

COMMERCIAL APPLICATIONS - 2008

(Two Hours)

Answers to this Paper must be written on the paper provided separately.

*You will **not** be allowed to write during the first 15 minutes.*

This time is to be spent in reading the question paper.

The time given at the head of this Paper is the time allowed for writing the answers.

Section A is compulsory. Attempt any four questions from Section B.

The intended marks for questions or parts of questions are given in brackets [].

SECTION - A (40 Marks)

Attempt all questions from this Section.

Question 1

Give one difference each between:

- (a) A *Primary Market* and a *Secondary Market*. [2]
- (b) A *Consumer product* and an *Industrial product*. [2]
- (c) *Money cost* and *Real cost*. [2]
- (d) *Skimming pricing* and *Penetrating pricing*. [2]
- (e) A *Profit and Loss Account* and a *Balance sheet*. [2]

Question 2

- (a) What does a *pay-in-slip* contain? [2]
- (b) Name the basic principles of accounting. [2]
- (c) What is meant by HRM? [2]

- (d) Explain *replacement cost*. [2]
- (e) *The Central Bank is the lender of the last resort*. Explain. [2]

Question 3

- (a) Name the main elements of Public Relations. [2]
- (b) Explain *two* basic differences between *sales* and the *selling process*. [2]
- (c) Give *the four* components of a promotional mix. [2]
- (d) What is meant by *Gate Hiring* in recruitment? [2]
- (e) Why was EXIM bank setup in India? [2]

Question 4

Give *two* reasons either **for** or **against** each of the following:

- (a) Accounts should disclose all material information (with reference to the concept of accounting). [2]
- (b) Pricing is fundamental to all marketing efforts. [2]
- (c) Selection is a negative process. [2]
- (d) Public relations is propaganda. [2]
- (e) Advertising is a social waste. [2]

SECTION B (60 Marks)

Attempt any four questions from this Section

Question 5

- (a) Explain the reasons for the rapid growth of *public relations*. [5]
- (b) Discuss various stages of *marketing*. [5]
- (c) Explain the benefits of *Training*. [5]

Question 6

- (a) What is *Direct Selling*? Explain any *two* methods. [5]
- (b) What qualities would you seek in a person to appoint him/her as a *salesperson*? Explain. [5]
- (c) Explain the purpose of preparing *Final Accounts*. [5]

Question 7

- (a) What is *crossing* of a cheque? What are the different types of *crossing*? [5]
- (b) Explain with an example for each, the meaning of *fixed costs* and *variable costs*. [5]
- (c) Give any *five* points of difference between *Marketing* and *Sales*. [5]

Question 8

Write short notes on:

- (a) The importance of a cheque. [5]
- (b) The role of trade unions in Indian firms. [5]
- (c) Primary functions of commercial banks. [5]

Question 9

CASE STUDY:

Mr. Saxena was a young officer in an industrial bank at Chennai. He was approached by Mr. Mehrotra, owner of a small textile plant, for a loan to renovate his plant. Saxena gave him a loan of Rs.5,00,000. The bank's branch manager, who saw no future in textiles, was shocked at the loan transaction. He told Saxena to stay close to Mehrotra until the money was paid back. Saxena stuck so close that he became Mehrotra's financial adviser. The loan was repaid but Saxena became Mehrotra's partner and resigned his bank job. Within three years Saxena set up another textile plant and after two decades his textile unit became the second fastest growing textile company in the country. Saxena's management style was characterized by an emphasis on innovation and tight control. To his employees Saxena was a friendly and a highly visible boss. He always walked around the plant and called the vast number of his workers by their first names. He preferred to lead by example rather than telling people how to do their jobs. However, Saxena had a severe heart attack and died.

- (a) What is an *Industrial Bank*? What type of loans can you get from commercial banks? [5]
- (b) Mr. Saxena's wife took over the business and she wanted to appoint a manager. Suggest a source to recruit the manager. Give reasons why you selected such a source. [5]
- (c) Innovation is possible only if business enterprises motivate the employees and spend a lot of money on Research and Development. Do you agree? Give reasons. [5]

Question 10 CASE STUDY:

Nokia, a leading mobile phones company has a supervisor, Mr. Agarwal, at the Lucknow Branch. His workers respond well to his leadership and try to come up to his expectations. However, Agarwal takes a tough stand when workers are unable to meet their targets. In the past Agarwal punished two workers for not being able to reach their targets and this led to big resentment. The workers felt that they should have been consulted in determining work targets. Later Mr. Agarwal realized this and arranged for a special training programme for the employees to achieve targets, since then he has a good relationship with his employees.

- (a) Name and explain the type of training that you would suggest to improve performance. [5]
- (b) Mr. Agarwal likes to promote some of the employees as 'Supervisors'. Suggest a method of Performance Appraisal to select the candidates for promotion. Explain. [5]
- (c) Explain the various elements of Public Relations that Agarwal should infuse in his [5]

employees in order to persuade them to reach their targets.