

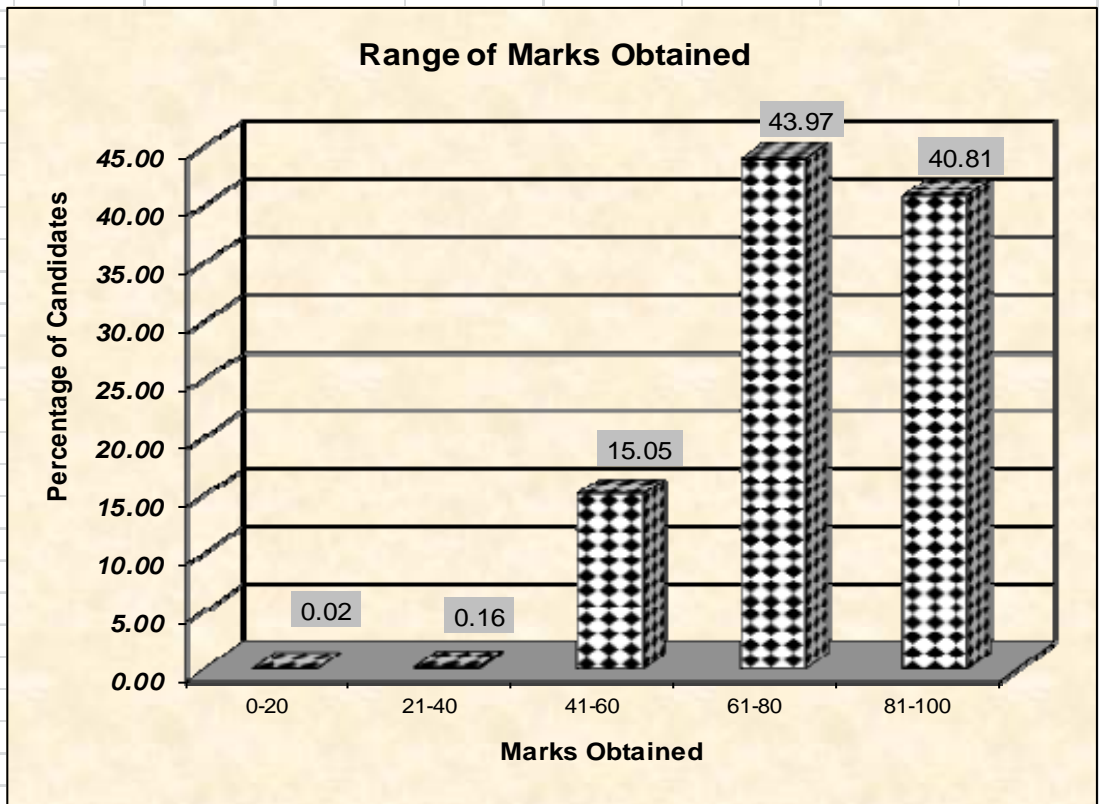
## COMMERCIAL APPLICATIONS

### STATISTICS AT A GLANCE

Total Number of students who took the examination	12,614
Highest Marks Obtained	100
Lowest Marks Obtained	13
Mean Marks Obtained	76.99

### Percentage of Candidates according to marks obtained

Details	Mark Range				
	0-20	21-40	41-60	61-80	81-100
Number of Candidates	2	20	1898	5546	5148
Percentage of Candidates	0.02	0.16	15.05	43.97	40.81
Cumulative Number	2	22	1920	7466	12614
Cumulative Percentage	0.02	0.17	15.22	59.19	100.00



## COMMERCIAL APPLICATIONS

### ANALYSIS OF PERFORMANCE

#### Question 1

Give one difference between each of the following:

- (a) *Industrial goods* and *Consumer goods*. [2]  
 (b) *Fixed assets* and *Current assets*. [2]  
 (c) *Sales promotion* and *Publicity*. [2]  
 (d) *Fixed deposit* and *Recurring deposit*. [2]  
 (e) *Direct labour costs* and *Indirect labour costs*. [2]

#### Examiners' Comments

- (a) Most candidates answered Industrial goods as that of being produced by the industry instead of it being produced in the further production of other goods.  
 (b) Most candidates misinterpreted fixed assets with fixed deposits and current deposits.  
 (c) Most candidates misinterpreted sales promotion with advertising and wrote incorrect answers.  
 (d) Most candidates answered this question correctly.  
 (e) The concept of *Direct labour cost* and *Indirect labour cost* was not clearly understood by most candidates and this led to many writing on Direct costs and Indirect costs instead.

#### Suggestions for teachers

- Clearly differentiate between terms citing suitable examples.
- A detailed explanation of concepts must be done to facilitate a better understanding.
- Emphasise on key words while explaining sales promotion with examples.
- Students must be trained to write the main points of distinction.
- A proper explanation with appropriate examples will improve understanding of concepts.

### MARKING SCHEME

#### Question 1.

a) Industrial Selling and Consumer Selling

<b>Industrial Goods</b>	<b>Consumer Goods</b>
Selling to industries for production of consumer goods. E.g. raw materials, machinery, equipment	Selling of goods and services to the final users. E.g. soaps, toothpaste

b) Fixed Assets and Current Assets

<b>Fixed Assets</b>	<b>Current Assets</b>
These assets are acquired for a long period of time and not for resale. E.g.	These assets are acquired for resale or conversion into cash as soon as possible.

Land and building, furniture and fixtures	E.g. Cash in hand, debtors, stock in hand
c) Sales Promotion and Publicity	
<b>Sales Promotion</b>	<b>Publicity</b>
It is short-term incentives of non-recurring nature, used to stimulate consumer purchasing and dealer effectiveness.	It is any commercially significant news which has no sponsor, is non-personal and is not paid for by the individual or organization involved in it.
d) Fixed deposit and Recurring deposit	
<b>Fixed deposit</b>	<b>Recurring deposit</b>
A fixed amount of money is deposited for a fixed period of time. E. g. Rs,10,000 for 5 years.	A fixed amount of money is deposited at regular intervals e.g. monthly for a fixed period of time. For e.g. Rs.1000 every month for 5 years.
e) Direct labour cost and Indirect labour cost	
<b>Direct labour cost</b>	<b>Indirect labour cost</b>
The labour which can be wholly and directly identified with a particular product is called direct labour cost. E.g. wages paid to the carpenter in a furniture manufacturing factory.	The labour which cannot be wholly and directly identified with a particular product. It is the labour employed for performing tasks incidental to manufacture. E.g. wages paid to store keeper, time keeper in a factory.

## Question 2

- (a) What is *Food Adulteration*? Give an example. [2]
- (b) Mention the elements of Public Relations. [2]
- (c) Why should an *Income and Expenditure Account* be prepared? [2]
- (d) Give *two* basic differences between *Informative advertising* and *Persuasive advertising*. [2]
- (e) What are '*contingent liabilities*'? [2]

### Examiners' Comments

- (a) Most candidates answered this question correctly. However, a few candidates misinterpreted food adulteration with food consumed by adults.
- (b) Most candidates answered this question correctly.
- (c) Most candidates answered this question correctly. However, a few candidates wrote profit or loss instead of surplus or deficit.
- (d) Most candidates answered this question correctly.
- (e) Most candidates were unable to answer it correctly. Very vague answers were written that were irrelevant.

### Suggestions for teachers

- To avoid confusion explain concepts with the help of examples.
- Teach students to be specific while writing answers.
- Emphasise on key words while explaining.
- A clear explanation of the concept must be done to facilitate a better understanding.
- A broader understanding of contingent liabilities with examples will bring clarity to concepts.

## MARKING SCHEME

### Question 2

a) Food Adulteration:

It means deliberate mixing of low quality, undesirable, inedible and even toxic materials in food items. E.g. mixing grit with cereals, papaya seeds with pepper seeds, vanaspati with ghee, etc.

b) The elements of PR: human relations, empathy, persuasion and dialogue.

c) Uses of an *Income and Expenditure Account*

- Income and Expenditure Account shows the surplus or deficit arising from the activities of a non-trading concern during a year.
- It shows all items of income and expenditure. With the help of this information, the organisation can take steps to increase income or reduce expenditure.
- It serves as the basis for preparing the Balance Sheet of a non-trading organisation.
- It fulfils the statutory requirements.

d) Informative Advertising and Persuasive Advertisement.

<b>Informative Advertising</b>	<b>Persuasive Advertisement</b>
This type of advertising contains information about a product/service or institution. It makes consumers aware of the existence, features, uses of goods and services. For e.g. advertisements suggesting how to save petrol or avoid accidents are informative advertising.	This type of advertising is designed to persuade the consumers to buy a product or service or to support an idea.

e) **Contingent liabilities:**

They become payable on the happening of particular events. If the events do not occur, these are not payable. E.g. guarantee given by the firm on behalf of the borrower from a bank will become payable only if the borrower makes default in payment.

### Question 3

- (a) On the basis of ownership, distinguish between a *Product* and a *Service*. [2]
- (b) Explain in brief the term 'Parity Pricing'. [2]
- (c) How does the Central Bank control credit through *Statutory Liquidity Ratio*? [2]
- (d) Explain the terms *Surplus* and *Deficit* in an Income and Expenditure Account. [2]
- (e) With reference to the *Bhopal Gas Tragedy*:
- (i) Name the company responsible for the tragedy.
- (ii) Identify the poisonous gas that caused this ghastly man made disaster. [2]

### Examiners' Comments

- (a) Most candidates wrote differences that did not relate to the basis of ownership.
- (b) Most candidates answered this question correctly. However, a few explained penetrating pricing instead of parity pricing.
- (c) Most candidates confused the term statutory liquidity ratio with that of cash reserve ratio.
- (d) Most candidates answered this question correctly.
- (e) Most candidates were unable to answer this question correctly.

### Suggestions for teachers

- Advise students to be careful and specific while writing answers.
- Revision of closely related concepts will enhance better understanding of topics.
- Revision by way of assignments should be undertaken to facilitate a better understanding and comprehension of concerned topics.
- Teach students to be specific while writing answers.
- Quote suitable examples for students to understand the impact of man-made disasters.

## **MARKING SCHEME**

### **Question 3.**

- a) On the basis of ownership: when a person buys a product, he becomes the owner.  
E.g. if you buy a car, the ownership is transferred to you.  
But when you buy a service, you do not become its owner.  
E.g. if you hire a taxi, you do not become its owner.
- b) **Parity pricing:** It is the pricing strategy adopted when a business firm adjusts its own price policy in accordance with the general pricing structure in the industry. It is suitable under the following conditions:
  - (i) When it is difficult to measure the cost.
  - (ii) When competitive products are homogenous, i.e. similar in nature.
- c) **Statutory Liquidity Ratio:** Commercial banks are required to keep a certain percentage of their assets in liquid form, i.e. cash and government securities. To reduce credit, central bank raises the statutory liquidity ratio and vice versa.
- d) The closing balance of the Income and Expenditure Account shows **surplus** (revenue exceeds expenditure) or **deficit** (expenditure exceeds revenue) for the year. OR  
If the credit side exceeds the debit side, there is surplus. If the debit side exceeds the credit side, there is deficit.
- e) With reference to the **Bhopal Gas Tragedy**,
  - i. The company responsible for the tragedy: Union Carbide India Ltd.
  - ii. The poisonous gas that was accidentally released: methyl isocyanate (MIC)

#### Question 4

Justify either *for* or *against* by giving *two* reasons for each of the following:

- (a) *Aggressive selling* is the only way a company can survive in a highly competitive market. [2]
- (b) Real costs must be recorded in the books of accounts. [2]
- (c) Training reduces employee turnover. [2]
- (d) Tea and coffee can be sold on *sale on approval or return* basis. [2]
- (e) Increased advertising in recent times has resulted in lower prices of newspapers. [2]

#### Examiners' Comments

- (a) Most candidates did not write for or against. Candidates were unable to understand the term aggressive selling.
- (b) Most candidates were unable to justify the concept.
- (c) Most candidates lacked understanding of the term 'employee turnover'.
- (d) Most candidates were confused about sale on approval or return and sale by sample hence reasons stated lacked conviction.
- (e) Most candidates were unable to answer this question correctly and hence were unable to justify the concept.

#### Suggestions for teachers

- Practical examples will ensure a thorough understanding of the concept.
- A proper explanation with appropriate examples must be given.
- A proper explanation with appropriate examples must be given so that students are clear in their concepts.
- For a clear understanding provide examples to bring clarity to concepts.
- Explain by providing examples of how school magazine funds are raised for publishing through advertisements.

#### **MARKING SCHEME**

#### **Question 4.**

Justify either *for* or *against* by giving two reasons for each:

- a) **Incorrect:**  
Aggressive selling leads to unscrupulous practices. In the long run the company will not survive. Customer satisfaction is the only way to survive competition.
- b) **Incorrect:**  
Real costs are the sacrifice, discomfort and pain involved supplying the factors of production by their owners. They cannot be measured in terms of money and hence are not recorded in the books of accounts. This is according to the Money Measurement Concept.
- c) **Correct:**  
Trained employees are satisfied and interested in their work.  
Trained personnel produce better quality and quantity of work.  
Training improves the self-confidence and job-satisfaction of the employees.

Trained employees operate the machines and equipment more carefully and cause fewer accidents and make fewer mistakes so management will be happy with them.

d) **Incorrect:**

‘**Sale by Sample**’ is used to sell tea and coffee.

A sample of the product is checked. Bulk order is placed on the basis of sample.

e) **Incorrect:**

Advertising serves as a great source of revenue for newspapers and magazine.

### Question 5

- (a) What are Overheads or Indirect expenses? Mention *three* types of Overheads with an example of each. [5]
- (b) ‘Intense competition in the corporate world has led to the emergence of advertising as a vital tool for corporate survival’. Do you agree with this statement? Support your answer by citing reasons. [5]
- (c) Explain the following:
- Principle of Prudence.
  - Money Measurement Concept. [5]

### Examiners’ Comments

- (a) Most candidates were unable to write an indepth understanding of the concepts. Some candidates wrote the meaning without citing examples.
- (b) Most candidates failed to understand the question and wrote the disadvantages of advertising instead of its advantages.
- (c) Most candidates answered the question correctly barring a few candidates who were unable to understand the topic concerned.

### Suggestions for teachers

- A proper explanation with appropriate examples must be given.
- Advise students to read questions carefully before answering.
- Well planned assignments and a thorough revision would instil a sense of confidence among students to prepare them for all forms of questions posed.

### MARKING SCHEME

#### Question 5.

a) **Overheads or Indirect expenses:**

Overheads or indirect expenses are the expenses which are not directly **attributable to a specific job or cost centre.**

The three types of overheads are:

1) Factory or manufacturing overheads:

E.g. grease, oil, consumable stores, salary of a storekeeper, power and fuel etc.

2) Office and Administrative overheads:

E.g. printing and stationery, salary of office manager, office rent



- 3) Selling and distribution overheads:  
E.g. price list, sales commission, advertising etc.

b) **Importance of Advertising:** [Any five]

- Creates demand for new products.
- It helps to increase sales and profits by attracting people to buy and expanding markets.
- It creates goodwill by making the manufacturers and his products famous.
- It helps to maintain steady demand.
- It helps to establish direct link between manufacturers and consumers.
- Advertising is helpful in meeting competition.

c) Explain the following:

i. **Principle of Prudence:**

According to this principle, record all anticipated losses but ignore all anticipated gains. Prudence is the policy of playing safe.

e.g., Closing stock is valued at cost price or market price, whichever is less.

ii. **Money Measurement Concept:**

On the basis of this concept, only those transactions are recorded in accounts which can be expressed in terms of money, e.g., the retirement of the chairman of the company cannot be recorded because it is not possible to measure the monetary effect of retirement.

### Question 6

- (a) What is the Penetrating Pricing Policy? Discuss its pros and cons. [5]
- (b) Elucidate the selection procedure for a vacancy in an organization. [5]
- (c) Briefly explain any *five* Consumer Rights. [5]

### Examiners' Comments

- (a) Most candidates were confused about the term Penetrating pricing policy with Parity pricing policy, with some being unable to associate terms related to pros and cons.
- (b) Most candidates answered this question correctly.
- (c) Most candidates wrote the fundamental rights instead of consumer rights.

### Suggestions for teachers

- To avoid confusion explain the concepts of pricing with examples using various terms during assignments. This will make students familiar with terms of pros and cons involved.
- Well planned assignments and a thorough revision of fundamental and basic concepts will lead to a higher sense of understanding amongst students.
- To avoid confusion explain concepts with examples.



## MARKING SCHEME

### Question 6.

a) **Penetrating Pricing Policy:** 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. The manufacturer seeks to **sell to the masses**. Penetrating pricing is an aggressive price strategy. It is ideal to use this strategy while launching FMCGs.

**Advantages:**

- The policy results in high sales volume during the initial stages.
- It makes the brand quickly popular
- Economies of large scale production available.
- It helps to meet potential competition in the market.
- It is useful to restrict the entry of new firms in the industry.

**Disadvantages:**

- Very low price may bring in demand which the firm is unable to meet.
- Some consumers may think that the low priced produce it of poor quality.
- In case costs are underestimated, it may be difficult to raise price later on.
- Creates a price war.

b) **Procedure for Selection:** [Any five]

- 1) **Preliminary Interview:** The job-seekers are received by the secretary who carries out a preliminary interview to determine whether the candidates are qualified to apply for the job.
- 2) **Application Form:** The candidates are asked to fill the prescribed application form, with information like name, address, age, qualification, work experience, etc.
- 3) **Employment Tests:** These tests are based on the assumption the work behaviour of a person can be predicted by sampling it.
- 4) **Selection Interviews:** Interviews can be used to check the information obtained through application form and tests. Managers can judge the personality, communication skills and suitability of the candidate through face-to-face contact. Candidates can also get information about the job and the company.
- 5) **Checking References:** Candidates are requested to give 2 or 3 names of persons from whom information about the candidate may be obtained. These references are contacted and asked to provide information about the character and competence of the candidate.
- 6) **Medical Examination:** A physical examination of the employees is essential to ensure that they are physically fit for the job.
- 7) **Final Approval:** The short-listed candidates are finally approved by the heads of the departments in which they are to work. They are issued appointment letters.

c) **Consumer Rights:** (Explain any three)

- 1) Right to be informed
- 2) Right to Safety
- 3) Right to Choose
- 4) Right to be Heard
- 5) Right to seek Redressal
- 6) Right to Consumer Education

## Question 7

- (a) Describe the procedure adopted for opening a Savings Bank Account with a Commercial Bank. [5]
- (b) Briefly explain any *five* factors responsible for the destruction of the eco system. [5]
- (c) List the advantages and disadvantages of using radio services as a form of advertising media. [5]

### Examiners' Comments

- (a) The question was correctly answered by most candidates.
- (b) Most candidates answered this question correctly.
- (c) Most candidates answered this question correctly. However, a few wrote irrelevant advantages and disadvantages.

### Suggestions for teachers

- Explain clearly and in detail the main points.
- An indepth study of the text must be encouraged.
- A broader understanding of radio advertising will bring clarity.

## MARKING SCHEME

### Question 7.

- a) **Procedure for opening a Savings Account in the bank:**
- 1) **Application in the prescribed form:**  
Person or organization must fill up the relevant application form with details like his name, occupation, address and specimen signature.
  - 2) **Introduction of the Applicant:**  
The applicant must be introduced by an existing account holder of the bank or a reputed businessman. The person introducing the applicant signs on the form with his full address filled in. The bank also consults the references about the financial standing of the applicant, to reduce fraud.
  - 3) **Specimen Signatures:**  
The applicant must give 2 specimen signatures on a prescribed card, which is filed for reference, and can be used for verifying signatures on cheques.
  - 4) **Photographs:**  
To avoid frauds, photographs of applicant are affixed on signature cards.
  - 5) **Initial Deposit:**  
The applicant must deposit the initial amount to open his account, depending on the type of account to be opened. The bank then provides pass book, cheque book and pay-in-slip book to the account holder.
- b) **Factors responsible for destruction of the eco system.**
- Population growth
  - Industrialization
  - Dwelling of business effect
  - Transport
  - Tourism

- Mining
- Agriculture

(Any two points)

c) **Radio Advertising:**

(Any five points)

**Advantages:**

- 1) Wide appeal
- 2) Illiterates can be approached
- 3) People can listen to the radio while in transit or at work
- 4) Selectivity is possible according to the different programmes
- 5) Can be repeated to create impact
- 6) Permits dramatic impact of voice, tone and music

**Disadvantages:**

- 1) Costlier than press media
- 2) Short life and hence can be missed by the listeners
- 3) Lacks visual impact
- 4) Distortion of message due to defective tuning

**Question 8**

(a) What is the professional and social significance of Human Resource Management? [5]

(b) Write short notes on:

(i) Importance of Packaging

(ii) The Chernobyl disaster.

[5]

(c) Last year, Sakona Co. Ltd. came up with a unique and revolutionary *Home Theatre System* with amazing new features, excellent sound quality and elegant design. It was priced very high, yet it was a great success. This year, the company is facing stiff competition, but is determined to acquire a huge chunk of the market share.

(i) In what stage of PLC (Product Life Cycle) is the Home Theatre System presently?

(ii) Suggest strategies that Sakona Co. Ltd. should adopt to achieve its corporate goals.

[5]

Examiners' Comments

(a) Most candidates were unable to write an indepth understanding of the concept. Some candidates were confused with professional and social significance of Human Resource Management.

(b) Most candidates answered importance of packaging correctly. Chernobyl disaster was not answered by most candidates..

(c) Most candidates failed to comprehend the case study correctly. Very vague references to growth stage

Suggestions for teachers

– Explain the concepts and the basis clearly with proper examples.

– An indepth study of the text must be encouraged.

– To avoid confusion, explain the concepts of stages and strategies with examples.

strategies were written that were irrelevant.

## MARKING SCHEME

### Question 8.

- a) **Professional Significance of HRM:** (Any five points)
- Improving the quality of work life.
  - Providing maximum opportunities for personal development of each employee.
  - Maintaining healthy relationship between the various people in an organization.
  - Allocating work properly.
- Social Significance:**
- It provides suitable employment that provides social and psychological satisfaction to people.
  - Eliminating wastage of human resources by conserving the mental and physical health.
  - Maintaining a balance between jobs available and the job-seekers in terms of numbers, qualifications, needs and aptitudes.
- b) Write short notes on:
- i **Importance of Packaging:** (Any three)
- Protects product from damage and deterioration during transportation and storage.
  - It facilitates branding of product
  - Helps to increase sales and obtain high prices.
  - Acts as silent salesman
  - It must be designed carefully as it has competitive value
- ii **Chernobyl disaster:**
- 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, Belrus and Russia were badly contaminated. It caused at least 80 percent of direct deaths. More than 9000 people died from some form of cancer. About 6.6 million people were exposed to radiation.
- c) **Growth Stage**
- Strategies to achieve its goals:
- Heavy advertising to create brand image and to stimulate sales.
  - Expanding distribution channels.
  - Introducing new versions of the product.
  - Keeping the price at competitive levels.
  - Greater emphasis on customer service.

### Question 9

#### Case Study

It is the conviction of the management of Carmel Closure Co. Ltd. that its shareholders constitute an important part of the public. The management feels that the company should devote time and effort in studying the make-up, location, economic status and demography of this group to enable better communication and a stronger public relation policy.

Mr. Ramesh Sharma is the Public Relation Officer of the company. He agrees with the Management to a certain extent, however he would like to introduce other forms of public relations programmes.

- (a) Why is it imperative for a company to maintain a good relationship with its shareholders?  
How should Mr. Sharma go about planning a successful programme? [5]
- (b) Mention *two* other public relations programmes that would be of paramount importance to the company. Give reasons to support your answer. [5]
- (c) How would you explain to Mr. Sharma about the element 'Empathy' as being one of the key elements to establish good public relations? [5]

### **Examiners' Comments**

- (a) Most of the candidates failed to answer this question correctly. Some candidates wrote the importance of public relations. Many candidates did not write the second part of the question.
- (b) Most candidates were unable to mention public relation programmes and hence were unable to justify the concept.
- (c) Most candidates answered this question correctly except for a few who wrote vague answers.

### **Suggestions for teachers**

- Regular practice of case studies is essential. Students should be able to correlate case studies with the topics learnt and should be taught to develop a logical and analytical outlook.
- Apart from textbook, additional examples must be revised in class.
- An indepth study of the text must be encouraged.

## **MARKING SCHEME**

### **Question 9**

- a) It is imperative to maintain good relations with the shareholders as:
- Many shareholders suspect corporate management.
  - The individual investors are unable to understand complex financial data.
  - Financial institutions and stock analysts require detailed information.
  - It would help to arouse their interest in the company,
  - It would promote holding of stock as a long-term investment,
  - It would help reduce shareholder criticism and organized opposition to management.
- Mr. Sharma can plan to keep them informed through reports, organizing shareholders' meetings, films and lectures.
- b) **Public Relations Programmes:** (Any two)
- 1) **Consumer Relations:**
    - Consumers determine the success or failure of an organization.
    - Consumers are increasingly demanding their rights.
  - 2) **Distributor Relations:**
    - The distributors and retailers keep the production-line moving.
    - The PR department must maintain close contacts with them and ensure profitable business to them.
    - Mutual understanding and cooperation is beneficial to both.

3) **Supplier Relations:**

- For producers, suppliers are the primary source of raw materials, components and tools. There is a competition for the products and services of reliable suppliers who supply quality material on time and regularly.
- To enter into a long-term supplier-vendor relationship, the PRO need to communicate with the suppliers

4) **Government Relations:**

- Businesses are taking an increasingly active part in govt. affairs.
- Govt. is also increasingly consulting businessmen in formulating policies and programmes for economic and social development of people.

5) **Community Relations:**

- Business firms and the local community are mutually dependant.
- Business serves the community by providing regular employment, wages, financial benefits, local taxes, etc.
- The local community supplies labour, capital and demand to the business.
- A business must accept its responsibility to the community.

6) **Employee Relation:**

- With widening of industries, there are serious problems in communication and relations with employees. Poor communications may create misunderstanding.
- A two-way channel of communication between workers and management is required for the smooth functioning of the company.

7) **Media Relations:**

- Good working relationship with editors, reporters, columnists and broadcasters is essential getting good publicity coverage.
- Media relations have become complex as the number of media has increased and so has competition for time and space.
- Professional approach to publicity has improved relations of business firms with the media.

c) **'Empathy' as Element of Public Relations:**

Empathy: Involves seeing and feeling matters as others see and feel.

(with proper explanation)

## Question 10

### Case Study

Arden Aptec Ltd. is a telecommunication company. It gives top priority to employee training. The company believes that training contributes to a permanent relationship between superiors and subordinates. The company environment provides conditions favourable to learning and career growth. It also considers it as a continuous process.

The recruitment policy of the company is focused on campus recruitment and hence special steps are taken to ensure that the employees acquire the necessary skills. The accelerated rate of technological changes in the telecommunication industry has led to greater focus on retraining employees.

In addition to in-house training facilities, the company makes use of training programmes run by various technical and management institutes.

- (a) Discuss any *three* types of training that can be undertaken by Ardent Aptec Ltd. [5]
- (b) Why does Ardent Aptec Ltd. think it is important to train employees? [5]
- (c) Discuss any *three* training methods that may be adopted by Ardent Aptec Ltd. [5]

Examiners' Comments

- (a) Most candidates got confused and wrote methods of training instead of types.
- (b) Most candidates answered correctly.
- (c) Most candidates got confused and wrote types of training instead of methods of training.

Suggestions for teachers

- Advise students to read questions carefully before writing answers. Explain the various concepts and related topics with clarity so that students are clear in their concepts.
- Regular practice and correlation with topics already taught must be undertaken.
- Case studies have application based questions and students must be trained to correlate it to the topics learnt.

**MARKING SCHEME**

**Question 10.**

- a) Types of training undertaken by Ardent Aptec Ltd.:
- 1) **Orientation Training / Induction:**  
It is the training given to new employees to familiarize them to the policies rules and regulations of the company. It is a process of **socialization**. The new employees get acquainted with their superiors, subordinates and colleagues. The orientation programme enables the new employees to adjust quickly to the new surroundings and the people.
  - 2) **Job Training:**  
This is given to make the employees proficient in performing job operations. They become efficient in handling machines and equipment. This training is particularly essential for employees with no work experience.
  - 3) **Refresher Training:**  
It teaches the employees the latest developments in work methods and procedures. Short-term refresher courses are organized to introduce technological advancements and new tools and equipments. Refresher training helps to avoid



employee obsolescence and to refresh the memory of the employees.

4) **Safety Training:**

This training creates safety consciousness among the employees, familiarizes them with the use of safety devices and thus minimizes accidents at work place.

5) **Promotional Training:**

It is given to employees who are given a promotion. Promotion increases the responsibilities of the employee and it is necessary to train him for the new job.

b) **Need for Training:**

1) **Increased Productivity:** Trained personnel produce better quality and quantity of work. It improves labour efficiency.

2) **Better Utilization of Resources:** Through training, employees learn to make better use of materials and machinery. Therefore there is less wastage of resources and the cost of production is also reduced.

3) **Better safety:** Trained employees operate the machines and equipment more carefully and cause fewer accidents.

4) **Less Supervision:** Well-trained employees are more disciplined, self-dependent and responsible. This reduces need and cost of supervision.

5) **Higher Morale:** Training improves the self-confidence and job-satisfaction of the employees. They take greater interest in their work and feel a sense of security. This will prove beneficial for the company.

6) **Reduced Labour Turnover and Absenteeism:** As trained employees are satisfied and interested in their work, there will be less absenteeism and labour turnover.

7) **Expansion and growth:** With the help of a trained staff the company will be able to expand and grow more easily and rapidly. Technological advancements can be easily incorporated.

c) **Training methods used by ABC Telecom Ltd.**

1) **On-the-Job Training (OJT):**

In this method the employees learn by performing the job in actual work situation. Therefore, it is also called '**learning by doing**'. The employee learns the job operation under the

supervision of the supervisor or a senior employee. It is step-by-step learning and the employee contributes towards production in the course of learning.

- **Coaching or Mentoring:** the supervisor instructs and guides the trainee. The new employee learns the ins and outs of the job under his guidance. This improves relationship between the worker and his supervisor.
- **Under Study:** the trainee is imparted training by a senior and experienced employee. The trainee learns by observation and imitation. The purpose is to prepare the trainee to fill the vacancy arising from retirement or promotion of the trainer.
- **Assistant to:** the trainee is placed as an assistant to a senior executive of the firm. Initially, the senior entrusts him routine work and guides him to perform the job. Later on, more important and responsible assignments are given to the trainee. Ultimately the trainee becomes competent to perform the job of the senior executive.

## 2) **Off-the-Job Training:**

In this method, the employee learns outside the work place through lectures, workshops, etc.

- **Vestibule Training:**  
In this method, a training center called vestibule is set up and the actual job conditions are duplicated or simulated in it. Expert trainers are employed to provide training with equipments and machines, which are identical to those used at the actual work place.
- **Lectures, Seminars and Conferences:**  
Managers learn new ideas and latest developments by attending lectures, seminars and conferences. Sometimes, executives attend courses and classes in management institutes and universities to refresh their knowledge and learn new ideas.

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

- Direct labour costs and Indirect labour costs.
- Aggressive selling.
- Overhead or indirect expenses.
- Principle of prudence.
- Social significance of Human Resource Management.
- Strategies that Sakona Ltd. should adopt to achieve corporate goals.
- Good relationship with its shareholders.
- Planning successful programme.
- Public relation programmes.
- Training methods and types
- Questions relating to costs.
- Pros and cons of Penetrating pricing policy
- Public relations and costs.

### **Suggestions for students:**

- Write relevant reasons on questions based on For or Against statements.
- Be careful and specific while writing answers.
- Main points must be highlighted.
- Write differences/ distinction in a tabular form.
- Read the question carefully.
- Be clear with the concepts by making notes and using the right terminology.
- Question numbers and sub-questions should be indicated clearly.
- Read case studies carefully and correlate with topics learnt.
- Develop a logical and analytical mind for case studies through regular practice.
- Understand key terms.
- Understand topics of Marketing, Advertising, Banking and Issues of the environment by correlating them to projects based on practical situations.
- Learn concepts with the help of examples.
- Solve case studies.
- Topics on Environmental related issues to be given equal importance.
- Effective Time management is a key to success.