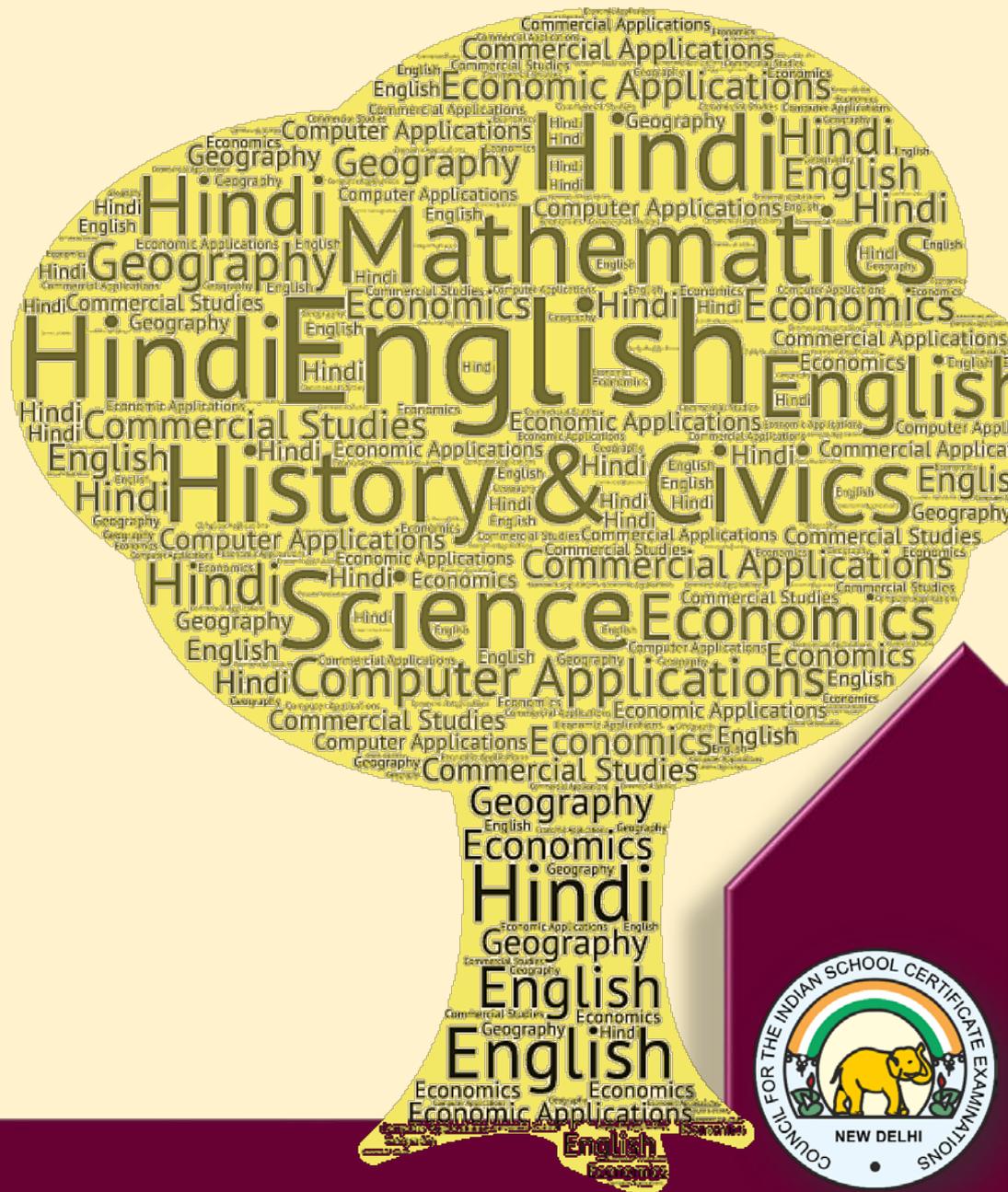


# Analysis of Pupil Performance

# Year 2017 Examination

# ICSE

## COMMERCIAL STUDIES



*Research Development and Consultancy Division*

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

**Year 2017**

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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) 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**

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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 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.

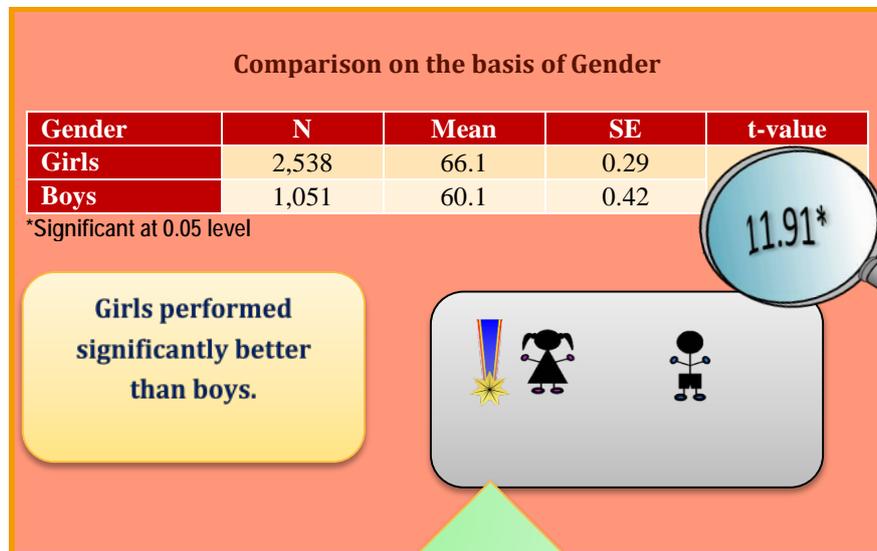
## Understanding the tables

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.



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.

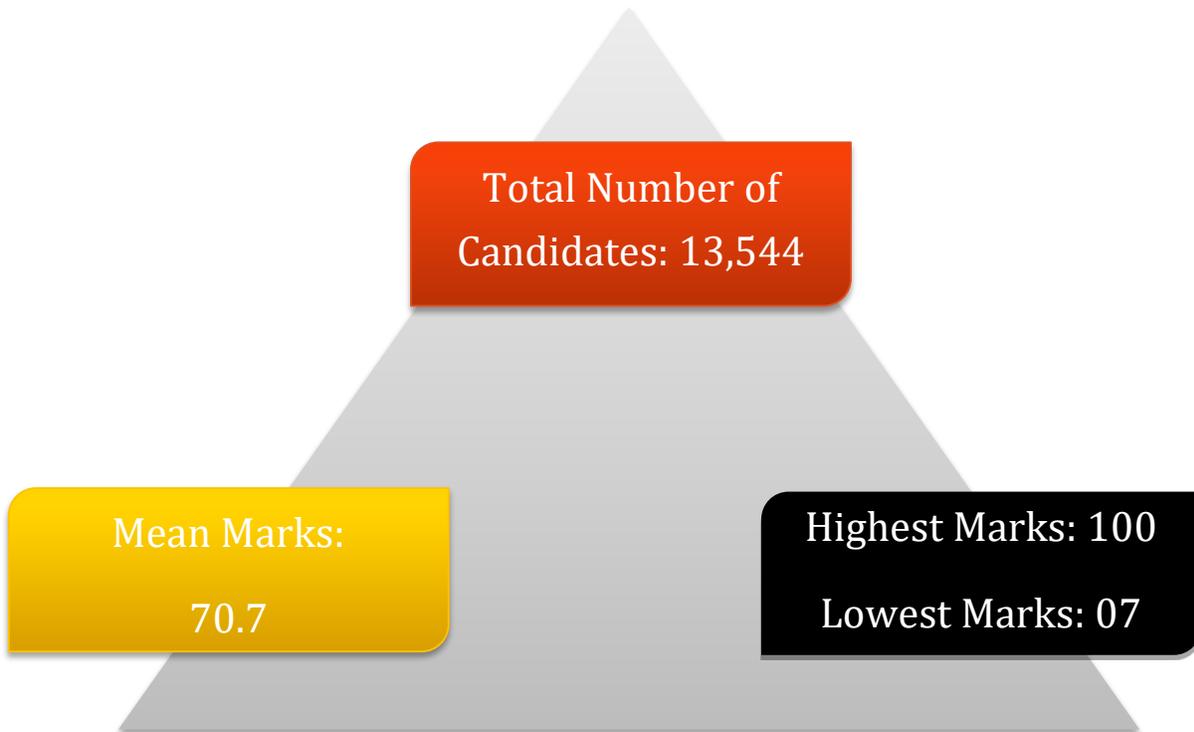
## Qualitative Analysis

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

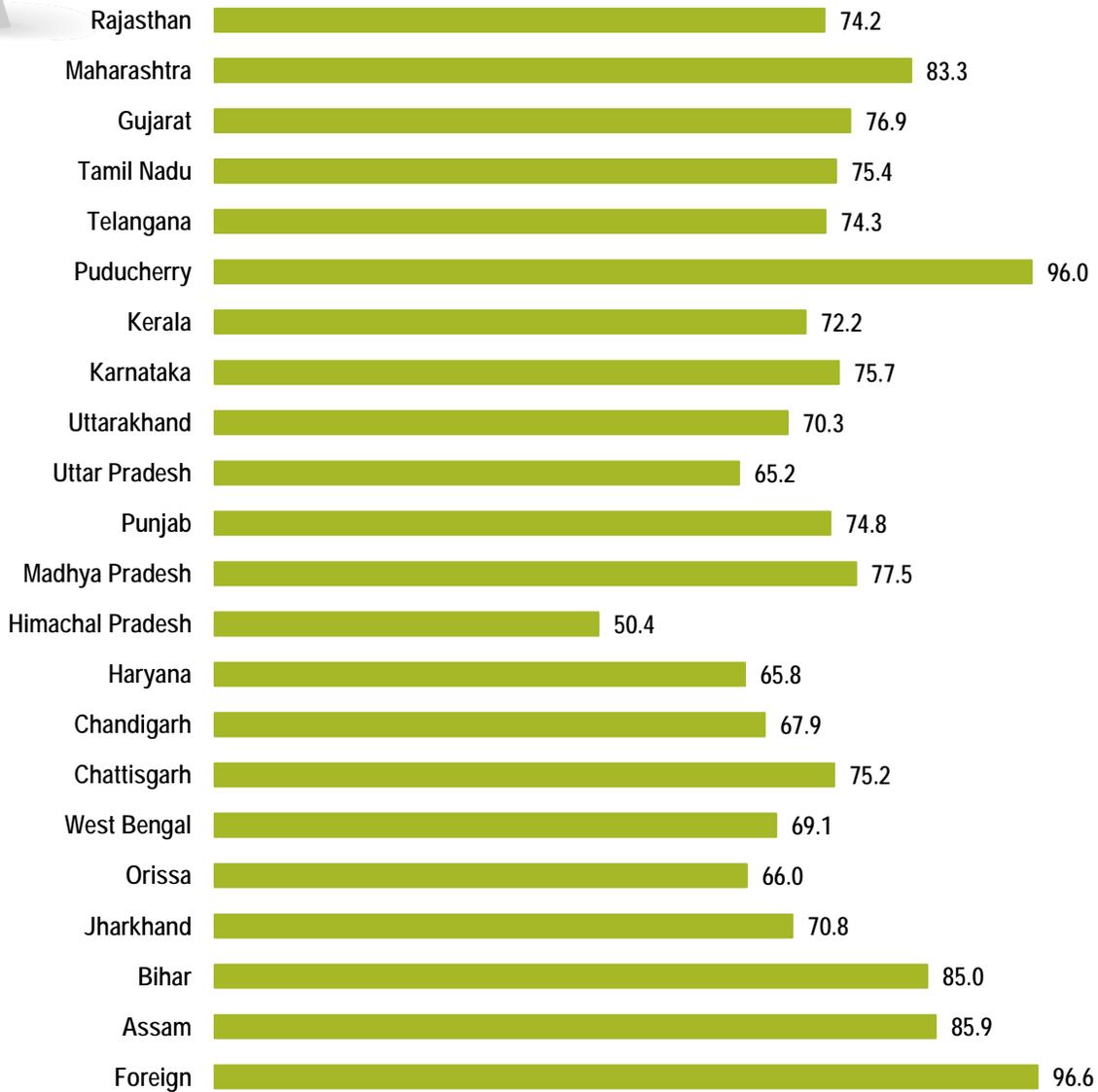


## STATISTICS AT A GLANCE





## PERFORMANCE (STATE-WISE & FOREIGN)



**The UT/State of Puducherry, Assam and Bihar secured highest mean marks. Mean marks secured by candidates studying in schools abroad were 96.6.**



## GENDER-WISE COMPARISON



**GIRLS**

Mean Marks: 74.1

Number of  
Candidates: 6,255



**BOYS**

Mean Marks: 67.8

Number of  
Candidates: 7,289

### Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	6,255	74.1	0.23	19.25*
Boys	7,289	67.8	0.23	

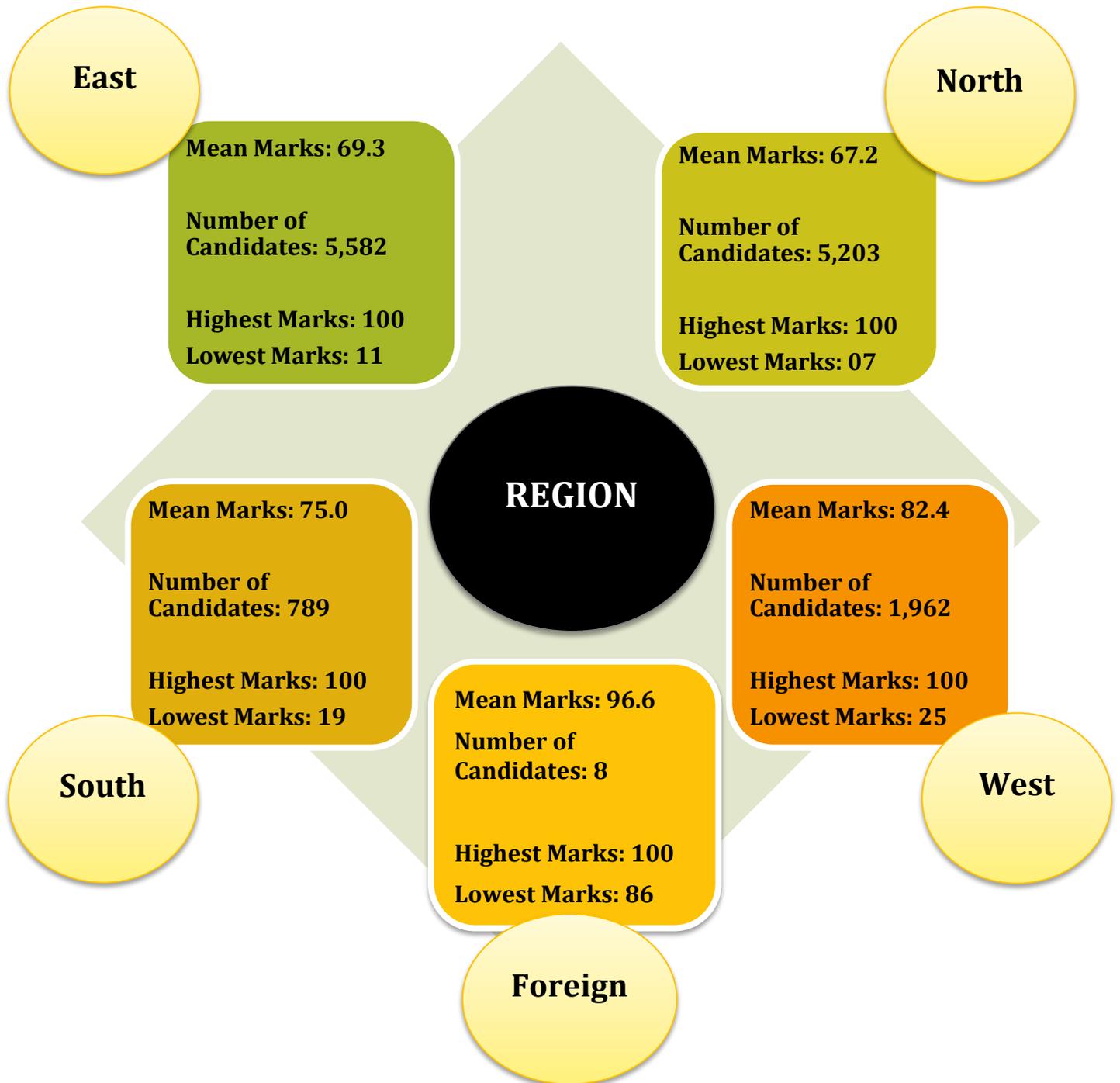
\*Significant at 0.05 level

**Girls performed  
significantly better than  
boys.**

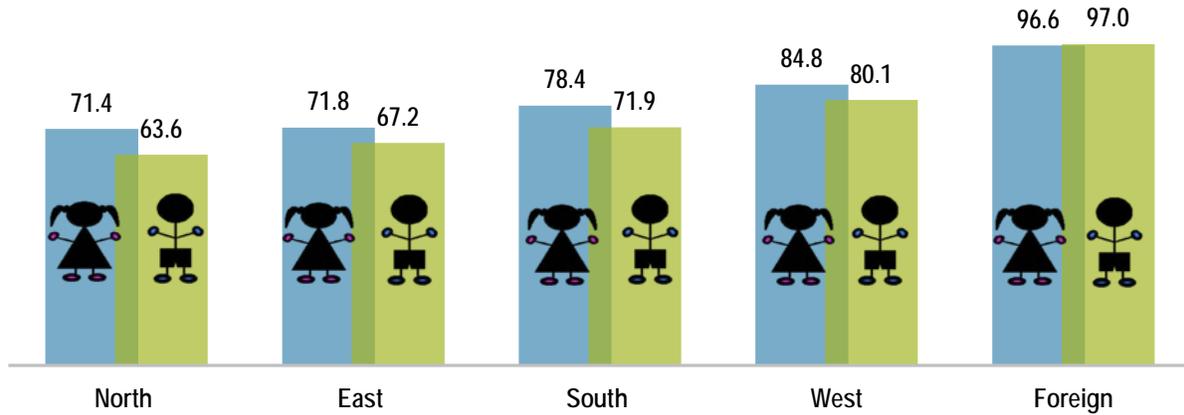




## REGION-WISE COMPARISON



## 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	2,379	71.4	0.40	14.28*
	Boys	2,824	63.6	0.38	
East (E)	Girls	2,516	71.8	0.36	9.47*
	Boys	3,066	67.2	0.33	
South (S)	Girls	376	78.4	0.82	5.36*
	Boys	413	71.9	0.89	
West (W)	Girls	977	84.8	0.45	6.90*
	Boys	985	80.1	0.50	
Foreign (F)	Girls	7	96.6	1.87	-0.23
	Boys	1	97.0	0.00	

\*Significant at 0.05 level

The performance of girls was significantly better than that of boys in all the regions except for the foreign region, wherein no significant difference was observed between the average performance of girls and boys.

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





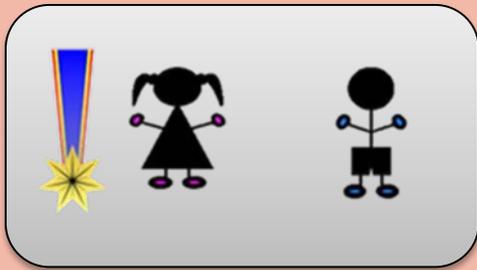
## MARK RANGES : COMPARISON GENDER-WISE

### 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	2,789	90.9	0.11	5.22*
	Boys	2,295	90.1	0.11	
Bottom Range (0-20)	Girls	24	19.1	0.22	2.39*
	Boys	68	18.3	0.26	

\*Significant at 0.05 level

**Performance of girls was significantly better than the performance of boys in the top and bottom marks range.**





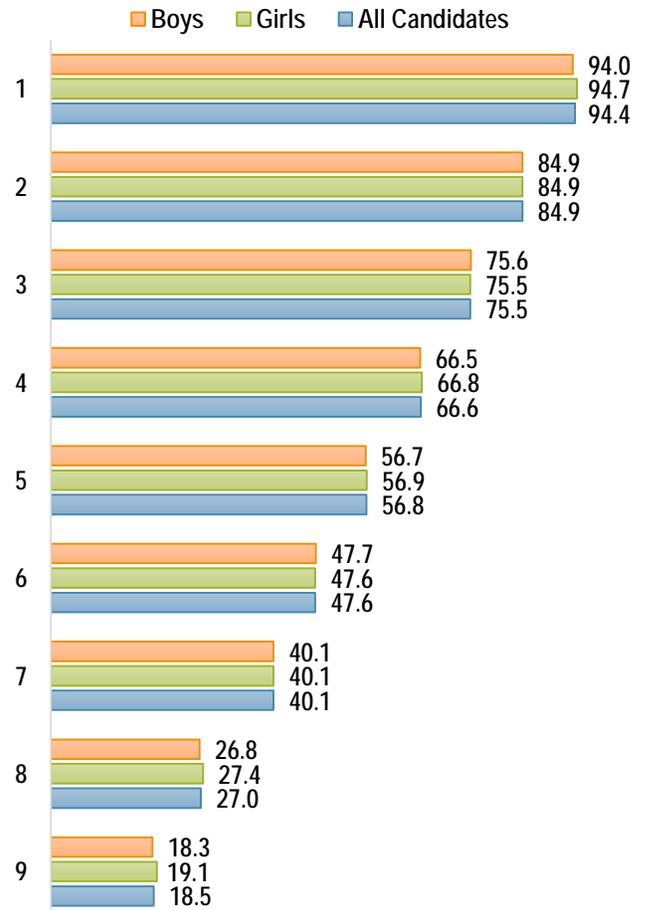
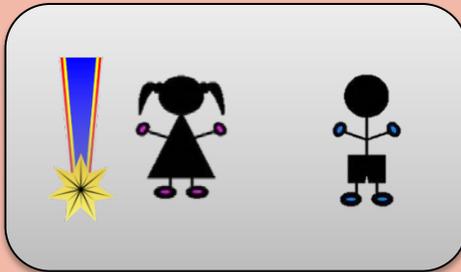
# GRADES AWARDED : COMPARISON GENDER-WISE

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

Grades	Gender	N	Mean	SE	t-value
Grade 1	Girls	1,644	94.7	0.08	5.47*
	Boys	1,251	94.0	0.09	
Grade 9	Girls	24	19.1	0.22	2.39*
	Boys	68	18.3	0.26	

\*Significant at 0.05 level

**In Grade 1 and Grade 9, average performance of girls was significantly better than the performance of boys.**



# QUALITATIVE ANALYSIS

## SECTION A (40 Marks)

*Attempt all questions from this Section*

### Question 1

Distinguish between:

- (a) Internal and External stakeholders [2]
- (b) Direct Costs and Indirect Costs [2]
- (c) Private warehouse and Public warehouse [2]
- (d) Recruitment and Selection [2]
- (e) Overdraft and Cash credit [2]

### Comments of Examiners

- (a) Most candidates could differentiation between the two types of stakeholders. Some candidates were confused this with internal and external recruitment.
- (b) Many candidates were unable to write the literal meaning of 'Direct Costs and 'Indirect Costs'. Some candidates were quite clear and wrote correct answer.
- (c) Most of the candidates answered correctly but a few interchanged the answer. Some candidates were confused and unable to write proper differences.
- (d) Most of the candidates could answer the question correctly with a proper basis of distinction. Some candidates wrote vague answers.
- (e) Majority of the candidates were unable to bring out a clear distinction between 'overdraft' and 'cash credit'.

### Suggestions for teachers

- Explain all Commercial Studies based terms thoroughly, with the help of examples.
- All differences should be taught with the help of examples in a point wise tabular form as it not only results in clarity of concepts but also helps in understanding concepts better.
- Regular practice must be given to students during classroom sessions.
- Stress upon practical knowledge.

## MARKING SCHEME

### Question 1

(a)	<p><b>Internal Stakeholders</b></p> <ol style="list-style-type: none"> <li>1. They operate from inside the organization.</li> <li>2. They actively participate in the Management and working of the firm.</li> <li>3. They assume risk of the business.</li> <li>4. They participate in profits, especially owner.</li> <li>5. They consist of employers i.e. owners, managers and employees.</li> </ol>	<p><b>External Stakeholders</b></p> <ol style="list-style-type: none"> <li>1. They operate from outside the organization.</li> <li>2. They do not participate actively in Management.</li> <li>3. They do not assume any risk.</li> <li>4. They do not participate in profits.</li> <li>5. They consist of suppliers, customers, competitors, Government and public.</li> </ol>
(b)	<p><b>Direct Costs</b></p> <ol style="list-style-type: none"> <li>1. Costs which are directly attributable to a particular cost unit or cost centre.</li> <li>2. Direct labour, direct material and direct expenses.</li> </ol>	<p><b>Indirect Costs</b></p> <ol style="list-style-type: none"> <li>1. Which are not directly attributable to a particular cost unit or cost centre.</li> <li>2. Indirect material, indirect labour and indirect expenses.</li> </ol>
(c)	<p><b>Private warehouse</b></p> <ol style="list-style-type: none"> <li>1. Owned by manufacturers and traders.</li> <li>2. Located in rural and sub urban areas where space is available at low cost.</li> <li>3. Manufacturers or wholesalers require own storage facilities. They are not agents but have their own goods.</li> <li>4. Store goods produced or purchased by traders or manufacturers.</li> </ol>	<p><b>Public warehouse</b></p> <ol style="list-style-type: none"> <li>1. Owned by government, public trusts and other public authorities.</li> <li>2. Located in places which are well connected by roads, railways and water ways.</li> <li>3. Owner serves as an agent to the owners of the goods.</li> <li>4. Any businessman can store their goods by paying some charges.</li> </ol>
(d)	<p><b>Recruitment</b></p> <ol style="list-style-type: none"> <li>1. Positive process</li> <li>2. To create a large pool of candidates.</li> </ol>	<p><b>Selection</b></p> <ol style="list-style-type: none"> <li>1. Negative process</li> <li>2. To eliminate all unsuitable candidates.</li> </ol>
(e)	<p><b>Overdraft</b></p> <ol style="list-style-type: none"> <li>1. This facility is available only to current account holders.</li> <li>2. It is withdrawal of money more than the amount outstanding to his credit up to a certain limit.</li> <li>3. No need of any security.</li> <li>4. Interest is charged on amount overdrawn.</li> </ol>	<p><b>Cash credit</b></p> <ol style="list-style-type: none"> <li>1. Facility can be availed by non-account holders as well.</li> <li>2. It is an arrangement where banks allow borrowers to borrow.</li> <li>3. Security may be required.</li> <li>4. Interest is charged on amount withdrawn.</li> </ol>

## Question 2

- (a) What is Survey Method of Marketing Research? Give one reason why it is mostly used. [2]
- (b) Why should 'Non-Trading Organisations' maintain books of accounts? Name the accounts prepared by them. [2]
- (c) Give any four examples of Public awareness programmes organized for a better environment. [2]
- (d) State any two expectations of the Associates from a business enterprise. [2]
- (e) What do you mean by 'Semantic barrier'? [2]

### Comments of Examiners

- (a) Many candidates were unable to write the survey method of marketing research and the reasons for using it.
- (b) A number of the candidates answered the question correctly.
- (c) Many candidates could not name four public awareness programmes organized for a better environment. Some candidates named only one or two programmes.
- (d) Most of the candidates did not comprehend 'Associates from a business enterprise' and wrote points related to customers, suppliers, government, etc. Some candidates answered this part correctly.
- (e) While most candidates attempted this part correctly, a few explained 'status barrier' instead of 'semantic barrier'. Several answers were vague and incorrect.

### Suggestions for teachers

- Explain methods of marketing research in detail with examples. Use different survey sheets, either in class or in project work, as examples, for clarity of concepts.
- Clarify the concepts of trading and non-trading organisations with various examples along with their functions and names of the accounts prepared by them.
- Inform students about the various public awareness programmes and the activities undertaken under them. Apart from text book knowledge, emphasize on practical knowledge also.
- Types of barriers of Communication should be clearly explained along with their reasons or causes and remedies.

## MARKING SCHEME

### Question 2

(a)	A survey is a detailed enquiry to collect or gather information. It is widely used due to the following reasons: <ol style="list-style-type: none"><li>1. It provides both quantitative and qualitative information.</li><li>2. It can be used to obtain both facts and opinions.</li><li>3. It is used to motivate research.</li></ol>
(b)	To give a clear picture of money contributed by the members and purpose of rendering services. They prepared Receipts & Payments Account and Income & Expenditure Account.
(c)	Examples of public awareness programme are: <ol style="list-style-type: none"><li>1. Chipko movement</li><li>2. Beej Bachao Aandolan</li><li>3. Ganga action plan / Ralegaon Siddhi</li><li>4. Silent valley</li></ol>
(d)	<ul style="list-style-type: none"><li>– Fair trade practices regarding price, quality and service.</li><li>– Respect for intellectual property rights.</li></ul>
(e)	Semantic is the science of meaning. The same words and symbols may carry different meanings to different people. Sometimes the language used by the sender may not be understood by the receiver.

### Question 3

- (a) What are convenience products? Give any two examples. [2]
- (b) What is semi-variable cost? Give one example. [2]
- (c) What is meant by 'Revenue Expenditure'? [2]
- (d) What is Direct Mail advertising? Give any two advantages of it. [2]
- (e) State two disadvantages of internal recruitment. [2]

## Comments of Examiners

- (a) Some candidates answered correctly, however most of the candidates were unable to understand 'convenience products'. In some cases, they were confused with comfort and luxury products like television, etc.
- (b) Many candidates were unable to give a correct definition or expression of 'semi-variable cost'. Some candidates wrote about 'variable cost' or 'fixed cost' with examples.
- (c) While several candidates wrote about revenue expenditure correctly with example, a few candidates confused it with capital expenditure.
- (d) Majority of the candidates attempted this question successfully. A few candidates gave general advantages.
- (e) A number of candidates mentioned the internal sources of recruitment instead of the disadvantages of internal recruitment.

## Suggestions for teachers

- Encourage students to read questions carefully and answer according to the requirements of the question.
- Products and services with their types must be explained in class, with common examples.
- Give examples of fixed, variable and semi-variable costs and have a discussion with students.
- Keywords relating to the meaning should be explained with proper examples.
- Modern concept of advertisement with the concept direct mail must be explained thoroughly along with the advantages /disadvantages.
- Explain clearly the various advantages and disadvantages of internal recruitment.

## MARKING SCHEME

### Question 3

(a)	Convenience goods are products which consumers purchase frequently with minimum effort. Few examples are bread, butter, jam, etc.
(b)	Cost which does not vary proportionately and does not remain constant with changes in the volume of output is known as semi variable cost e.g. in telephone cost, basic rental fixed but call charges are variable.
(c)	The expenditure the benefit of which is exhausted within the current year, such expenditure is of a recurring nature and does not result in the acquisition of permanent asses. e.g. 1. Types of expenses for day to day running of the business. 2. Expenses incurred for the upkeep of fixed assets.
(d)	<b>Direct mail advertising</b> A mail list of potential customers is prepared and message is sent directly to an individual customer through mail via circulars, letters, booklets, leaflets, folders and catalogues. Advantages are: 1. Highly selective 2. Economical/Minimum wastage 3. Personal touch 4. Ensures secrecy

*(Any two points to be considered)*

(e)	<p><b>Disadvantages of internal recruitment are:</b></p> <ol style="list-style-type: none"> <li>1. There may be inbreeding as fresh talent from outside is not obtained. Internal candidates may not give a new outlook and fresh ideas to business.</li> <li>2. Unsuitable candidates may be promoted to positions of higher responsibility because of limited choice.</li> <li>3. Employees may become lethargic if they are sure of time bound promotions. There may be in fighting among those who aspire for promotions within the organisation.</li> <li>4. It cannot be a complete method itself. The organisation must resort to external recruitment at some stage because all vacancies cannot be filled from within the enterprise.</li> </ol> <p style="text-align: right;"><i>(Any two points to be considered)</i></p>
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## Question 4

- (a) Mention any two qualities of a good salesmen. [2]
- (b) Distinguish between Gratuity and Provident Fund. [2]
- (c) What is a bonded warehouse? [2]
- (d) What do you mean by Mural advertising? [2]
- (e) Mention any two main advantages of group life insurance to employees and employers. [2]

## Comments of Examiners

- (a) Majority of the candidates attempted this question well, but a few candidates wrote vague answers.
- (b) Some candidates answered correctly but most of the candidates were unable to differentiate between Gratuity and Provident Fund.
- (c) Majority of the candidates wrote vague answer or only mentioned 'Warehouses owned by Government'. Some candidates confused 'bonded warehouse' with 'public warehouse'.
- (d) Very few candidates could write the correct answer. Some candidates wrote a general view about advertising instead of writing on 'mural advertising'.
- (e) Many candidates wrote general advantages of Insurance instead of 'Group Life Insurance'.

## Suggestions for teachers

- Explain each social security scheme clearly along with their conditions as well as benefits.
- Explain different types of warehouses and their differences in detail. Also discuss bonded warehouse and its relationship with custom and import duty.
- Terms and concepts relating to advertising must be explained thoroughly with the help of examples.
- Point out different types of Social Security schemes in detail with key terms.

## MARKING SCHEME

### Question 4

(a)	<p><b>Qualities of a good salesman are:</b></p> <ol style="list-style-type: none"> <li>1. Physical attributes like good habits, personality and stamina</li> <li>2. Mental attributes like presence of mind, sharp memory and initiativeness.</li> <li>3. Social attributes like ability to get along with people honestly, etc.</li> <li>4. Vocational attributes or technical attributes such as discipline, aptitude, enthusiasm and training.</li> </ol>	
(b)	<p><b>Gratuity</b></p> <ol style="list-style-type: none"> <li>1. Employer contribution</li> <li>2. Payable only at the time of retirement.</li> <li>3. Not specifically invested.</li> <li>4. Fifteen days wages for every completed year of service.</li> </ol>	<p><b>Provident fund</b></p> <ol style="list-style-type: none"> <li>1. Employee and employer contribution every month. 10% of basic wage.</li> <li>2. A part of the amount can be withdrawn during service for a specific purpose.</li> <li>3. Amount specifically invested and earns interest.</li> <li>4. Amount standing to the credit at the time of retirement</li> </ol>
(c)	<p>Bonded Warehouse is established under a bond with the customs authority for storage of dutiable goods till the payment of import duty. These warehouses are in port towns and are licensed by the government. They operate under the vigilance of customs officials. They accept imported goods for storage before payment of customs duty and release them after the duty is paid on the authority of the warehouse warrant issued by custom authority.</p> <p style="text-align: right;"><i>(Any two points to be considered)</i></p>	
(d)	<p>Mural advertising is outdoor advertising. It is the oldest medium of advertisement. It consists of posters, bill boards, electrical displays, etc.</p>	
(e)	<ul style="list-style-type: none"> <li>– Insurance is provided to all employees without any evidence of insurability.</li> <li>– The premium is generally paid jointly by the employee and the employer.</li> </ul>	

## SECTION B (40 Marks)

*Attempt any four questions from this Section*

### Question 5

- (a) Explain any five measures taken to overcome barriers of communication. [5]
- (b) Explain expectations of the Government from a business organisation. [5]

### Comments of Examiners

- (a) Most candidates answered the question correctly. Some candidates wrote barriers of communication instead of writing the measures to overcome barriers of communication.
- (b) While most candidates attempted this question correctly, a few candidates were confused between 'expectations of the government' and 'expectations of other stakeholders' from a business organization.

### Suggestions for teachers

- Train students to read the question carefully and answer as per the requirements of the question.
- Bring out the distinction between 'barriers of communication' and 'measures to overcome the barriers'.
- Encourage students to revise concept related to the expectations of the government as stake holder from a business organization and expectations of other stake holders.

## MARKING SCHEME

### Question 5

(a)	<b>Measures to overcome barriers of communication are:</b> <ol style="list-style-type: none"><li>1. Clarity</li><li>2. Completeness</li><li>3. Correctness</li><li>4. Consistency</li><li>5. Objectivity</li><li>6. Concentration</li><li>7. Feedback</li><li>8. Timeliness</li></ol> <p><i>(Brief explanations of any five points)</i></p>
(b)	<b>Expectations of the government are:</b> <ol style="list-style-type: none"><li>1. To follow the laws and regulations of the country</li><li>2. To pay all taxes honestly, regularly and in time</li><li>3. To avoid corrupting public servants</li></ol>

4. To make proper use of scarce resources of the nation
5. To assist in solving national problems like poverty, unemployment, unbalanced regional growth, etc.
6. To avoid monopoly and concentration of economic power.

(Any five)

## Question 6

- (a) ‘Advertisement is a social waste.’ – In this context explain the *demerits* of advertisement. [5]
- (b) What is ‘standardization’ of products? List any three benefits of standardization. [5]

### Comments of Examiners

- (a) Most of the candidates answered this question correctly but a few candidates had written vague answers.
- (b) A few candidates were unable to explain ‘standardization of products’ and its benefits. They wrote about branding and brand name instead of standardization of products.

### Suggestions for teachers

- Explain clearly the merits and demerits of advertisement with respect to different sectors.
- A pointwise comparative analysis of different modes of advertising may be done to facilitate understanding.
- Emphasize on key-words while explaining topics.
- Clarify concepts with examples to bring about a better comprehension.
- Thorough revision of the topic would reinforce conceptual clarity.

## MARKING SCHEME

### Question 6

- (a) **The demerits of advertising are:**
1. High price: Large amount spent on advertising increase the cost of distribution which is transferred to customers in the form of higher prices.
  2. Wasteful consumption: Advertising multiplies the needs of people and encourages unhealthy consumption. By exploiting human sentiments, it persuades people to buy products which they do not need or cannot afford.
  3. Misleads consumers: Advertising is often deceptive and misrepresents facts to the consumer. Exaggerated claims are used to dupe consumers. Customers are induced through false comparison to buy goods of doubtful values.
  4. Creates monopoly: Advertising creates brand preference and restricts free competition. Large firms which can afford huge amount of money on advertisement eliminate small firms by creating brand monopoly.
  5. Wastage of National resources: Manipulative advertising leads to wastage of resources.

	<p>The natural resources, capital equipment and labour energy which goes in to a production of new items go waste as most are either ignored or escape attention of the people.</p> <p>6. <u>Undermines social values</u>: Modern advertising has corrupting influence on culture and social life. Many advertisements are highly objectionable as it degrades ethical and aesthetic values.</p> <p style="text-align: right;"><i>(Any five points to be considered)</i></p>
(b)	<p>Standardization refers to the process of setting up basic measures or standards to which the products must conform and taking steps to ensure that the goods actually produced adhere to these standards, or establishment of standard for products, inspection of products.</p> <p>Three benefits of Standardization:</p> <ol style="list-style-type: none"> <li>1. Enjoy wider market.</li> <li>2. Goods sell better and fetch a better price to the seller because customers have more faith in them.</li> <li>3. The cost of marketing is reduced.</li> <li>4. Transportation, storage and advertising expenses can be reduced by handling different grades.</li> <li>5. Can be easily valued and their prices fluctuate less widely.</li> </ol>

## Question 7

- (a) Explain any two methods of ‘*Off-the-job training*’. [5]
- (b) Explain any five functions of the Central Bank of India. [5]

### Comments of Examiners

- (a) Some candidates answered this part of the question correctly and point wise. However, a few candidates were confused between the ‘methods’ and the ‘types’ of training as well as between ‘on the job’ and ‘off the job’ training.
- (b) Most of the candidates explained five functions of the Central Bank of India correctly, but some candidates confused them with the functions of Commercial Banks. A few candidates wrote the *features* of Central Bank instead of its *functions*.

### Suggestions for teachers

- The differentiation between the terms *on the job* and *off the job* training, must be explained with examples to bring about conceptual clarity.
- Explain features and functions of Central Bank clearly and point wise.
- Highlight the difference between *features* and *functions*.
- Explain the difference in the functions of the Central Bank and Commercial Banks.

## MARKING SCHEME

### Question 7

(a)	<p><b>Methods of Off the Job training are:</b></p> <ol style="list-style-type: none"><li>1. Classroom training – Lectures, case studies and audio-visual aids are used in the classroom. Advantage: Obtains theoretical knowledge Disadvantage: May create boredom</li><li>2. Simulator exercise – Trainee is placed in artificial environment closely resembling the work place. Advantage: Individuals learn by participating and experiences</li><li>3. Vestibule training – A training center called vestibule is set up. The equipment and working conditions of the actual job place are reproduced or duplicated in the vestibule. Advantages: Since trainees learn the job or equipment and machine which they are to use and become experts. Disadvantage: Costly</li></ol> <p style="text-align: right;"><i>(Any two methods with advantages and disadvantages, if possible.)</i></p>
(b)	<p><b>Functions of Reserve Bank of India are:</b></p> <ol style="list-style-type: none"><li>1. Monopoly of note issue</li><li>2. Government bank</li><li>3. Controller of credit</li><li>4. Custodian of foreign exchange</li><li>5. Bankers bank</li><li>6. Maintaining exchange rate</li><li>7. Lender of last resort</li><li>8. Cleaning house function</li></ol> <p style="text-align: right;"><i>(Any five)</i></p>

## Question 8

(a) Explain any five principles of Insurance. [5]

(b) Explain any five importance of warehousing. [5]

### Comments of Examiners

- (a) Most of the candidates attempted this part well, giving a proper explanation with examples. Some candidates wrote the 'importance' of Insurance instead of 'principles' of Insurance.
- (b) Majority of the candidates attempted this question correctly.

### Suggestions for teachers

- Discuss each principle of Insurance with proper examples, for conceptual clarity.
- Give a clear distinction between the benefits of Insurance and principles of Insurance.
- Encourage students to write answers point wise with a brief explanation.
- Highlight the importance of Warehousing in detail. Frequent class test may be taken for concept development/assessment.

## MARKING SCHEME

### Question 8

(a) **Principles of insurance are:**

1. Principle of utmost faith
2. Doctrine of subrogation
3. Indemnity
4. Insurable interest
5. Causa Proxima
6. Contribution

*(Brief explanations of any five points)*

(b) **Importance of Warehousing:**

1. Seasonal production
2. Seasonal demand
3. Production in anticipation of demand
4. Storage of raw materials.
5. Equalisation of demand and supply
6. Scattered demand
7. Stability in prices
8. Processing

*(Brief explanations of any five points)*

## Question 9

- (a) Discuss the role and concepts of Eco efficiency and Eco-friendly technology. [5]
- (b) “Budgets are useful for management”. Justify. [5]

### Comments of Examiners

- (a) Most candidates could not write the role and concepts of Eco efficiency and Eco-friendly technology correctly which reflects lack of conceptual clarity. Only a few candidates could answer this question correctly with good examples.
- (b) Some of the candidates answered clearly and point wise. Most candidates made their own points relating to family budget or else. In some cases, correct points were missing.

### Suggestions for teachers

- Explain to students the role and concepts of Eco efficiency and Eco-friendly technology with examples. Also discuss their applications as well as their advantages and disadvantages.
- The concept of budget and the utility of budget should be explained clearly to students. Government budget and other types of budgets and their impact may also be discussed in class.

## MARKING SCHEME

### Question 9

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | <ul style="list-style-type: none"> <li>– Efficient technology means technology that helps to raise productivity and reduce time and costs involved in production.</li> <li>– Ecofriendly technology is the technology that does not have a negative effect on ecology or natural environment.</li> <li>– Adoption of efficient and ecofriendly technologies helps in achieving sustainable development.</li> <li>– Biotechnology and nanotechnology also helps in efficiency and ecological balance. Biotechnology means using living organism or their products for commercial purpose.</li> <li>– Nanotechnology is development and use of devices that have a size of only few nanometers.</li> </ul> <p style="text-align: right;"><i>(Brief explanations of any two points)</i></p> |
| (b) | <p><b>Budgets are useful for management as mentioned below:</b></p> <ol style="list-style-type: none"> <li>1. Sound planning</li> <li>2. Higher efficiency</li> <li>3. Sense of responsibility</li> <li>4. Source of motivation</li> <li>5. Coordination</li> <li>6. Delegation of authority</li> <li>7. Effective control</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Question 10

The value of stock on 31<sup>st</sup> December 2014 was Rs. 14,920.

[10]

Prepare a Trading Account and a Profit and Loss Account for the year ended 31<sup>st</sup> December 2014 and a Balance Sheet as at that date in the books of ABC enterprises.

### TRIAL BALANCE

	Dr.		Cr.
Drawings Account	7,000.00	Capital Account	90,000.00
Purchases	82,210.00	Purchase Return	4,240.00
Sales Return	1,820.00	Sales	149,840.00
Opening Stock	11,460.00	Discount	180.00
Salaries	6,280.00	Sundry Creditors	16,980.00
Wages	8,560.00		
Leasehold Premises	25,000.00		
Rent, Rates & Insurance	6,940.00		
Carriage Inward	2,310.00		
Office Expenses	9,520.00		
Plant & Machinery	24,000.00		
Light & Water	7,950.00		
Bills Receivable	1,240.00		
Sundry Debtors	38,970.00		
Cash at Bank	12,400.00		
Cash in Hand	2,210.00		
Office Furniture	3,500.00		
Travelling Expenses	9,870.00		
	<hr/> <hr/>		<hr/> <hr/>
	261,240.00		261,240.00

## Comments of Examiners

Most candidates prepared Trading Account and a Profit and Loss Account and a Balance Sheet correctly except for a few who were confused about the balance sheet format and entry postings relating to sales and purchase, sales return and trade expenses, etc. Anomalies were observed in following entries:

- Purchase and sales in trading account
- Closing stock entry in Balance Sheet
- Office furniture and Office expenses
- Light and Water
- Leasehold Premises
- Creditors and Debtors.

## Suggestions for teachers

- Give practice in practical based concepts that involve an analytical understanding and which also enhance application based skills.
- Explain direct expenses, indirect expenses, capital & revenue expenditure, various common assets & liabilities, with proper examples.
- Train students by giving regular practice on the correct posting of entries.
- Advise students to read and analyse the question in-depth before answering the same.

## MARKING SCHEME

### Question 10

*In the Books of ABC Enterprises*

**Trading a/c & Profit and Loss a/c for the year ended 31<sup>st</sup> December 2014**

Particulars	Amount	Particulars	Amount
To Opening stock	11,460	By sales	1,49,840
To purchases	82,210	Less- sales	1,820
Less-purchase return	4,240	return	1,48,020
To wages	8,560	By closing stock	14920
To carriage inward	2310		
To light and water	7950		
To Gross Profit (transfer to P/L a/c)	54690		
	162940		162940
To Salaries	6,280	By Gross profit	54,690
To rent, rates & insurance	6,940	Transfer from T <sup>A/C</sup>	
To office expenses	9,520	By discount	180
To travelling expenses	9,870		
To Net profit	22,260		
	<b>54,870</b>		<b>54,870</b>

**In the books of ABC Enterprises  
B/S for the year ended 31st December 2014**

<b>Liabilities</b>	<b>Amount</b>		<b>Assets</b>	<b>Amount</b>	
Capital	90,000		Leasehold Premises		25,000
add- net profit	22,260		Plant & Machinery		24,000
	1,12,260		Bills receivable		1,240
Less- Drawing	7,000	1,05,260	Sundry debtor		38,970
Creditors		16,980	Cash in hand		2,210
			Cash at bank		12,400
			Office furniture		3,500
			Closing stock		14920
<b>Total</b>		<b>1,22,240</b>	<b>Total</b>		<b>1,22,240</b>

## GENERAL COMMENTS

### Topics found difficult/ confusing by candidates

- Distinguish between – direct cost and indirect cost; private and public warehouses; overdraft and cash credit; gratuity and provident fund.
- Reason for use of survey methods.
- Convenience products.
- Semi-variable cost
- Mural advertising
- Role and concepts of eco-efficiency and eco-friendly technology
- Usefulness of budget for management
- Associates of business enterprise- confused with other stakeholders of business enterprise.
- Semantic barrier confused with other barriers.
- Group life insurance and life insurance
- Overcoming barriers of communication and barriers to communication.
- Off-the job training and on-the job training
- Posting of entries like free hold premises, light and water, office expense etc. goes to profit / loss in the balance sheet

### 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.
- Practice 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.
- Be brief and answer to the point.
- Revise thoroughly before submission of the answer script.