




AVK MEMORIAL MATRICULATION HIGHER SECONDARY SCHOOL
SANKARANKOVI
XII - COMMERCE

STUDY MATERIAL
UNIT - IV



CHAPTER - 9 (HUMAN RESOURCE MANAGEMENT)

II. Very Short Answer Questions: (2 Mark Questions)

1. Give the meaning of Human Resource.

-  The organisation recruits, selects and utilises high quality human resource the sustainability remains a question.
-  In order to accomplish personal and organisational objectives the unique asset called human resource.
-  In an organisation the human resource are the employees who are inevitable for the survival and success of the enterprise.

2. What is Human Resource Management ?

-  Human Resource Management is a function of management concerned with hiring, motivating and maintaining people in an organisation.
-  It focuses on people in an organisation.

3. State two features of HRM.

i. Goal oriented : The accomplishment of organisational goals is made possible through best utilisation of human resource in an organisation.

ii. It is a continuous process : As long as there is human resource in the running of an organisation, the activities relating to managing human resource exists.

4. Mention two characteristics of Human Resource.

- i. Human resource is the only factor of production that lives
- v. Human resource alone can think, act, analyse and interpret

5. What are the managerial functions of HRM.

Managerial Functions

- i. Planning
- ii. Organising
- iii. Directing
- iv. Controlling

III. Short Answer Questions: (3 Mark Questions)

1. Define the term Human Resource Management.

According to Dale Yoder Human Resource Management as “the effective process of planning and directing the application, development and utilisation of human resources in employment”.

2. What are the characteristics of Human resources ?

- i. Human resource is the only factor of production that lives
- ii. Human resource created all other resources
- iii. It is only the labour of employees that is hired and not the employee himself
- iv. Human resource exhibits innovation and creativity
- v. Human resource alone can think, act, analyse and interpret

3. What is the significance of Human resource?

- i. It is only through human resource all other resources are effectively used
- ii. The sustainable growth of an organisation depends on the important resource human resource
- iii. Industrial relations depend on human resource
- iv. Human relations is possible only through human resource
- v. Human resource manages all other factors of production
- vi. The skill sets of the Human resources can be improved through training and development programmes
- vii. Human resource can be utilised at all levels of management
- viii. Human resources are well protected by legislative frameworks.

4. State the functions of Human Resource Management.

Managerial Functions

- i. Planning** – Planning is deciding in advance what to do, how to do and who is to do it. It bridges the gap between where we are and where we want to go. It involves determination objectives, policies, procedures, rules, strategies, programmes and budgets.
- ii. Organising** – It includes division of work among employees by assigning each employee their duties
- iii. Directing** – It involves issue of orders and instructions along with supervision, guidance and motivation to get the best out of employees.
- iv. Controlling** – It is comparing the actuals with the standards and to check whether activities are going on as per plan and rectify deviations.

IV. Long Answer Questions: (5 Mark Questions)

1. Explain the characteristics of Human Resource (any 5).

- i. Human resource is the only factor of production that lives
- ii. Human resource created all other resources
- iii. It is only the labour of employees that is hired and not the employee himself
- iv. Human resource exhibits innovation and creativity
- v. Human resource alone can think, act, analyse and interpret
- vi. Human resources are emotional beings
- vii. Human resources can be motivated either financially or non financially
- viii. The behaviour of human resources are unpredictable
- ix. Over years human resources gains value and appreciates
- x. Human resources are movable
- xi. Human resource can work as a team

2. Describe the significance of Human Resource Management (any 5).

i. To identify manpower needs :

Determination of manpower needs in an organisation is very important as it is a form of investment. The number of men required are to be identified accurately to optimise the cost.

ii. To incorporate change :

Change is constant in any organisation and this change has to be introduced in such a way that the human resource management acts as an agent to make the change effective.

iii. To ensure the correct requirement of manpower:

At any time the organisation should not suffer from shortage or surplus manpower which is made possible through human resource management.

iv. To select right man for right job:

Human resource management ensures the right talent available for the right job, so that no employee is either under qualified or over qualified.

v. To update the skill and knowledge:

Managing human resource plays a significant role in the process of employee skill and knowledge enhancement to enable the employees to remain up to date through training and development programmes.

vi. To appraise the performance of employees:

Periodical appraisal of performance of employees through human resource management activities boosts up good performers and motivates slow performers. It helps the workforce to identify their level of performance.

vii. To improve competitive advantage:

Organisations with capable and competent employees can truly gain competitive advantage in the globalised market. Higher the level of good performers greater the possibility of fast paced growth of the enterprise.

viii. To provide incentives and bonus to best performers:

It is the role of human resource management to recognise the best performers and to provide them with bonus and incentives as a form of appreciation for their work. This motivation can be either financial or non financial.

viii. To determine employee commitment:

Human resource management determines the level of commitment of employees to their work either through interview or questionnaire. The higher the level of commitment the higher the possibility of the organisation to be successful. This can be carried out through appropriate policies.

ix. To emphasise socialisation:

Human beings are social animals and they should be ensured that they are comfortable in the work place by maintaining cordial relationship with peers, subordinates and managers so as to contribute maximum to the organisation.

x. To promote favourable employee attitude:

Organisations are expected to provide a good work environment to secure favourable employee attitude towards the management. This can be accomplished through conflict resolution, counselling, grievance reprisals etc.

xi. To provide scope for collective bargaining:

Human resource management encourages workforce to form a union to represent their grievances and find early solution for their problems by collective representation.

3. Elaborate on the Managerial functions of Human Resource Management.

Managerial Functions

i. Planning –

Planning is deciding in advance what to do, how to do and who is to do it. It bridges the gap between where we are and where we want to go. It helps in the systematic operation of business. It involves determination objectives, policies, procedures, rules, strategies, programmes and budgets. It ensures maintenance of correct number of employees to carry out activities and also to formulate timely employee policies.

ii. Organising –

It includes division of work among employees by assigning each employee their duties, delegation of authority as required and creation of accountability to make employees responsible.

iii. Directing –

It involves issue of orders and instructions along with supervision, guidance and motivation to get the best out of employees. This reduces waste of time energy and money and early attainment of organisational objectives.

iv. Controlling –

It is comparing the actuals with the standards and to check whether activities are going on as per plan and rectify deviations. The control process includes fixing of standards, measuring actual performance, comparing actual with standard laid down, measuring deviations and taking corrective actions. This is made possible through observation, supervision, reports, records and audit.

4. Discuss the Operative functions HRM.

Operating Functions

i. Procurement –

Acquisition deals with job analysis, human resource planning, recruitment, selection, placement, transfer and promotion

ii. Development –

Development includes performance appraisal, training, executive development, career planning and development, organisational development

iii. Compensation –

It deals with job evaluation, wage and salary administration, incentives, bonus, fringe benefits and social security schemes

iv. Retention –

This is made possible through health and safety, welfare, social security, job satisfaction and quality of work life

v. Integration –

It is concerned with the those activities that aim to bring about reconciliation between personal interest and organisational interest

vi. Maintenance –

This encourages employees to work with job satisfaction, reducing labour turnover, accounting for human resource and carrying out audit and research.



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STUDY MATERIAL

UNIT - IV

CHAPTER - 10 (RECRUITMENT METHODS)

II. Very Short Answer Questions: (2 Mark Questions)

1. Give the meaning of Recruitment.

Recruitment is the process of finding suitable candidates for the various posts in an organisation. It is a process of attracting potential people to apply for a job in an organisation.

2. What is promotion ?

Based on seniority and merits of the employees they are given opportunity to move up in the organisational hierarchy

3. Write any two internal source of recruitment.

Transfer, Upgrading, Promotion, Demotion, Recommendation by existing Employees, Job rotation, Retired employees, Dependants, Previous applicants, Acquisitions and Mergers

4. What is meant by Campus recruitment?

The organisations visit the educational institutions to identify and recruit suitable candidates.

5. What is meant by Poaching?

Organisations instead of training and developing their own employees hire employees of other competitive companies by paying them more both financial and non financial benefits. It is also called raiding.

III. Short Answer Questions: (3 Mark Questions)

1. Define the term Recruitment.

According to Edwin B. Flippo,

“It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.”

2. What is meant by unsolicited applicants?

These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations.

3. What is meant by job portals?

Using internet job portals organisations can screen for the prospective candidates and fill up their vacancies.

4. State the steps in Recruitment process outsourcing.

Recruitment Process Outsourcing



IV. Long Answer Questions: (5 Mark Questions)

1. Explain the Internal sources of Recruitment (any 5).

The following are the internal sources of Recruitment

i. Transfer –

The simplest way by which an employee requirement can be filled is through transfer of employee from one department with surplus staff to that of another with deficit staff.

ii. Upgrading –

Performance appraisal helps in the process of moving employees from a lower position to a higher position

iii. Promotion –

Based on seniority and merits of the employees they are given opportunity to move up in the organisational hierarchy

iv. Demotion –

Movement of employee from a higher position to a lower position because of poor performance continuously to make him realise the significance of performance

v. Recommendation by existing Employees –

A family member, relative or friend of an existing employee can be recruited and placed

vi. Job rotation –

One single employee managing to learn how to perform in more than one job on rotation. This familiarises the employees with all kind of jobs performed and becomes a source.

vii. Retention –

The retiring employees can be used to meet the requirement after superannuation as per management discretion

viii. Retired employees –

The employees who have already retired can be called to fill the vacancy as they have the required qualification and experience

ix. Dependants –

The legal heir or the dependent employee may be given a chance to replace the deceased.

x. Previous applicants –

The applicants who have already applied for any job advertised in the past whose name appears in the data base but not selected at that point of time can be utilised

xi. Acquisitions and Mergers – This is another way by which the organisation acquires another business unit or merging with another establishment.

2. Explain the External sources of Recruitment (any 5).

A. Direct**i. Advertisements –**

The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation specifying the nature of work, nature of vacancy, qualification and experience required, salary offered, mode of applying and the time limit within which the candidate has to apply.

ii. Unsolicited applicants –

These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations.

iii. Walk-ins–

Walk-in applicants with suitable qualification and requirement can be another source of requirement.

B. Indirect**i. Employee referral –**

The existing employees of the organisation may recommend some of their relatives or known people who will be suitable for the existing vacancies. Based on the credibility of the employee the referrals will be considered.

ii. Government/Public Employment Exchanges –

These are exchanges established by Government which facilitates recruitment throughout the country. It makes available the information required through the data base for the employer as well as the job seeker by bridging the gap between them.

iii. Job Portals –

Using internet job portals organisations can screen for the prospective candidates and fill up their vacancies.

3. What is the Recent trends in Recruitment?

The recent methods of recruiting by organisations include the following methods :

1. Outsourcing –

There are outsourcing firms that help in the process of recruiting through screening of applications and finding the right person for the job for which job they are paid service charges.

Recruitment Process Outsourcing



2. Poaching –

Organisations instead of training and developing their own employees hire employees of other competitive companies by paying them more both financial and non financial benefits. It is also called raiding.



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CHAPTER - 11 (EMPLOYEE SELECTION PROCESS)

II. Very Short Answer Questions: (2 Mark Questions)

1. What is selection?

Selection is the process of choosing the most suitable person for the vacant position in the organization.

2. What is an interview?

The term 'interview' has been derived from French word *enter voir* that means to glimpse or to see each other.

In other words interview represents a face to face interaction between the interviewer and interviewee.

3. What is intelligence test?

Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate. The main aim of these tests is to obtain an idea of the person's intellectual potential.

4. What do you understand about bio data?

Bio-Data means information about the applicants. It includes applicants name, age, sex, address for communication, previous experience, and applicants qualification etc.,

5. What do you mean by placement?

The process of placing the right man on the right job is called 'Placement'.

III. Short Answer Questions: (3 Mark Questions)

1. What is stress interview?

☞ This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.

☞ Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.

☞ They assess the suitability of the candidate by observing the reaction and response of the candidate to the stressful situations.

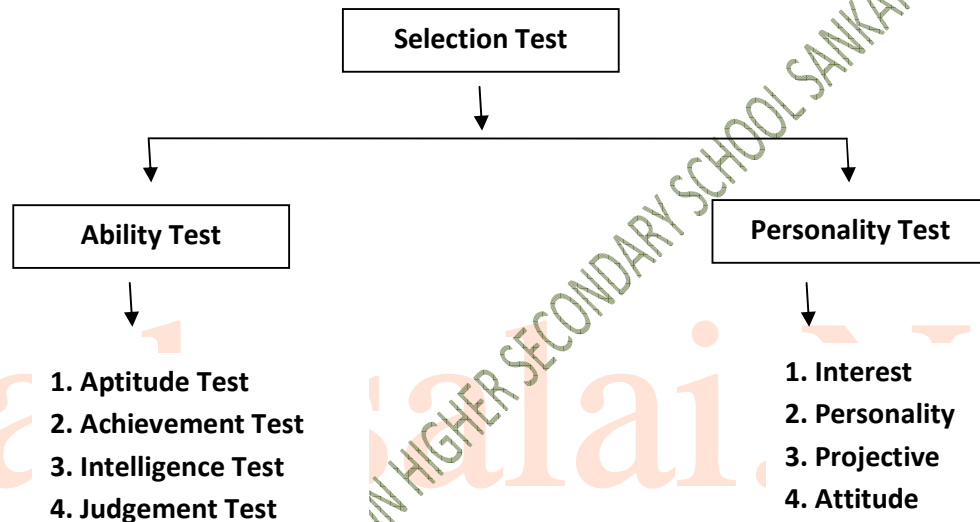
📖 Mostly this type of interview is conducted for recruiting sales representatives staff for defence and law enforcement agencies.

2. **What is structured interview?**

Under this method, a series of question to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview. Ultimately interviewees are ranked on the basis of score earned by the candidate in the interview.

3. **Name the types of selection test?**

Several tests are conducted in the selection process to ensure whether the candidate possesses the necessary qualification to fit into various positions in the organization.



4. **What do you mean by achievement test?**

This test measures a candidate's capacity to achieve in a particular field. In other words this test measures a candidate's level of skill in certain areas, accomplishment and knowledge in a particular subject. The regular examination conducted in educational institution represents achievement test. It is also called proficiency test. This test is conducted before, during or after a learning experience. In short it is a test conducted to find out candidate's mastery over the subject.

5. **What is aptitude test?**

Aptitude test is a test to measure suitability of the candidates for the post/role. It actually measures whether the candidate possess a set of skills required to perform a given job. It helps in predicting the ability and future performance of the candidate.

6. **How is panel interview conducted?**

📖 Where a group of people interview the candidate, it is called panel interview.

📖 Usually panel comprises chair person, subject expert, psychological experts, representatives of minorities/underprivileged groups, nominees of higher bodies and so on.

- 📖 All panel members ask different types of questions on general areas of specialization of the candidate.
- 📖 Each an every member awards marks for the candidate separately.
- 📖 At the end, the marks awarded by all the members are aggregated and the candidates are ranked accordingly.
- 📖 This method eliminates bias in selection process.
- 📖 It ensures more reliability in the selection of the candidate

IV. Long Answer Questions: (5 Mark Questions)

1. Briefly explain the various types of tests.

A) Ability Test

A test designed to measure an individual's cognitive function in a specific area, such as variety of skills, mental aptitude, problem solving, knowledge of particular field, reasoning ability, intelligence etc. This test is used to find the suitability of a candidate for a given job role.

1. Aptitude test

Aptitude test is a test to measure suitability of the candidates for the post/role. Aptitude test can be measured by the following ways:

i) Numerical Reasoning Test

vi) Spatial Reasoning Test

ii) Verbal Reasoning Test

vii) Situational Judgment Test

iii) Inductive Reasoning Test

viii) Mental Arithmetic Test

iv) Mechanical Reasoning Test

ix) Vocabulary Test

v) Diagrammatic Reasoning Test

x) Number Sequence Test

2. Achievement Test

This test measures a candidate's capacity to achieve in a particular field. In other words this test measures a candidate's level of skill in certain areas, accomplishment and knowledge in a particular subject.

3. Intelligence Tests

Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate. The main aim of these tests is to obtain an idea of the person's intellectual potential.

4. Judgment Test

This test is conducted to test the presence of mind and reasoning capacity of the candidates

B. Personality test

Personality test refers to the test conducted to find out the non-intellectual traits of a candidate namely temperament, emotional response, capability and stability. There is no right or wrong answer in the test. It comprises of following tests.

1. Interest Test

Interest test measures a candidate's extent of interest in a particular area chosen by him/her so that organization can assign the job suited to his/her in term.

2. Personality Inventory Test

Under this method standardised questionnaire is administered to the candidate to find out traits like interpersonal rapport, dominance, introvertness, extravertness, self confidence, lower sign quality etc. This test assesses the reliability and innate characters of the candidate concerned.

3. Projective Test / Thematic Appreciation Test

This test measures the candidate's values, attitude apprehensive personality etc. out of the interpretation or narration given by the candidate to the pictures, figures etc. shown to him in the test situation.

4. Attitude Test

This test measures candidate's tendencies towards the people, situation, action and related things. For example, morale study, values study, social responsibility study expresses attitude test and the like are conducted to measure the attitude of the candidate.

2. Explain the important methods of interview (any 5).

01) Screening / Telephone Interview

Where the candidates live far away from organization and find it difficult to attend preliminary interview for various reasons, telephone interview is conducted by some organization to eliminate unfit and unsuitable candidate at the preliminary stage itself.

02) In depth Interview

This interview is conducted to test the level of knowledge of the interviewee in a particular field intensively and extensively. Thus interview helps the interviewers to learn about the candidate's expertise and practical exposure with respect to his/her area of specialization.

3) stress interview

This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.

Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.

They assess the suitability of the candidate by observing the reaction and response of the candidate to the stressful situations.

Mostly this type of interview is conducted for recruiting sales representatives staff for defence and law enforcement agencies.

4) panel interview

Where a group of people interview the candidate, it is called panel interview.

- 📖 Usually panel comprises chair person, subject expert, psychological experts, representatives of minorities/underprivileged groups, nominees of higher bodies and so on.
- 📖 All panel members ask different types of questions on general areas of specialization of the candidate.
- 📖 Each an every member awards marks for the candidate separately.
- 📖 At the end, the marks awarded by all the members are aggregated and the candidates are ranked accordingly.
- 📖 This method eliminates bias in selection process.
- 📖 It ensures more reliability in the selection of the candidate

5) Online Interview

- 📖 Due to tremendous growth in information and communication technology, these days interviews are conducted by means of internet via **Skype, Wechat, Google duo, Viber, Whatsapp** or **Video chat** applications. This enables the interviewers to conduct interview with the candidates living in faraway places. They saves a lot of time, money and energy both for employer's organisation and the candidate.

3. Explain the principles of placement.

Following principles are followed at the time of placement of an employee:

1. Job First, Man Next

Man should be placed on the job according to the requirements of the job. There is no compromise on the requirements or qualifications of the man with respect to job. "Job first Man next" should be principles of Placement.

2. Job Offer

The job should be offered to the man based on his qualification.

3. Terms and conditions

The employee should be made conversant with the conditions and culture prevailing in the organization and all those things relating to the job.

4. Aware about the Penalties

The employee should also be made aware of the penalties if he / she commits a wrong or lapse.

5. Loyalty and Co-operation

When placing new recruit on the job, an effort should be made to develop a sense of loyalty and co-operation in him, so that he/she may realise his/her responsibilities better towards the job and the organization.

4. Differentiate Recruitment and Selection.

S.No	Basis of Comparison	Recruitment	Selection
1	Meaning	Recruitment is an activity of searching candidates and encouraging them to apply for it.	Selection refers to the process of selecting the suitable candidates and offering them job.
2	Approach	Approach under recruitment is positive one.	Approach under selection is negative one.
3	Objective	Inviting large number of candidates to apply for the vacant post	Picking up the most suitable candidates and eliminating the rest
4	Sequence	First	Second
5	Method	It is an economical method	It is an expensive method
6	Contractual relation	It involves the communication of vacancies. No contractual relation is established	It creates contractual relation between employer and employee
7	Process	Recruitment process is very simple	Selection process is very complex and complicated
8	Time	Requires less time since it merely involves just identifying vacancies and advertising them. Hence less time is required	It is more consuming as each and every candidate has to be tested on various aspects before selecting the candidates. Hence more time is required

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CHAPTER - 12 (EMPLOYEE TRAINING METHODS)

II. Very Short Answer Questions: (2 Mark Questions)

1. What is meant by training?

Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization to acquire and to apply the required knowledge, skill and attitudes to perform their jobs effectively and efficiently.

2. What is Mentoring training method?

Mentoring is the process of sharing knowledge and experience of an employee. The focus in this training is on the development of attitude of trainees. It is mostly used for managerial employees. Mentoring is always done by senior person, it is also one-to-one interaction, like coaching. Besides the mentor is responsible for the providing necessary support to trainees, and feedback on the performance of trainee.

3. What is Role play?

Under this method trainees are explained the situation and assigned roles. They have to act out the roles assigned to them without any rehearsal. There are no pre-prepared dialogues. Thus they have to assume role and play the role without any preparation.

4. State e-learning method?

E learning is the use of technological process to access of a traditional classroom or office. E learning is also often referred to as online learning or web based training.

III. Short Answer Questions: (3 Mark Questions)

1. What is vestibule training?

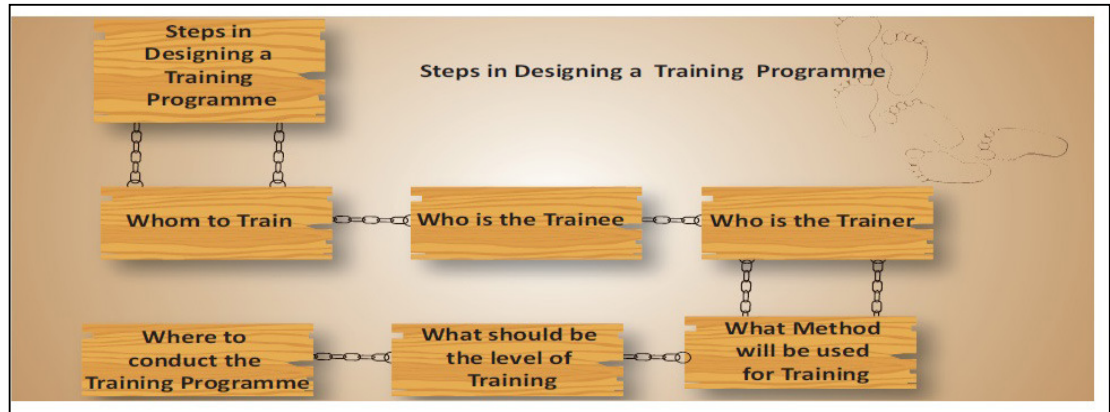
Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose. This type of training is given to avoid any damage or loss to machinery in the actual place by trainees and avoid disturbing the normal workflow in the actual workplace. It is given to Drivers, Pilots, Space Scientists etc.,

2. What do you mean by on the job Training?

On the job training refers to the training which is given to the employee at the work place by his immediate supervisor. In other words the employee learns the job in

the actual work environment. It is based on the principle of “Learning by Doing and Learning While Earning”. On the job training is suitable for imparting skills that can be learnt in a relatively short period of time.

3. Write down various steps in a training programme.



4. Write short note on trainer and trainee.

Trainee

- A person who is learning and practising the skills of particular job is called trainee.

Trainees should be selected on the basis of self-interest and recommendation by the supervisor or by the human resource department itself.

Trainers

- Trainer is a person who teaches skills to employee and prepare them for a job activity.

IV. Long Answer Questions: (5 Mark Questions)

1. Discuss various types of training.

(I) On the Job Training

The following are the on the job training methods.

i) Coaching Method

Under this method the superior should point out mistakes/lapses committed by the new worker and also advise the remedial measures, to trainees. The trainees can clear their doubts then and there.

ii) Mentoring method

Mentoring is the process of sharing knowledge and experience of an employee. It is mostly used for managerial employees for the providing necessary support to trainees, and feedback on the performance of trainee.

iii) Job Rotation Method

Under this method a trainee is periodically shifted from one work to another work and from one department / division to another department / division for a particular period of time.

iv) Job Instruction Techniques (JIT) Method:

In this method, a trainer at the supervisory level gives some instructions to an employees to how to perform his job and its purpose.

v) Apprenticeship Training Method:

Generally the apprenticeship training is given to the technical cader like that Mechanics, Electricians, Craftsmen, Welders, Fitter etc., This duration of this training programme ranges from one to five years. The trainee gets the stipend during the training period.

vi) Committee Assignment:

When employees are assigned to committee to address a particular issue, they are able to work closely with other members and committee leader. They gain more knowledge by observing and participating in decision making process.

vii) Understudy/Internship Training Method:

A superior gives training to a subordinates or understudy like an assistant to a manager or director. The subordinates learn through experience and observation by participating in handling day to day problems. Basic purpose of internship training is to prepare subordinate for assuming the full responsibilities and duties.

(II) Off the Job Training

The following are the off the job training methods.

i) Lecture Method

Under this method trainees are educated about concepts, theories, principles and application of knowledge in any particular area.

ii) Group Discussion Method

Group of people participate and discuss particular subject or one topic. They were provided a particular issue for deliberation. Each groups has to prepare solution after deep discussion with their group members. The group leader has to present the solution to the audience, which will be discussed or deliberated by other groups. Moderator will give final solution after listening to divergent view points.

iii) Case Study Method

Trainees are described a situations which stimulate their interest to find solution. They have to use their theoretical knowledge and practical knowledge to find solution to the problem presented. There is no single solution to the problem. It may vary depending upon view points of trainees. In short, the purpose of case study method is, to make trainee apply their knowledge.

iv) Role Play Method

Under this method trainees are explained the situation and assigned roles. They have to act out the roles assigned to them without any rehearsal. There are no pre-prepared dialogues. Thus they have to assume role and play the role without any preparation.

v) Seminar/Conference Method

This method enables the trainees to listen to the lectures / talk delivered on specific topics and provides opportunities to participate, to interact with the speaker and get their doubts clarified or select participants may be allowed to present papers with the audio visual aids as delegates. They share their rich experience at the seminar through their papers. Thus participants can widen and deepen their knowledge by their active participation at the conference. e.g. Doctors conference, Salesman Conference etc., This is one of the oldest method, but still a favorite training method.

vi) Field Trip Method

A field trip or field work or training in the field is a journey undertake by a group of employees/trainees to a place away from their actual work site. In other words, trainees are taken to actual workplace/ site/facility to gain exposure and knowledge. They are explained the process of work by supervisor/ manager of the facility visited by the participants. They are free to clarify their doubts from the organization experts. This method helps the trainees to strengthen their theoretical knowledge obtained in a class room environment by practical exposure.

vii) Vestibule Training Method

This type of training is given to avoid any damage or loss to machinery in the actual place by trainees and avoid disturbing the normal workflow in the actual workplace. It is given to Drivers, Pilots, Space Scientists etc.,

viii) E-learning Method

E learning is the use of technological process to access of a traditional classroom or office. E learning is also often referred to us online learning or web based training.

ix) Demonstration Training Method

This method is a visual display of how something works or how to do something. Demonstration involves showing by reason or proof explaining or making clear by use of examples or experiments. As an example, trainer shows the trainees how to perform or how to do the task of the job.

x) Programmed Instruction Method

Under this method, the subject matter to be learnt is presented in a series of units. These units are arranged from simple to complex level. It consists of three parts:

2. What are the difference between on the job training and off the job training?

The major differences between these two training method is listed below.

Basis for comparison	On the Job Training	Off the Job Training
Meaning	The employee learns the job in the actual work environment.	Off the Job training involves the training of employees out side the actual work location
Cost	It is cheapest to carry out	It requires expenses like separate training rooms, specialist, resources like projectors.
Location	At the work place	Away from the work place
Suitable for	Generally imparted in case of Manufacturing for production related Jobs	Mostly imparted for managerial and non production related jobs.
Approach	Practical approach	Theoretical approach
Principle	Learning by performing	Learning by acquiring knowledge
Carried out	It is carried out by the experienced employee	Training which is provided by the experts.
Deals with	Training is very relevant and practical dealing with day – to – day requirement of job	It can more easily deal with groups of workers at the same time.
Work disturbance	The scope for distractions is more, as there may be noise and disturbances because of working machines, tools and gadgets.	There is no distraction because trainees are away from the actual working environment.
Methods	Coaching, job rotation, apprenticeship, mentoring, under study, job instruction, committee assignment are some of the avenues of on-the job training methods	Role –plays , seminar, lectures, case studies, vestibule field trip programmed instruction demonstration e-learning are some of the off – the job training methods.

3. Explain the benefits of training.

(i) Benefits to the Organization

- i) It improves the skill of employees and enhances productivity and profitability of the entity.
- ii) It reduces wastages of materials and idle time
- iii) It exposes employees to latest trends.

- iv) It minimizes the time for supervision.
- v) It reduces the frequency of accidents at workplace and consequent compensation payment.
- vi) It reduces labour turnover of employee
- vii) It improves union and management relation.

(ii) Benefits to the Employees

- i) It adds to the knowledge skill and competency of employee
- ii) It enables him to gain promotion or achieve career advancement in quick time.
- iii) It improves the employees productivity
- iv) It enhances the morale of the employee.
- v) Employees get higher earnings through incentives and rewards.
- v) It builds up the confidence of employee by changing his attitude positively towards to work
- vi) It enables him to observe safety practices voluntarily during his engagement in dangerous operation

(iii) Benefits of Customer

- i) Customers get better quality of product/ service.
- ii) Customers get innovative products or value added or feature rich products.



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XII - COMMERCE

STUDY MATERIAL

UNIT - V

CHAPTER - 13 (CONCEPT OF MARKET AND MARKETER)

II. Very Short Answer Questions: (2 Mark Questions)

1. What is Market?

The word market is derived from the Latin word 'Marcatus' which means trade, commerce, merchandise, a place where business is transacted.

In simple words, the meeting place of buyers and sellers in an area is called Market.

2. Define Marketer.

"A person whose duties include the identification of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company".

- Business Dictionary

3. What is meant by Regulated Market?

Regulated Market: These are types of markets which are organised, controlled and regulated by statutory measures.

Example: Stock Exchanges of Mumbai, Chennai, Kolkata etc.

4. What is meant by Spot Market?

In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

5. What is meant by Commodity Market?

A commodity market is a place where produced goods or consumption goods are bought and sold. Commodity markets are sub-divided into:

- i. Produce Exchange Market ii. Manufactured Goods Market
- iii. Bullion Market

III. Short Answer Questions: (3 Mark Questions)

1. What can be marketed in the Market?

Marketing is a comprehensive concept which starts from the point of creation, promotion and ultimately delivering the goods and services to consumers and businesses. The dynamic items that can be marketed are listed below:

- | | | |
|---------------|-----------------|----------------|
| 1) Goods | 5) Persons | 9) Information |
| 2) Services | 6) Places | 10) Ideas |
| 3) Experience | 7) Properties | |
| 4) Events | 8) Organisation | |

2. Mention any three Role of Marketer?

i. Instigator

As an instigator, marketer keenly watches the developments taking place in the market and identifies marketing opportunities emerging in the ever changing market.

ii. Innovator

Marketer seeks to distinguish his products/services by adding additional features or functionalities to the existing product, modifying the pricing structure, introducing new delivery pattern, creating new business models, introducing change in production process and so on.

iii. Implementer

Marketer plays a role of implementer when he/she actually converts marketing opportunities into marketable product with the help of several functional teams put in place in the organisation.

3. Marketer is an innovator? Do you agree?

Yes. I agree because ...

Marketer seeks to distinguish his products/services by adding additional features or functionalities to the existing product, modifying the pricing structure, introducing new delivery pattern, creating new business models, introducing change in production process and so on.

4. Explain the types of market on the basis of time.

i. Very Short Period Market:

Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market. There is no change in the supply of goods. Price is determined on the basis of demand.

ii. Short Period Market:

In certain goods, supply is adjusted to meet the demand. The demand is greater than supply. Such markets are known as Short Period Market.

iii. Long Period Market:

This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

5. List down the functions of Marketer?

- 1) **Gathering and Analysing market information**
- 2) **Market planning**
- 3) **Product Designing and development**
- 4) **Standardisation and Grading**
- 5) **Packaging and Labelling**
- 6) **Branding**
- 7) **Customer Support Services**
- 8) **Pricing of Products**
- 9) **Promotion and Selling**
- 10) **Physical Distribution**
- 11) **Transportation**
- 12) **Storage and Warehousing**

IV. Long Answer Questions: (5 Mark Questions)

1. How the market can be classified?

I. On the Basis of Geographical Area

a. Family Market: When exchange of goods or services are confined within a family or close members of the family,

b. Local Market: Participation of both the buyers and sellers belonging to a local area or areas, may be a town or village, is called as local market.

c. National Market: Certain type of commodities has demand throughout the country. Hence it is called as a national market.

d. International Market or World Market: World or international market is one where the buyers and sellers of goods are from different countries i.e., involvement of buyers and sellers beyond the boundaries of a nation.

II. On the Basis of Commodities/Goods

a. Commodity Market:

A commodity market is a place where produced goods or consumption goods are bought and sold. Commodity markets are sub-divided into:

i. Produce Exchange Market:

ii. Manufactured Goods Market:

iii. Bullion Market:

b. Capital Markets:

New or going concerns need finance at every stage. Their financial needs are met by capital markets. They are of three types:

i. Money Market:

ii. Foreign Exchange Market:

iii. The Stock Market:

III. On the Basis of Economics

a. Perfect Market: A market is said to be a perfect market, Buyers and sellers have a perfect knowledge of market.

b. Imperfect Market: A market is said to be imperfect when Prices are not uniform.

IV. On the Basis of Transaction

i. Spot Market: In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

ii. Future Market: In such markets, contracts are made over the price for future delivery. The dealing and settlement take place on different dates.

V. On the Basis of Regulation

i. Regulated Market: These are types of markets which are organised, controlled and regulated by statutory measures.

ii. Unregulated Market: A market which is not regulated by statutory measures is called unregulated market.

VI. On the Basis of Time

i. Very Short Period Market: Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market.

ii. Short Period Market: In certain goods, supply is adjusted to meet the demand.

iii. Long Period Market: This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

VII. On the Basis of Volume of Business

i. Wholesale Market: In wholesale market goods are supplied in bulk quantity to dealers/retailers. The goods and services are not sold to customers directly.

ii. Retail Market: In retail market the goods are purchased from producer or wholesales and sold to customers in small quantities by retailers.

VIII. On the Basis of Importance

i. Primary Market: The Primary producers of farm sell their output or products through this type of markets to wholesalers or consumers. Such markets can be found in villages and mostly the products arrive from villages.

ii. Secondary Market: In this market, the semi finished goods are marketed.

iii. Terminal Market: It is a central site that serves as an assembly and trading place for commodities in a metropolitan area.

2. How the market can be classified on the basis of Economics?

a. Perfect Market:

A market is said to be a perfect market, if it satisfies the following conditions:

- i. Large number of buyers and sellers are there.
- ii. Prices should be uniform throughout the market.
- iii. Buyers and sellers have a perfect knowledge of market.
- iv. Goods can be moved from one place to another without restrictions.
- v. The goods are identical or homogenous.

It should be remembered that such types of markets are rarely found.

b. Imperfect Market: A market is said to be imperfect when

- i. Products are similar but not identical.
- ii. Prices are not uniform.
- iii. There is lack of communication.
- iv. There are restrictions on the movement of goods.



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UNIT - V

CHAPTER - 14 (MARKETING AND MARKETING MIX)

II. Very Short Answer Questions: (2 Mark Questions)

1. What is Marketing?

Marketing is one of the business functions that all activities that take place in relation to markets for actualise potential exchanges for the purpose of satisfying human needs and wants.

2. Define Marketing Mix.

In simple words marketing mix means a marketing programme that is offered by a firm to its target consumers to earn profits through satisfaction of their wants. Such a marketing programme is a mixture of four ingredients, namely Product mix, Price mix, Place (Distribution)mix and Promotion mix.

- Mr. Jerome McCarthy,

3. What is meant by Grading?

Grading means classification of standardized products in to certain well defined classes.

4. Define Product.

Product is the main element of marketing. Without a product, there can be no marketing. "A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need",

says **Philip Kotler.**

III. Short Answer Questions: (3 Mark Questions)

1. What are the objectives of marketing?

The following are the objectives of marketing:

- 1) Intelligent and capable application of modern marketing policies.
- 2) To develop the marketing field.
- 3) To develop guiding policies and their implementation for a good result.
- 4) To suggest solutions by studying the problems relating to marketing.

- 5) To find sources for further information concerning the market problems.
- 6) To revive existing marketing function, if shortcomings are found.
- 7) To take appropriate actions in the course of action.

2. What is need for market and explain the concept of marketing?

The following are the needs for market to

- | | | |
|---------------|-----------------|----------------|
| 1) Goods | 5) Persons | 9) Information |
| 2) Services | 6) Places | 10) Ideas |
| 3) Experience | 7) Properties | |
| 4) Events | 8) Organisation | |

Marketing Concepts are

What I can sell?

MAKE WHAT YOU CAN SELL, BUT DO NOT TRY TO SELL WHAT YOU CAN MAKE.

Shall I first create products?

NO, FIRST CREATE A CUSTOMER, THEN CREATE PRODUCTS.

Shall I love my products?

NO, LOVE YOUR CUSTOMERS AND NOT THE PRODUCTS.

Who is supreme in markets?

CUSTOMER IS SUPREME OR KING.

Who will shape my decisions?

CUSTOMER'S PREFERENCES SHAPE YOUR DECISIONS.

3. What are the factors affecting Price of Product?

Factors affecting Price of product / service

a. Internal Factors:

1. Marketing Objectives
2. Marketing Mix Strategy
3. Organizational considerations
4. Costs
5. Organization Objectives

b. External Factors:

1. The market and demand
2. Competition
3. Customers

4. Suppliers
5. Legal factors
6. Regulatory factors

4. What do you mean by marketing mix? Describe any two elements.

Marketing mix refers to two things.

- i. A list of important elements or ingredients that make up the marketing programme
- ii. The list of forces having bearing on marketing operations.

i. Product

Product is the main element of marketing. Without a product, there can be no marketing. "A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need", says **Philip Kotler**.

ii. Price

Price is the value of a product expressed in monetary terms. It is the amount charged for the product. According to **Philip Kotler**, "Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service".

IV. Long Answer Questions: (5 Mark Questions)

1. Discuss about the Evolution of marketing.

i. Barter System:

The goods are exchanged against goods, without any other medium of exchange, like money.

ii. Production Orientation:

This was a stage where producers, instead of being concerned with the consumer preferences, concentrated on the mass production of goods for the purpose of profit. They cared very little about the customers.

iii. Sales Orientation:

The stage witnessed major changes in all the spheres of economic life. The selling became the dominant factor, without any efforts for the satisfaction of the consumer needs.

iv. Marketing Orientation:

Customers' importance was realised but only as a means of disposing of goods produced. Competition became more stiff. Aggressive advertising, personal selling, large scale sales promotion etc. are used as tools to boost sales.

v. Consumer Orientation:

Under this stage only such products are brought forward to the markets which are capable of satisfying the tastes, preferences and expectations of the consumers-consumer satisfaction.

vi. Management Orientation:

The marketing function assumes a managerial role to co-ordinate all interactions of business activities with the objective of planning, promoting and distributing want-satisfying products and services to the present and potential customers.

2. Why the marketing is important to the society and individual firm? Explain.

a) To the Society

- 1) Marketing is a connecting link between the consumer and the producer.
- 2) Marketing helps in increasing the living standard of people.
- 3) Marketing helps to increase the nation's income.
- 4) Marketing process increases employment opportunities.
- 5) Marketing creates modern cultivators.
- 6) Marketing removes the imbalances of supply by transferring the surplus to deficit areas, through better transport facilities.
- 7) Marketing helps to maintain economic stability and rapid development in underdeveloped or developing countries.
- 8) Marketing includes all activities in the creation of utilities-form, place, time and possession.
- 9) A reduction in the cost of marketing is a direct benefit to society.
- 10) Marketing adds value of goods by changing their ownership and by changing their time and place of consumption.

b) To the Individual Firms

1. Marketing generates revenue to firms.
2. Marketing section of a firm is the source of information to the top management for taking overall decisions on production.
3. Marketing and innovation are the two basic functions of all businesses. The world is dynamic.
4. Marketing facilitates the development of business and creates employment opportunities for people

3. Narrate the Elements of Marketing mix.

Let us discuss elements of marketing mix in detail.

i. Product

Product is the main element of marketing. Without a product, there can be no marketing. “A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”, says **Philip Kotler**.

ii. Price

Price is the value of a product expressed in monetary terms. It is the amount charged for the product. According to **Philip Kotler**, “Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service”.

iii. Place (Physical Distribution)

An excellent quality product, with a competitive price structure, backed up by efficient promotional activities, will be a waste if it is not moved from the place of production to the place of consumption at an appropriate time. The fourth element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.

iv. Promotion

An excellent product with competitive price cannot achieve a desired success and acceptance in market, unless and until its special features and benefits are conveyed effectively to the potential consumers.



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UNIT - V

CHAPTER - 15 (RECENT TRENDS IN MARKETING)

II. Very Short Answer Questions: (2 Mark Questions)

1. What is E business?

If all the business transaction carried out through internet and other online tools is called E-business

2. What is green marketing?

Green marketing implies marketing environmentally friendly products. Green marketing involves developing and promoting products and services which satisfy customers' wants and needs for quality, performance, affordable pricing and convenience – all without causing a detrimental impact on the environment.

3. What is service marketing?

Service marketing is a specialized branch of marketing. Service marketing denotes the processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,

4. Define E-Marketing.

"E-Marketing is achieving marketing objectives through use of digital technologies like Internet, word wide web, email, wireless media, and management of digital customer data and electronic customer management systems (E-CRM)"

5. What is E-Tailing?

E-tailing or electronic retailing refers to selling of goods and services through a shopping website (internet) or through virtual store to the ultimate consumer. E-tailing is also called online retailing

6. What is Social marketing?

Social marketing is a new marketing tool. It is the systematic application of marketing philosophy and techniques to achieve specific behavioural goals which ensure social good. For example, this may include asking them to wear seat belts or persuading them to follow speed limits.

III. Short Answer Questions: (3 Mark Questions)

1. What are the advantages of E-Marketing?

1. Any Time market: E - Marketing provides 24 hours and 7 days “24/7” service to its users. So consumer can shop or order the product anytime from anywhere.
2. Direct contact of end consumer by the manufacturers cuts down the substantially intermediation cost. Thus products bought through e-marketing become cheaper.
3. Customer can buy whatever they want/ need just by browsing the various sites.

2. Discuss the objectives E-Marketing

The following are the objectives of E-Marketing

1. Expansion of market share
2. Reduction of distribution and promotional expenses.
3. Achieving higher brand awareness.
4. Strengthening database.

3. Explain in detail about Niche marketing

Actually there is no market in niche market. It is found by company, by identifying the need of customers which are not served or under served by the competitors. The company which identified niche market develops solution to satisfy the needs of niche market. It aimed at being a big fish in a small pond instead of being a small fish in a big pond. For example, there are various cinema halls across India, but there are few which have recliner seats to offer. Not everybody wants to watch a movie by paying 5x-6x times the cost of a normal ticket.

IV. Long Answer Questions: (5 Mark Questions)

1. Explain in detail how traditional marketing differ from E-marketing

E-Marketing	Traditional Marketing
It is very economical and faster way to promote the products.	It is very expensive and takes more time to promote product.
It is quiet easier for promoting product globally in the short time.	It is very expensive and time consuming to promote product/ service under traditional marketing.
E-Business enterprises can expand their	It needs more man power.

operation with minimum manpower.	
In this marketing product can be sold or bought 24 x 7, round the year with minimum manpower	That is not possible in traditional marketing.

2. Explain advantages and disadvantages of E-Marketing.

Advantages of E-Marketing

1. Any Time market: E - Marketing provides 24 hours and 7 days “24/7” service to its users. So consumer can shop or order the product anytime from anywhere.
2. Direct contact of end consumer by the manufacturers cuts down the substantially intermediation cost. Thus products bought through e-marketing become cheaper.
3. Customer can buy whatever they want/ need just by browsing the various sites.

Disadvantages of E-Marketing

1. High Cost for E- marketing which requires a strong online advertising campaign a for which company has to spend large amount. The cost of web site design, software, hardware, maintenance of business site, online distribution costs and invested time, all must be factored into the cost of providing service or product online.
2. It is not suitable for small size business and also deters customers from buying who lives on long distances.
3. While the number of customers are continuously growing, companies hardly update the information on website.
4. Many buyers are suspicious about the security of the internet. As a result, many visitors of business web sites, do not like to use their credit card to make a purchase. So there is a fear of their cards being misused by fraudulent practitioners.

3. Discuss any two new methods of marketing.

1. E-Marketing

Electronic Marketing or E-Marketing is the process of marketing of products and services over internet and telecommunication networks.

Advantages of E-Marketing

1. Any Time market: E - Marketing provides 24 hours and 7 days “24/7” service to its users. So consumer can shop or order the product anytime from anywhere.
2. Direct contact of end consumer by the manufacturers cuts down the substantially intermediation cost. Thus products bought through e-marketing become cheaper.

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4. Many buyers are suspicious about the security of the internet. As a result, many visitors of business web sites, do not like to use their credit card to make a purchase. So there is a fear of their cards being misused by fraudulent practitioners.

2. Rural Marketing

Rural marketing is a process of developing pricing, promoting and distributing rural specific goods and services leading to derived exchange with rural customers to satisfy their needs and wants.

Rural marketing has got a lot of untapped potential improvement in infrastructure it is supposed to open great opportunities for rural market. Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on.

The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton. There is also a movement of rural products within rural areas for consumption



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UNIT - VI

CHAPTER - 16 (CONSUMERISM)

II. Very Short Answer Questions: (2 Mark Questions)

1. Who is a consumer?

A consumer is one who consumes goods manufactured and sold by others or created (air, water, natural resources) by nature and sold by others. One, who avails services such as banking, transport, insurance, etc., is also called a consumer.

2. Define Consumerism.

"Consumerism is an attempt to enhance the rights and powers by buyers in relation to sellers"

-L. Massie

3. Give two examples of adulteration.

It refers to mixing or substituting undesirable material in food.

Example :

1. Chemicals, detergent chalk, urea caustic soda, etc. are added to make the milk dense and white.
2. Papayas seed is added to black pepper
3. Chilli powder is adulterated with brick powder

4. What is Caveat Emptor?

'Caveat emptor' is a Latin term that means "let the buyer beware." Similar to the phrase "sold as is," this term means that the buyer assumes the risk that a product fails to meet expectations or have defects.

In other words, the principle of caveat emptor serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their expectations.

5. What is Caveat Venditor?

Caveat emptor was the rule for most purchases and land sales prior to the Industrial Revolution, although sellers assume much more responsibility for the integrity of their goods in the present day.

6. Write a short notes on Consumer Protection Act, 1986.

The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers. The act provides safeguards to consumers against defective goods, deficient services, unfair trade practices, and other forms of their exploitation. The object of the act is to provide for the better protection of the interests of the

consumer courts for the settlement of consumer's disputes and all matters connected there with.

III. Short Answer Questions: (3 Mark Questions)

1. What are the important legislations related to consumerism in India? (any 3)

- i. **The Indian Contract Act, 1872** was passed to bind the people on the promise made in the contract.
- ii. **The Sale of Goods Act, 1930:** This Act protects consumers against sellers not complying with expressed and implied warranties in the sale contract.
- iii. **The Essential Commodities Act, 1955** protects the consumers against artificial shortages created by the sellers by hoarding the goods and thus selling the goods at high prices in black market in respect of essential commodities.
- iv. **The Prevention of Food Adulteration Act, 1954** checks the adulteration of food articles and ensures purity of goods supplied and thus protects the health of consumers.
- v. **Weights and Measures Act, 1976** protects the consumer against malpractices of underweight or under measurement. This Act has been replaced as the Legal Metrology Act, 2009.
- vi. **The Trademark Act, 1999** prevents the use of fraudulent marks on the product.

2. What is meant by artificial scarcity?

There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.

In such situations consumers who are desperate to buy such goods have to pay hefty price to buy those goods and thus earning more profit unconscientiously.

Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market

3. Write the importance of consumerism.

Importance of consumerism lies in

1. Awakening and uniting consumers.
2. Discouraging unfair trade practices.
3. Protecting against exploitation.
4. Awakening the government.
5. Effective implementation of consumer protection laws.
6. Providing complete and latest information.
7. Discouraging anti-social activities

IV. Long Answer Questions: (5 Mark Questions)

1. How consumers are exploited?

Some of the ways in which consumers are being exploited are enumerated hereunder:

1. Selling at Higher Price

The price charged by the seller for a product service may not be commensurate with the quality but at times it is more than the fair price.

2. Adulteration

It refers to mixing or substituting undesirable material in food.

3. Duplicate or Spurious goods

Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, clothes and even for currency notes.

4. Artificial Scarcity

There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.

5. Sub-standard

On opening a packet or sealed container one may find the content to be of poor quality against the seller where the product happens to be sub-standard. Some seller give bills which contain a stipulation that goods sold cannot be taken back. Thus gullible consumers are easily and legally cheated.

6. Product Risk

Whenever the usage of goods is likely to cause danger or hurts to customers, manufactures have to forewarn the consumers of various sources of dangers involved in the products and the precautionary measures to be taken by the consumers. In absence of such information or warnings consumers are more likely to encounter risks while using the risky products.

7. Warranty and Services

In case of consumer durable goods like televisions, washing machines, refrigerators, cars, two wheelers and air conditioners etc. free service is guaranteed only for few years called warranty period. But in reality free service are denied on flimsy grounds even during the warranty period. Customer care service is likely to be rendered the shorter warranty period only

8. Unsuitability of Products

Some items marked as "unbreakable" break while using them. Battery having a label 'leak proof' is more likely to leak. In all these eventualities users/consumers have to bear the consequences while producers/manufacturers escape utilising the loopholes in the legal system.

9. False Advertisements

The main purpose of advertisement is to educate the consuming public and customers of various aspects of the products/service. In reality, advertisements convey very little information about the product. Many times it makes false representation about the quality, price, grade, composition, utility guaranteed, performance etc. Consumers who buy the products on the faith of

2. Explain the role of business in consumer protection.

Role of Business

Business enterprises should do the following towards protecting consumers.

1. Avoidance of Price Hike

Business enterprises should desist from hiking the price in the context of acute shortage of goods /articles.

2. Avoidance of Hoarding

Business enterprises should allow the business to flow normally. It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.

3. Guarantees for Good Quality

Business enterprises should not give false warranty for the products. It should ensure supply of good quality.

4. Product Information

Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc.

5. Truth in advertising

Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

6. Protection from the Hazard

Business enterprises should not market the product which is potentially hazardous and harmful. It should test the safety of the product before they are marketed. As regards food items, business enterprises should withdraw spoiled and contaminated food items.

7. Money Refund Guarantee

Where the product becomes defective, business enterprises should replace it with new one or refund the purchase price. If the product causes injury or harm to consumers, it should reimburse the expenditures done by the consumers concerned.

8. Consumer Grievances

Where the business enterprises have customer care department, it should handle the grievances' of consumer immediately or within a definite time frame.

3. What are the needs for consumer protection?

Though consumer is said to be the king of entire business sphere, his interests are virtually neglected.

There are three parties involved in the sphere of business transactions viz. the Government, business and the consumers. Let us discuss what each party has to do in this regard

1. Role of Business

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Where the product becomes defective, business enterprises should replace it with new one or refund the purchase price.

8. Consumer Grievances

Where the business enterprises have customer care department, it should handle the grievances' of consumer immediately or within a definite time frame.

2. Role of Government

Since most of consumers including academically educated are illiterate about their rights and hence passive.

Government should assure an active role in safeguarding the consumers.

Government both the central and the state have brought out a number of legislations to protect the interest of consumers across the country. Other statues have been listed out in the 'Do you know' segment of this lesson. Despite the existence of legal system to protect the consumers, consumers in India are still illiterate and passive.

Mere statue book will not address the problem. Law enforcement authorities should see that penal clause is not mere paper jaws-they should sting the offenders mercilessly.

3. Role of Consumers

Ultimately it is the consumer who alone can put an end to all their unethical trade practices.

Business enterprises may break the codes and Government may rest content with mere enaction of laws and do little to protect consumers.

In this context consumers have to be vigilant and organise themselves into a movement for concerted action.

4. Explain the role of consumers in Consumer Protection..

Ultimately it is the consumer who alone can put an end to all their unethical trade practices.

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5. What are the objectives of Consumer Protection Act, 1986?

Following are the objectives of Consumer Protection act 1986

1. Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.
2. Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.
3. Protecting consumers from unfair trade practices of traders.

4. Empowering consumers to seek redressal against exploitation
 5. Educating the consumer of their rights and duties
 6. Ensuring better standard of living for consumers by providing them with quality products at fair price.
 7. Putting in place right mechanism like councils and other authorities to enable the consumers to enforce their rights.
6. Write about five important consumer legislations.
1. **The Prevention of Food Adulteration Act, 1954** checks the adulteration of food articles and ensures purity of goods supplied and thus protects the health of consumers.
 2. **Weights and Measures Act, 1976** protects the consumer against malpractices of underweight or under measurement. This Act has been replaced as the Legal Metrology Act, 2009.
 3. **The Trademark Act, 1999** prevents the use of fraudulent marks on the product.
 4. **Indian Standard Institution (Certification marks) Act, 1952** (Now ISI is known as Bureau of Indian Standards) provides special marks to products fulfilling minimum quality standards and thus ensures supply of quality products to consumers.
 5. **The Essential Commodities Act, 1955** protects the consumers against artificial shortages created by the sellers by hoarding the goods and thus selling the goods at high prices in black market in respect of essential commodities.

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