
COMMERCIAL APPLICATIONS

(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

[10]

Briefly explain the difference between:-

- (a) Training and Development.
- (b) Expired and Unexpired Costs.
- (c) Central Bank and Commercial Bank.
- (d) Recruitment and Selection.
- (e) Advertising and Salesmanship.

Question 2

[10]

- (a) 'The capital provided by the owner is treated as a liability of the firm'.

Explain the concept on which the above depends.

- (b) Explain and expand AIDCAM.
 - (c) Explain any two uses of the Income and Expenditure Account.
 - (d) In which stage of marketing is the consumer considered the King?
Explain this stage briefly.
 - (e) List any two circumstances under which a Bank can refuse payment of a cheque.
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This Paper consists of 4 printed pages.

Turn over

Question 3

[10]

- (a) List any two features of a *Balance Sheet*.
- (b) Name and explain the method that should be adopted to sell pulses.
- (c) Why is *marketing* considered an integrated process?
- (d) What are the conditions under which *Parity pricing* is desirable?
- (e) Explain *Bank Rate Policy* as a tool of *Credit Control*.

Question 4

[10]

Justify for or against giving reasons for each:-

- (a) Principle of Consistency is a Modifying Principle.
- (b) Reference checks do not provide reliable information about the candidate.
- (c) A crossed cheque is a safer mode of payment as compared to an open cheque.
- (d) An appropriate marketing mix is necessary to enable an enterprise to meet its goals.
- (e) Fixed assets should be valued at the market price.

SECTION B (60 Marks)

Attempt any four questions from this Section.

Question 5

- (a) AB Visions Ltd. wants to introduce a new variety of reading glasses where the vision can be adjusted according to the user's requirement. Explain the first two stages in the life cycle of this product.
- (b) What is *Direct selling*? Explain the methods of *direct selling*.
- (c) Classify *Markets* on the basis of geographical area.

[5]

[5]

[5]

Question 6

- (a) All vacancies at various levels in an organization cannot be filled through *Internal sources of Recruitment*. Explain any five other sources of Recruitment. [5]
- (b) 'Real Investment in today's society is not in plants and machines; it is in people'. With reference to the above statement, explain the role of Human Resource Management in an organization. [5]
- (c) 'Training is beneficial to both, employers and employees'. Explain. [5]

Question 7

Write short notes on:-

- (a) Types of Advertising. [5]
- (b) Accounting Cycle. [5]
- (c) Guidelines for conducting *effective interviews*. [5]

Question 8

- (a) Classify *Cost* according to its nature. [5]
- (b) Explain any five kinds of *Endorsements*. [5]
- (c) Describe the procedure to be followed to open a Bank account. [5]

Question 9

CASE STUDY

"India's leading car maker Maruti Udyog Limited (MUL) will launch its modern hatchback, Swift, early in the next financial year. The Swift will be launched in India, China and Hungary simultaneously", Managing Director, Jagdish Khattar said. The Maruti engineering team in India was involved with the design, research and development of the Swift, unveiled at the recent Paris Motor Show. Maruti's decision to launch the Swift is an indicator of the Japanese car maker's confidence in the new product, and the low price positioning it may have been able to achieve for the new

vehicle. Sources said the car could be priced at around Rs. 5 lakh and pose a serious challenge to the recently launched Hyundai Getz. If Maruti produces the Swift in India, it will be the Indian company's first significant attempt at designing a new generation platform, sources said.

(Economic Times; 6th December, 2004)

- (a) Name and explain the *pricing strategy* being used by Mr. Jagdish Khattar. [5]
- (b) As Managing Director of Maruti, how will you react to competition faced from cheaper models in the market? [5]
- (c) As Managing Director of Hyundai, explain the steps you will take to retain *Brand Loyalty*. [5]

Question 10

CASE STUDY

Ravi works as a Supervisor in Nerolac Paints, Kanpur. His workers respond well to his leadership and try to come up to his level of expectations. However, Ravi takes a tough stand when workers are unable to achieve their targets. Ravi punished two workers for not being able to achieve their targets and this led to resentment. Workers feel that they should be consulted in determining work targets.

Ravi reports to Mr. Banerjee, the Production Manager. Unhappy at the development, Ravi has requested Mr. Banerjee for a transfer to some other department.

- (a) What steps should be taken by Mr. Banerjee to deal with the problem? Will you recommend the transfer of Mr. Ravi? Justify your answer with suitable reasons. [5]
- (b) Explain the four elements of Public Relations that Ravi should infuse in his employees in order to persuade them to achieve their targets. [10]



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