer goes on collecting the stamps on his purchases. Once he has collected stamps of adequate amount, he obtains a product in exchange of his stamps from the stamp redemption centers. This technique induces the customers to buy products.</li> <li>3. <b>Coupons:</b> Coupon is a certificate that entitles its holder to a saving on the purchase of a specified product. A firm may distribute coupons through mail, newspapers, magazines or retailers and buy the product at a discount. The firm reimburses the retailers for the value of coupons redeemed and also pays some amount to cover handling costs.</li> <li>4. <b>Premium or Bonus Offer:</b> It implies an offer of a certain quantity of the product, free of cost, on the purchase of a specified quantity of the product. It also refers to a free gift on the purchase of specified products.</li> <li>5. <b>Price-off Offers:</b> Means offering the product at below the normal price. E.g. 20 % off on refrigerators during the off-season.</li> <li>6. <b>Prize Contests:</b> Contests may be held for customers, salesmen and dealers. Customers are required to write a slogan or complete a sentence about the utility of the product. It provides new ideas for advertising the product. Attractive prizes are given to the best entries.</li> <li>7. <b>Demonstrations at Fairs and Exhibitions:</b> They display and popularize products of the firm, e.g., producers of readymade garments organize fashion shows to explain the special features and usefulness of their garments.</li> <li>8. <b>Exchange Offers:</b> Manufacturers of household gadgets and other products make an offer 'exchange old products with new ones'. E.g., an old iron can be exchanged with a new iron after payment of a specified amount.</li> </ol>

## Question 10

Mr. Raj is a newly appointed Human Resource Manager of the Hyderabad branch of a foreign bank. The bank is looking for a rapid expansion of its business in the Southern region. So it wants to recruit, select new employees and launch various schemes and offers. Being an organisation of repute, it is highly essential to select efficient people who will be able to contribute effectively to the growth of the business. The entire responsibility of developing a good work force for business expansion in the region is entrusted to Mr.Raj.

With reference to the above:

- (a) Name the key function of Human Resource Management which Mr.Raj is expected to perform. Mention the key activities under this function. [5]
- (b) Describe any two roles of Human Resource management. [5]
- (c) Briefly explain any five tests required for selecting employees. [5]

### Comments of Examiners

- (a) Most candidates were able to give the key functions of Human Resource Management. The key activities, however, were answered incorrectly by several candidates. Several candidates misinterpreted it with other functions of Human Resource Management.
- (b) Most candidates copied the roles of Human Resource management from the case study but they were not explained.
- (c) Most candidates did not write tests required for selecting employees correctly. Many explained the *selection procedure* instead of the *tests*.

### Suggestions for teachers

- Advise students to read the case study thoroughly and highlight the key Words.
- Regular practice and correlation with the concepts from the topics already taught should be undertaken. Case studies can have many application based questions and students must be able to correlate them with the topics learnt.
- Various types of tests and their importance must be explained in detail.

## MARKING SCHEME

### Question 10

(a) Development function

Procurement function – it is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objective. The functions are

- 1. Job analysis** - it is a process of studying in detail, the operations and responsibilities involved in a job so as to identify the nature and level of human resources required to perform the job effectively. It includes the preparation of job descriptions and job specifications.
- 2. Human resource planning.**- It is a process by which a management determines how an organization

should move from its current manpower position to its desired manpower position.

3. **Recruitment** – It is the process of searching for required personnel and stimulating them to apply for jobs in the organization.
4. **Selection** – It implies judging the suitability of different candidates for jobs in the organization and choosing the most appropriate people.
5. **Placement** – It means assigning suitable jobs to the selected candidates so as to match employee qualifications with job requirement.
6. **Induction or orientation** – it involves in familiarizing the new employees with the company, the work environment and the existing employees so that the new people feel at home and can start work confidently.

**(b) Roles of Human Resources Management are: (Any two role) (2.5 +2.5)**

1. Significance for an enterprise
2. Professional significance
3. Social significance
4. National significance

**(c) The five selection tests are:**

1. Achievement Test
2. Dexterity Test
3. Intelligence Test
4. Aptitude Test
5. Personality Test
6. Interest Test

## GENERAL COMMENTS

### Topics found difficult/ confusing by candidates

- Questions relating to cost.
- Advantages of branding to producers and consumers.
- Scope of Public relations and Principles of persuasion.
- Functions and role of Human Resource Management.
- Activities of Human Resource Management.
- Industrial advertising.
- Role of Sales Promotion and Publicity.
- Selection Interview and Checking References.
- Pricing strategy.
- Techniques of Sales Promotion

### Suggestions for candidates

- Learn concepts with examples for better understanding. Make notes of your own.
- Write differences in a tabular form.
- Read case studies well and correlate them with the topics learnt.
- Reading time should be used judiciously.
- Understand the requirements of the question before attempting the answer. Solve the past years' papers.
- Be regular in class. The keywords that bring out the complete meaning must be underlined and included in the answer.
- Understand basic concepts and terms through revision.
- Practice writing of answers instead of just oral work.
- Avoid selective study.
- Long answers should have sub-headings and must be explained in points. Key words should be underlined.