
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

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

- (a) Spot Market and Future Market [2]
- (b) Institutional Advertising and Product Advertising [2]
- (c) Fixed Deposit Account and Recurring Deposit Account [2]
- (d) Fixed Cost and Variable Cost [2]
- (e) Recruitment and Selection [2]

Question 2

- (a) Mention any two essentials of a Brand. [2]
- (b) State any two uses of Income and Expenditure Account. [2]
- (c) Mention any four elements of Price Mix. [2]
- (d) Mention any two harmful effects of global warming. [2]
- (e) What is meant by Vestibule Training? [2]

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

Question 3

- (a) Mention any two merits of external sources of recruitment. [2]
- (b) What is a Bank Draft? [2]
- (c) What do you mean by business ethics? [2]
- (d) Give two reasons for the growing importance of Public Relations to business enterprises. [2]
- (e) Give two General Utility functions of Commercial Banks. [2]

Question 4

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

- (a) A Receipts and Payments Account is a nominal account. [2]
- (b) Some costs are semi-variable in nature. [2]
- (c) Human Resource is the most valuable asset to business enterprises. [2]
- (d) A company needs to pay for its publicity to the media owners. [2]
- (e) With reference to the concept of accounting only those transactions are recorded in accounts which can be expressed in terms of money. [2]

SECTION B (60 Marks)

Attempt **any four** questions from this Section

Question 5

- (a) Distinguish between 'Product' and 'Services'. [5]
- (b) Explain the strategies to be adopted during the Introduction Stage and the Growth Stage of Product Life Cycle. [5]
- (c) Explain 'Accounting Period Concept' with reference to concept of accounting. [5]

Question 6

- (a) What is direct selling? Mention four circumstances where direct distribution is more suitable than indirect channels of distribution. [5]
- (b) Explain any five qualities of a good salesman. [5]
- (c) Explain Matching Principle of Accounting. [5]

Question 7

- (a) Write short notes on: [5]
- (i) Consumer Rights
- (ii) Direct and Indirect Labour cost
- (b) Explain any two functions of a central bank of a country. [5]
- (c) Explain any two methods of On-The-Job Training. [5]

Question 8

- (a) Briefly explain the elements of public relations. [5]
- (b) Explain: [5]
- (i) Campus Recruitment
- (ii) Placement agencies as external sources of recruitment.
- (c) What is energy crisis? Discuss any two renewable energy sources that would help meet this crisis. [5]

Question 9**Case Study**

Flipkart, a Bengaluru based company, which started in the year 2007 as an online book store is now India's largest e-retailer. It is popular in the books and electronics segment but it now sells products across categories including fashion, consumer durables, home décor and furniture. Flipkart is doing very good business and it acquired 100% of Myntra, but Myntra will operate as an independent entity. Mobile Brand 'Motorola' is selling their new

launches in India through Flipkart. The company aims at becoming leader in every segment.

India's e-commerce market has seen growth in the past few years as more people log on to the Internet to shop online. Goods can be bought on 'cash on delivery'. Various banks like HDFC, Axis and ICICI tied up with the reputed e-sellers so as to convert online purchases into convenient equated monthly installments. Amazon, the world's largest e-retailer entered India and in few months the company has aggressively gained market share by expanding its product range and introducing the one day delivery system. Soon after Flipkart also introduced one day delivery and the same day delivery in selected towns and cities. With reference to the above:

- (a) What is online shopping? [5]
Name any three companies do online trading in India.
- (b) What are the reasons for the increase in online shopping in India? [5]
- (c) Identify the distribution channel adopted by Motorola in selling its new launches. [5]
Briefly explain few other distribution channels adopted by marketeers.

Question 10

The oldest Indian confectionery company wants people to know that their cookies and biscuits are from the "House of Parle". The company finds it important to reinstate the credibility and familiarity of the brand. From now onwards, the company will advertise its products under the tagline "From the House of Parle".

Parle is sitting on a strong pedigree of many individual brands. With reference to brand equity, while the flagship Parle-G is worth Rs5000 Crore plus and by far the biggest brand in the portfolio combining nearly 30% of overall share, others like Parle 20-20 and Parle Magix Cream are among Rs 1000 Crore and Crackjack, Monaco and Hide & Seek around Rs500 Crore.

The fact that Parle is strongly associated with Parle-G, the world's largest biscuit brand, is both a strength and a weakness. The company today suffers an image deficit compared to Britannia and ITC's Sunfeast. With this latest campaign, Parle is careful enough not to take

either of the two extreme routes – harping multiple brands or shifting focus on the corporate brand alone. Instead, it has opted for a more judicious mix.

Researchers are comparing the current Parle strategy to the Titan strategy. The watch brand, in its early days, used the tagline “From the house of Tatas”. However, when it became a big brand itself, various sub-brands like Raga, Nebula, Edge, etc. all started using the tagline “From Titan”. In the same way, Parle is trying to bring forth the main brand in the mindspace of consumers and make the sub-brands its subordinate.

With reference to the above:

- (a) Explain the brand policy Parle has taken to advertise its products. [5]
- (b) What is brand equity? Explain the brand equity Parle products are measured in and mention the sub-brand which has the highest brand equity. [5]
- (c) What is brand promotion? Explain two methods of brand promotion. [5]