

ISC Paper 2017

Commerce

Maximum Marks: 80

Time allowed: Three hours

- Candidates are allowed additional 15 minutes for only reading the paper. They must NOT start writing during this time.
 - Answer Question 1 (Compulsory) from Part I and five questions from Part II, choosing two questions from Section A, two questions from Section B and one question from either Section A or Section B.
 - The intended marks for questions or parts of questions are given in brackets [].
 - Transactions should be recorded in the answer book.
 - All calculations should be shown clearly.
 - All working, including rough work, should be done on the same page as, and adjacent to the rest of the answer.
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Part – I (20 Marks)

Answer all questions.

Question 1. [10 × 2]

Answer briefly each of the questions (i) to (x):

- (i) What is meant by Macro Environment ?
- (ii) What is the importance of finance to a business concern ?
- (iii) Give two merits of Inter Corporate Deposits.
- (iv) Define Management as a process.
- (v) Explain the principle of Authority and Responsibility, as laid down by Henry Fayol.
- (vi) What is Demand Draft ?
- (vii) State any two features of advertising.
- (viii) Give two points of difference between training and development.
- (ix) Mention two physical functions of marketing.
- (x) Agrim purchased a Diesel Car for ₹ 7 Lakhs from an automobile Company and found its engine to be defective. Despite many complaints, the defect was not rectified. Suggest the appropriate authority where Agrim under his right as a consumer, could file a complaint

Answer:

- (i) A macro environment is the condition that exists in the economy as a whole, rather than in a particular sector or region. In general, the macro environment includes trends in gross domestic product (GDP), inflation, employment, spending and monetary and

fiscal policy . The macro environment is closely linked to the general business cycle as opposed to the performance of an individual business sector.

(ii) Finance is an important functional area of business. It deals with timely procurement of funds and their effective utilisation. For optimal procurement, different sources of finance are compared in terms of their costs and associated risks.

(iii) (a) No Procedural Delays
(b) Easy availability of finance.

(iv) As a process, management refers to a series of inter-related functions or elements to achieve stated objectives through the effective utilization of human and other resources. It involves five functions, namely,

- planning,
- organizing,
- staffing,
- directing or leading and
- controlling.

As shown in Fig. 1 it is through the performance of these functions that management is able to effectively utilize manpower and physical resources such as money or capital, machines, materials, methods, etc. to produce goods and services required by the society.

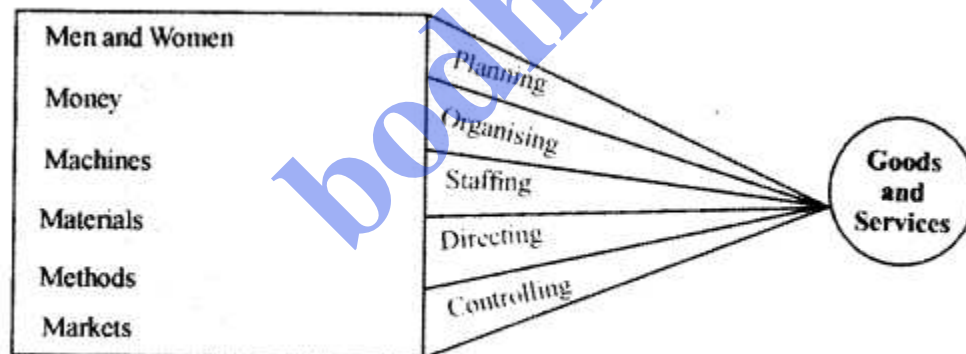


Fig. 1. An Overview of Management Process

(v) Authority and Responsibility : Authority is the right to give orders to the subordinates and to use the resources of organisation. Responsibility is the duty which the subordinate is expected to perform by virtue of his position in the organisation. Responsibility must be expressed either in terms of functions or in terms of objectives. When a subordinate is asked to control the working of a machine, the responsibility' is stated in terms of function and when a subordinate is asked to produce a certain number of pieces of a product, the responsibility is created in terms of targets.

(vi) A demand draft is a negotiable instrument similar to a bill of exchange. A bank issues a demand draft to a client (drawer), directing another bank (drawee) or one of its own branches to pay a certain sum to the specified party (payee).

(vii) The features of advertising are as follows :

It is a paid form of communication: Advertisements appear in newspapers, magazines, television or on cinema screens because the advertiser has purchased some space or time to communicate information to the prospective customers.

It is a non-personal presentation of message : There is no face to face contact with the customers. That is why, it is described as non-personal salesmanship. It is a non-personal form of presenting products and promoting ideas and it supports personal selling. It simplifies the task of sales-force by creating awareness in the minds of potential customers.

(viii)

Basis	Training	Development
Definition	Training means imparting skills and knowledge for doing a particular job.	Development means growth of an employee in all respects.
Duration	Training programmes are organised for short term.	Development takes place over a longer period of time.

(ix) Gathering and Analyzing Information : Gathering and analyzing market information is necessary to identify the needs of the customers and take various decisions for the successful marketing of products and services. This is also important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the marketers and helps in deciding what opportunities can best be pursued by it. For example, rapid growth is predicted in several areas in India including internet, cell phones, cooked foods, ready made garments, etc. These areas offer opportunities to the producers and marketers.

Packaging and Labelling : Packaging is traditionally done to protect the goods from damage in transit and to facilitate easy transfer of goods to customers. But now it is also used by the manufacturer to establish his brand image as distinct from those of his rivals. Patanjali Honey'. 'Boro Plus'. 'Amul Butter', 'Tata Salt' and All Out' are some examples in this regard.

(x) District Forum

Part – II (60 Marks)
Answer any five questions.

Question 2.

- (a) Explain three disadvantages of Preference shares from the investors' point of view. [2]
- (b) Effectiveness of leadership depends on the qualities of the Leader. Explain any four qualities that a good leader should possess. [4]
- (c) Explain the importance of Business Environment in shaping the future of a business. [5]

Answer:

(a) Disadvantages of Preference shares from the investors point of view are :
No voting right: Generally preference shareholders do not have any voting rights. Hence, they cannot have the control over the management of the company.

Fixed dividend only: Preference shares can get only fixed rate of dividend. They may not enjoy more profits of the company.

Taxation : In the taxation point of view, preference shares dividend is not a deductible expense while calculating tax. But, interest is a deductible expense. Hence, it has disadvantage on the tax deduction point of view.

(b) Qualities of a good leader are as follows :

Appreciative: A wise leader values their team and the person. Success is only achieved with the help of others. What's more, genuine appreciation provides encouragement, develops confidence, and builds on strengths.

Confident: Trust and confidence in leadership is a reliable indicator of employ ee satisfaction. Good leaders aren't afraid of being challenged. Their confidence inspires.

Compassionate : A good leader uses compassion to perceive the needs of those they leads and to decide a course of action that is of greatest benefit to the person and the team.

Courageous : A courageous leader is prepared to take risks when no one else will. A courageous leader has faith in other people. A courageous leader raises difficult issues, is ready to give difficult feedback, and share unpopular opinions.

(c) To be more specific, proper understanding of the social, political, legal and economic environment helps the business in the following ways :

Determining Opportunities and Threats : The interaction between the business and its environment would identify opportunities for and threats to the business. It helps the business enterprises for meeting the challenges successfully.

Giving Direction for Growth : The interaction with the environment leads to opening up new frontiers of growth for the business firms. It enables the business to identify the areas for growth and expansion of their activities.

Continuous Learning : Environmental analysis makes the task of managers easier in dealing with business challenges. The managers are motivated to continuously update their knowledge, understanding and skills to meet the predicted changes in realm of business.

Image Building : Environmental understanding helps the business organisations in improving their image by showing their sensitivity to the environment with in which they are working. For example, in view of the shortage of power, many companies have set up Captive Power Plants (CPP) in their factories to meet their own requirement of power.

Meeting Competition : It helps the firms to analysis the competitors' strategies and formulate their own strategies accordingly.

Identifying Firm's Strength and Weakness : Business environment helps to identify the individual strengths and weaknesses in view of the technological and global developments.

Question 3.

- (a) Give three differences between advertising and personal selling. [3]
- (b) Explain any four features of a budget. [4]
- (c) You are the finance manager of a newly established company. The Directors have asked you to determine the amount of fixed capital requirement for the company. Explain any five factors that you will consider while determining the fixed capital requirement for the company .[5]

Answer:

(a)

Basis	Advertising	Personal Selling
1. Nature	It involves non-personal or indirect communication between the buyer and the seller.	It involves face-to-face interaction between the buyer and the seller.

2. Purpose	It is done to increase product image, enhance sale volumes and fight competition.	It is carried out to provide personalized attention to the customer.
3. Methods	It involves several media such as radio, T.V., newspapers, magazines, outdoor, etc.	It involves oral presentation and use of gestures by the salesperson.

(b) Features of budget are as follows :

- A budget is a statement of expected results expressed in quantitative terms.
- It provides a standard by which actual observation can be measured and by which variations can be checked.
- It is a single use plan since it is prepared for a particular period of time.
- A budget forces an enterprise to make in advance a numerical compilation of expected cash flows, expenses and revenues, capital outlays or machine hour utilization.

(c) The requirement of fixed capital depends upon various factors which are explained below :

Nature of Business : The type of business Co. is involved in is the first factor which helps in deciding the requirement of fixed capital. A manufacturing company needs more fixed capital as compared to a trading company, as trading company does not need plant, machinery, etc.

Scale of Operation : The companies which are operating at large scale require more fixed capital as they need more machineries and other assets whereas small scale enterprises need less amount of fixed capital.

Technique of Production : Companies using capital-intensive techniques require more fixed capital whereas companies using labour-intensive techniques require less capital because capital-intensive techniques make use of plant and machinery and company needs more fixed capital to buy plant and machinery.

Technology Up-gradation : Industries in which technology up-gradation is fast need more amount of fixed capital as when new technology is invented old machines become obsolete and they need to buy new plant and machinery whereas companies where technological up-gradation is slow they require less fixed capital as they can manage with old machines.

Growth Prospects : Companies which are expanding and have higher growth plan require more fixed capital as to expand, they need to expand their production capacity and need more plant and machinery so more fixed capital is required.

Question 4.

(a) Give three points in support of the statement, "Organizing is an important function of management." [3]

(b) What is social environment ? Enumerate any three components of social environment. [4]

(c) Briefly discuss any five features of principles of management. [5]

Answer:

(a) The benefits of a sound organisation are discussed below :

Benefits of Specialization : Organisation is based on division of work which leads to specialization. In other words, jobs are created which require special qualifications, training and aptitude. People are appointed on the jobs on the basis of their area of specialization. This would lead to efficiency in performance and better quality'.

Clarity of Working Relationships : Organisation helps in creating well defined job and also clarifying the limits of authority and responsibility of each job. Thus, everybody working in the organisation knows the amount of authority and responsibility associated with his job. This would help in reducing conflicts over use of authority by different people in the enterprise and avoid confusions and duplication of work.

Optimum Utilization of Resources : Organisation leads to creation of distinct jobs and departments by systematic division of various activities. This would help in avoiding duplication of efforts and overlapping of duties among various individuals and departments. As a result, there would be optimum utilization of all kinds of resources.

Social Environment consists of the customs and traditions of the society in which business is existing. It includes the standard of living, taste, preferences and education level of the people living in the society where business exists.

The businessman cannot overlook the components of social environment as these components may not have immediate impact on the business but in the long run the social environment has great impact on the business.

For example, when the Pepsi Cola Company used the slogan of "Come Alive" in their advertisement then the people of a particular region misinterpreted the word "Come Alive" as they assumed it means Coming out of Graves. So, they condemned the use of the product and there was no demand of Pepsi Cola in that region. So, the company had to change its advertisement slogan as it cannot survive in market by ignoring the sentiments of the people.

Some Aspects of Social Environment:

- Quality of life
- Importance or place of women in workforce
- Birth and Death rates
- Attitude of customers towards innovation, life style etc.
- Education and literacy rates
- Consumption habits
- Population
- Tradition, customs and habits of people

(c) The principles of management have the following characteristics or features :

Universal Application : The principles of management are universal in nature. They are applicable to all kinds of organisations and situations. For example, the principle of unity of direction is widely applied to all types of activities and to all organisations. Similarly, the principle of division of work has found application in all kinds of organisations in order to achieve the benefits of specialization. However, the extent of division of work may vary from situation to situation.

General Guidelines : Management principles have been evolved by management thinkers out of their experience and analysis. That's why, they have been expressed in the form of general statements. Management principles cannot be stated as exact as the principles of physical sciences. The obvious reason is that management principles deal with human beings. Thus, no manager can ever be sure about the behavior of human beings who have different backgrounds, perceptions and needs.

Developed by Practice and Experimentation : Many of the management principles have been developed by practitioners including Henry Fayol, F. W. Taylor and L. Urwick. For example, Henry Fayol suggested principles of general management as a result of practice and F.W. Taylor developed principles of scientific management by virtue of his practice and experimentation. In particular, Taylor conducted experiments on time study, motion study and fatigue study to increase the efficiency of workers and reduce their fatigue and Henry Fayol suggested the principles to create conducive environment for people at work.

Flexibility : The principles of management are flexible in nature. Refinements in principles can take place as per need of the situation faced. Thus, they must be accepted as flexible and dynamic guidelines and not as rigid or static rules. They can be accepted as 'diagnostic guides'. The application of management principles depends upon specific situation being faced by the manager. They can be modified by the manager to meet the needs of the situation. For example, the principle of division of labor may not be applicable in small firms to the same extent as in large firms.

Influence Human Behavior: The principles of management are meant for influencing human behavior and getting higher performance from them. They guide them how to

respond under different situations. For example, principles like division of work, unity of command, discipline, unity of direction, etc., help the managers to regulate the behavior of operative employees. However, because of complex nature of human behavior, management principles might have limited application.

Question 5.

(a) What are the objectives of personal selling ? [3]

(b) Explain the following :

(i) SMS alerts

(ii) ATM [4]

(c) Explain any five points of importance of controlling, as a function of management. [5]

Answer:

(a) Personal selling is used to meet the following objectives of promotion in the following ways :

Building Product Awareness : A common task of salespeople, especially when selling in business markets, is to educate customers on new product offerings. In fact, salespeople serve a major role at industry trades shows where they discuss products with show attendees. But building awareness using personal selling is also important in consumer markets. As we will discuss, the advent of controlled word-of-mouth marketing is leading to personal selling becoming a useful mechanism for introducing consumers to new products.

Creating Interest : The fact that personal selling involves person-to-person communication makes it a natural method for getting customers to experience a product for the first time. In fact, creating interest goes hand-in-hand with building product awareness as sales professionals can often accomplish both objectives during the first encounter with a potential customer.

Increases Sales : The main objective of all the business firms is to increase sales. Customers can have doubts regarding the quality of the product. The salesman can clarify the doubts and objections raised by the customers on the spot. Hence, sales increases.

(b) **SMS Alerts :** It is a facility used by some banks or other financial institutions to send messages (also called notifications or alerts) to customers' mobile phones using SMS messaging, or a service provided by them which enables customers to perform some financial transactions using SMS.

ATM : ATM stands for an automated teller machine and also known as an automatic teller machine is an electronic telecommunications device that enables the customers

of a financial institution to perform financial transactions, particularly cash withdrawal, without the need for a human cashier, clerk or bank teller.

(c) The following benefits may be derived from a sound system of control :

Accomplishment of Organisational Goals : Control helps in achieving business objectives. It ensures regular supply of factors of production and production of high quality of goods and services at economical costs. This is how it helps in achieving, the profitability objective of the business. Further, managerial control includes production control, financial control and other controls which are essential to achieve the objectives of the enterprise.

Judging Accuracy of Standards : Through controlling, a manager can judge whether the standards or targets set are accurate or not. An accurate control system revises standards from time to time to match them with environmental changes.

m Making Efficient Use of Resources : Each activity is performed in accordance with predetermined standards. As a result there is better use of resources and wastage's and inefficiencies are reduced.

Improving Motivation of Employees : The existence of clear-cut standards performance has a positive impact on the behaviour of the employees. They feel motivated while performing their duties and work as dedicated employees. As a result, there is higher quality and productivity in the organisation.

Ensuring Order and Discipline : Controlling insists on continuous check on the activities of employees and thus creates an atmosphere of order and discipline. The employees are made aware of their duties and responsibilities very clearly . They know clearly the standards against which their performance will be judged. These standards motivate the employees work efficiently.

Question 6.

- (a) Distinguish between marketing and selling. [3]
- (b) Explain any four objectives of communication. [4]
- (c) Explain the first five steps involved in selecting suitable work force in an organisation. [5]

Answer:

(a)

Basis	Marketing	Selling
1. Scope	Marketing has a very wide scope and includes selling also. It covers all activities concerned with	Selling is only a part of marketing. Its scope is restricted to maximizing volume of sales.

	identification and satisfaction of customers' needs and wants.	
2. Focus	Marketing focuses on customer's needs of want-satisfying goods.	Selling focuses on seller's needs.i.e. converting his goods into cash.
3. Sequence	Marketing begins before actual production takes place.	Selling takes place after the production.
4. Emphasis	Emphasis is given on product planning and development to match products with customers' needs	Emphasis is placed on sale of goods already produced.

(b) The objectives of communication are as follows :

To Motivate Employees : Communication seeks to make employees interested in their duties and in the company as a whole. Managers inspire workers to work hard towards the achievement of organisational objectives. Good communication can mould employees' behavior and create cordial industrial relations. It provides information and instills in each employee a sense of pride in the job. It also reflects management's interest in employees.

To Promote Managerial Efficiency : Communication aims at improving the efficiency of management. Managers provide guidance to employees through communication.

To Implement Decisions Quickly : Effective communication is designed to implement decisions quickly. Subordinates understand managerial decisions and take steps to implement them through communication.

To Carry Out Change : Free flow of ideas and information reduces workers resistance to new technology and other changes. It makes new ideas acceptable to people and they adapt more quickly to the changing circumstances.

(c) Efficient performance of staffing involves the following activities or steps :

Estimating Manpower Requirements or Human Resource Planning : This is the first step in the process of staffing. It is concerned with determining the number and type of staff required for the organisation. It involves the following steps :

- making inventory of current human resources in terms of their qualifications, training and skills, and
- assessing future human resource needs of all the departments.

Job analysis is concerned with finding details related to all jobs. After conducting job analysis, the managers come to know the qualifications and qualities of employees required to perform each job.

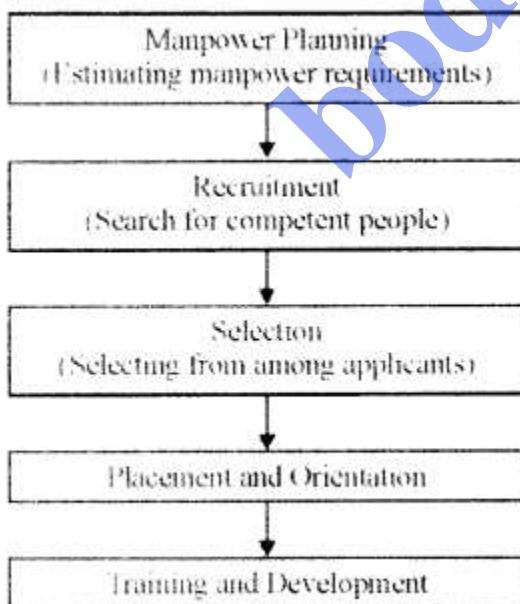
Recruitment : It involves attracting suitable people to apply for vacant jobs in the organisation. Recruitment refers to identification of the sources of manpower availability and making efforts to secure applicants for the various job positions in the organisation.

Selection : Selection is the process of choosing and appointing the right candidates for various jobs in the organisation. It includes receiving and screening of applications, employment tests, interviews and medical examination of candidates together with verification of references.

Placement and Orientation : When a new employee reports for duty , he is to be placed on the job for which he is best suited. Placement is a very important process as it can ensure “right person doing the right job”. If a new employee is not able to adjust on his job. he may be given some training or transferred to some other job.

Orientation is concerned with the process of introducing or orienting a new employee to the organisation. The new employees are familiarized with their units, supervisors and fellow employees They are also to be informed about the working hours, tea or coffee breaks, lunch period, procedure for availing leaves, safety precautions, medical facilities, transport facilities, etc.

Training and Development : Systematic training helps in increasing the skills and knowledge of employees in doing their jobs. Various methods of training can be used to enhance the knowledge and skills of the employees. On-the-job methods are more useful for the operative employees and off-the-job methods can also be employed for the supervisory personnel.



Stages in Staffing

Question 7.

- (a) Explain Buying and Assembling, as function of marketing. [3]
(b) What is meant by R.T.GS ? Give any two features of R.T.GS. [4]
(c) Management is the dynamic, life giving element in every business. In the context of this statement, explain the importance of management in modern times. [5]

Answer:

(a) Buying : Buying is the first step in the process of marketing. It involves what to buy, what quality, how much, from whom, when and at what price. People in business buy to increase sales or to decrease costs. Purchasing agents are much influenced by quality, service and price. The products that the retailers buy for resale are determined by the need and preferences of their customers.

Assembling : After buying all the materials purchased it should be collected at a central place, it is called assembling. Assembling is required for all kinds of products whether they are agriculture product, consumer product or industrial product.

(b) Real Time Gross Settlement (RTGS) is an electronic form of funds transfer where the transmission takes place on a real time basis. In India, transfer of funds with RTGS is done for high value transactions, the minimum amount being ₹ 2 lakh. The beneficiary account receives the funds transferred, on a real time basis.

Features of R.T.G S.

- An RTGS electronic fund transfer facilitates fund transfer on real time basis. In case of a holiday, the amount gets credited on the next working day.
- RTGS could also be done offline by submission of the remittance form at the bank branch of the remitter.
- RTGS avoids the cost involved in other instruments of fund transfer such as demand draft.

(c) Importance of Management are as follows :

Helps in accomplishment of organisational goals : It is the management which determines the goals of the organisation and of various departments and functional groups. The goals are communicated to the employees to seek their cooperation and to ensure coordination. All organisational activities are directed towards the organisational objectives. Clear-cut definition of goals is essential for the success of any organisation.

Helps in efficient utilization of resources : Management ensures efficient utilization of resources to reduce costs and increase productivity and profitability Through planning and organisation, management eliminates all types of wastage's and achieves efficiency in all business operations. Management motivates workers to put in their best performance. This would lead to the effective working of the business.

Creates dynamic organisation : All organisations operate in a dynamic environment. In order to survive and grow, each organisation has to adapt itself according to the needs of the environment. Employees generally resist changes in the organisation. Management helps them to adapt to the changes so that the organisation is able to maintain its competitive edge.

Helps in accomplishment of personal objectives : Management leads the group members to motivate them to achieve their personal objectives while working for the organisational objectives. Management helps them to satisfy their physical, social, and psychological needs so as to develop a cooperative and committed team.

Helps in development of society : Efficient management of resources is equally important for the development of society . According to Peter Drucker. "Management is the crucial factor in economic and social development." The development of a country virtually depends upon the quality of management of its resources. Efficient management of resources helps in the development of nation in the following ways :

- provision of good quality products and services;
- creation of employment opportunities;
- technological innovations for the betterment of society; and
- contribution to economic growth and development.

Question 8.

(a) Give three points of difference between Taylor’s and Fayol’s Principles of Management

(b) Explain four advantages of raising funds from commercial banks.

(c) Discuss any five points of importance of marketing.

Answer:

(a)

Basis	F. W. Taylor	Henry Favol
1. Perspective	He worked from bottom to top level. His center of study was the operator at the workshop.	He worked from top level to downward laying stress on unity of command, unity of direction, coordination, etc. He was concerned with overall administration of the enterprise.
2. Unity of Command	He recommended functional foreman ship which violates unity of command.	He advocated unity of command so that each worker gets order from one boss only

3.Applicability	Taylor's scientific management is applicable to industrial organisations only.	Fayol's principles have universal application.
4. Formation of Principles	His principles are based on observation and experimentation	His principles were drawn from his personal experience of managing organisations.

(b) Following are the advantages of raising funds from commercial banks :

- Raising funds from commercial banks are available for the specified period.
- It provides benefit of trading on equity.
- Repayment can be made out of future earnings.
- Interest paid on bank loan is deductible for determining taxable profits.

(c) Importance of marketing are as follows :

Standardization and Grading : Standardization means setting quality standards to achieve uniformity' in the product. Standardization provides consistent quality assurance to consumers. Consumers are assured about the quality of product offered by the seller. Grading means classify ing the product on certain accepted benchmarks or bases. The bases of classification can be size, quality etc. Grading is necessary when a company is not following strictly the technique of standardization. Through grading, the marketer can get higher price for quality product. Grading is generally done in agricultural products like wheat, rice, pulses, apples, mangoes, etc.

Packaging and La belling : Packaging is traditionally done to protect the goods from damage in transit and to facilitate easy transfer of goods to customers. But now it is also used by the manufacturer to establish his brand image as distinct from those of his rivals. 'Patanjali Honey', 'Boro Plus', 'Amul Butter', 'Tata Salt' and 'All Out' are some examples in this regard.

Another activity' connected with packaging is labelling. Labelling means putting identification marks on the package. The label is an important feature of a product. It is that part of a product which contains information about the producer of the product. A label may be a part of a package or may be a tag attached directly to the product. The label is used to communicate brand, grade and other information about the product. It works as a silent salesman.

Branding: It is the process of stamping a product with some identifying name or mark or a combination of both. In other words, branding means giving a distinct individuality to a product. A brand name consists of words, letters and/or numbers which may be vocalized. A brand mark is that part of the brand which appears in the form of a symbol, design, or distinctive coloring or lettering. It is recognized by sight. Some of the popular brands include Airtel, Videocon, Lux, Saridon, Nirma, etc.

Customer Support Services : This function relates to developing customer support services such as after sales services, handling customer complaints and adjustments, providing credit facilities, maintenance services, technical services, etc. All these services aim at providing maximum satisfaction to the customers, which is the key to marketing success in modern days. Customer support services prove very effective in bringing repeat sales from the customers and developing brand loyalty' for a product.

Pricing: Price is the exchange value of a product. Determination of price of a product is an important function of a marketing manager. Price of product is influenced by the cost of product and services offered, profit margin desired, prices fixed by rival firms and Government policy.

Question 9.

Write short notes on :

- (a) Publicity. [4]
- (b) Secured Debentures. [4]
- (c) Programme, as a type of plan. [4]

Answer:

(a) Publicity is an effective non-personal promotional tool which has very high credibility . It is any non-paid mention of an organisation and its products in the mass media like newspapers, journals, radio, T.V., etc. Any organisation can come to the attention of the public by doing something which is newsworthy. For example. Tata Motors got wide publicity when it introduced the cost effective Nano Car. The unique features of the car were highlighted in every media, both in and outside the country . Similarly, a company can get coverage in the news media by sponsoring some sports or cultural event. It need not pay anything to the media for publicity, but has to supply the necessary information to the media.

Publicity has the following salient features :

- Publicity' is a non-paid form of dissemination of some important information. It does not involve any direct payment as in the case of advertisement.
- It is a non-personal form of communication by the media.
- It does not have any sponsor as the information is passed on to the general public as a news item.

(b) These are the debentures that are secured by a charge on the assets of the company . These are also called mortgage debentures. The holders of secured debentures have the right to recover their principal amount with upward amount of interest on such debentures out of the assets mortgaged by the company. In other words, the company makes a default in payment, the debenture holders can recover their dues from the mortgaged property .

(c) A programme is a detailed statement about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. The minutest details are worked out within the policy framework. A programme is action based and result oriented. It prescribes how resources of enterprise should be used. It is also a single use plan because it is not used in the same form time and again once the objectives have been achieved.

A programme is a sequence of activities directed towards the achievement of certain objectives. It lays down the definite steps which will be taken to accomplish a given task. It also lays down the time to be taken for the completion of each step. For example, a company may have production programme, sales programme, training programme, expansion programme, etc.

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