

Commercial Application Question Paper

2006

General Instructions

1. *Section A is compulsory. Attempt any four questions from Section B.*
2. *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: [10]

- (a) Current Deposit Account and Fixed Deposit Account.
- (b) Markets and Marketing.
- (c) Institutional and Informative Advertising.
- (d) Book-keeping and Accounting.
- (e) Implicit and Explicit Costs.

Question 2 [10]

- (a) Explain the term *Overdraft*.
- (b) Why is *personal selling* considered selective in nature?
- (c) Mention any two features of the *Income* and *Expenditure* Account.
- (d) What is a *group interview*?
- (e) How is *persuasion* an important element of *Public Relations*?

Question 3 [10]

- (a) Mention any two uses of *Receipts and Payments Account*.
- (b) What are *convenience products*? Give two examples.

- (c) What is *sale on approval*?
- (d) Name any two basic elements of *Cost*. Give an example of each.
- (e) Explain the term *Not Negotiable Crossing*.

Question 4

Give two reasons either for or against each of the following: [10]

- (a) The Central Bank is not a Bankers Bank.
- (b) Every transaction affects at least three accounts.
- (c) Advertising increases the price of products for consumers.
- (d) Travellers cheques make travelling safe and convenient.
- (e) Accounting records serve as a source of information to the creditors of an organisation.

SECTION - B (60 Marks)

Attempt any four questions from this Section.

Question 5

- (a) Explain the nature of *ethics in Public Relations*. [5]
- (b) *A test is a method used for selection of employees by an organization*. In the light of this statement, explain any two types of tests. [5]
- (c) Distinguish between *training* and *education*. [5]

Question 6

- (a) How do *Exchange Banks* help in financing foreign trade? [5]
- (b) Explain *conditional endorsement*. [5]
- (c) Discuss any two *agency functions* of Commercial Banks. [5]

Question 7

- (a) Mention the main features of a product. Explain any two in detail. [5]
- (b) Describe the longest channel of distribution available for consumer products. [5]
- (c) What is *penetrating pricing*? Identify two conditions under which it is desirable. [5]

Question 8

Write short notes on:

- (a) Drawbacks of sales promotion. [5]
- (b) Order cheques. [5]
- (c) Publicity. [5]

Question 9

CASE STUDY

Dabur took the following steps in the beginning of this century to widen its consumer base. It expanded to cover International markets and within India it focused on regions like southern India. It repositioned itself as a FMCG (Fast Moving Consumer Goods) company, offering a wide range herbal products, thereby moving away from its earlier image of an Ayurvedic Medicine Manufacturer. The company began offering new products and changed packaging. It also introduced new advertisements featuring Bollywood stars and sports persons. It moved away from the *umbrella branding strategy* and went in for *individual branding*. Dabur even re-designed its old logo.

- (a) Explain:
 - (i) Umbrella Branding.
 - (ii) Individual Branding. [5]
- (b) Identify and explain the elements of *marketing mix* which have been developed by Dabur to boost company sales and profit. [5]
- (c) Which stage of the *Product Life Cycle* is Dabur currently in? Justify your answer. [5]

Question 10

CASE STUDY

"Godrej believes in choosing thoroughbred horses and grooming them well", says an executive at Godrej. This statement refers to GALLOP (Godrej Accelerated Learning and Leadership Programme). GALLOP is a management training programme, which is more performance-driven and concentrates on leadership and learning.

The company selects 10-12 students from leading management institutions such as IIM, Bajaj and XLRI, every year for a year-long training programme. For selecting trainees, Godrej runs competitions in 30-40 management campuses across the country, where students are encouraged to generate business ideas for Godrej. GALLOP trainees start with an induction programme addressed by the Chairman himself. The trainee is rotated amongst four departments apart from the department he is hired for. He is also required to do a one-month project in rural India. This rural experience enables the trainee to understand customers from a different perspective, as Godrej is rapidly expanding in agribusiness.

- (a) Identify and explain two functions of Human Resource Management which are highlighted in the case under study. [5]
- (b) *GALLOP trainees start with an induction programme.* Explain the meaning of *induction*. State its importance at the beginning of a training programme. [5]
- (c) Discuss two other methods by which you would recruit trainees for the company if you were the Human Resource Manager of Godrej. [5]