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## 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.

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

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

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### SECTION A (40 Marks)

Attempt **all** questions from this Section

#### Question 1

State one **difference** between each of the following:

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

#### Question 2

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

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**This Paper consists of 5 printed pages and 1 blank page.**

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**Question 3**

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

**Question 4**

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

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

**SECTION B (60 Marks)**

Attempt **any four** questions from this Section

**Question 5**

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

**Question 6**

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

**Question 7**

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

**Question 8**

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

## Question 9

### Case Study

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

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

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

With reference to the above:

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

## Question 10

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

able to contribute effectively to the growth of the business. The entire responsibility of developing a good work force for business expansion in the region is entrusted to Mr.Raj.

With reference to the above:

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

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