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SYJC EXAM

SUBJECT- ORGANIZATION OF COMMERCE

Test Code – SYJ 6020 A

BRANCH - () (Date :)

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ANSWER-1**ANSWER-A****(3 MARKS)**

1. (a) Life Insurance
2. (a) Government
3. (a) Central bank

ANSWER-B**(2 MARKS)****A-1****B-3****ANSWER-C****(5 MARKS)**

1. Central bank
2. Utmost good faith
3. Exchange bank
4. Current account
5. Cold storage

ANSWER-2**(5 MARKS)****1)**

Sr.No.	Points of Distinction	Cheque	Bank Draft
1.	Meaning	According to the Indian Negotiable Instrument Act, A cheque is an unconditional order directing the banker to pay a certain sum of money only to the order of a certain person.	A draft is an order to pay money drawn by one office of a bank upon another office of the same bank for a sum of money payable to order on demand
2.	Aim	It aims at facilitating businessman for effecting local payments.	It aims at facilitating immediate outstation payments.
3.	Drawer	The drawer is the account holder of the bank	The drawer is the bank itself.
4.	Dishonour	The cheque may or may not be dishonoured	A draft can never be dishonoured as it is already paid for.
5.	Bank Charges	The bank may not charge for issuing cheque book.	The bank charges a nominal amount to issue a draft.
6.	Payments	Payment of crossed cheques cannot be obtained immediately	Payment of bank draft can be obtained immediately
7.	Facility extended to	Cheque facility is extended to account holders of the bank only	Draft facilities is extended to both account holders of the bank as well as outsiders.
8.	Reliable	Cheques issued by an individual may not be cleared due to many reasons such as sign not matching, post dated, less balance, etc.	A bank draft is more reliable as it is issued by the bank only after receipt of payment.

2)

Sr.No.	Points of Distinction	Fire Insurance	Marine Insurance
1.	Meaning	A contract which insurer promises to pay compensation to insured if something happens to the subject matter due to fire or related events.	A contract whereby the insurance company undertakes to pay compensation to the insured in case of loss to him due to dangers (perils) of the sea.
2.	Who takes it	It can be taken by individuals for their properties or by businessmen for their goods, properties business liabilities, etc.	It can be taken by exporters, importers and shipping companies
3.	Subject Matter	In Fire Insurance, the goods and assets or property of the insured is the subject matter	In Marine Insurance, Goods in ship, cargo and freight is the subject matter
4.	Insurable Interest	It must exist both at the time of contract and also at the time of loss	It must exist at the time of loss
5.	Period	It is generally for a short period like one year	It is generally for a short period and may range from one month to a year. Normally, it does not exceed one year
6.	Compensation	It is paid only if there is loss due to fire during the term of policy	It is paid only if there is a loss causing event during the term of the policy
7.	Point of Distinction	It is applicable as insurance company compensates for the financial loss and the insured is brought back to the same financial condition that he was before the event	It is applicable as insurance company compensates for the financial loss and the insured is brought back to the same financial condition that he was before the event.
8.	Number of Policies	Generally, only one policy can be taken. However, double insurance is possible	Generally, only one policy can be taken. However, double insurance is possible.

			The beneficiary is the insured person or company.
9.	Beneficiary	The beneficiary is the insured who has insured the property or goods.	The beneficiary is the insured person or company.
10.	Surrendering of policy	It cannot be surrendered	It cannot be surrendered

ANSWER-3

(5 MARKS)

1)

1. **Money Order:** A money order is an order issued by the post office for the payment of a sum of money to the person to whom it is sent through the post office. A 'payee' is the person named in money orders person to whom the money is to be paid. The advantage of sending money to someone through money order is that the money is delivered at the house of the receiver.
2. **Instant Money Order:** Indian post presents Instant money order (IMO) the instant on-line money transfer service which is convenient, reliable and affordable. IMO is an instant web based money transfer price through which one can transfer money from Rs.10,000 to Rs.50,000 from designated IMO post offices. It is simple to send and receive money.
3. **International Money Transfer:** Money transfer service scheme is a quick and easy way of transferring personal remittances from abroad to beneficiaries in India. Only inward personal remittances into India are permissible. No outward remittance from India is permitted. Money transfer is now available through post offices in India, which helps in instant remittance of money from around 195 countries to India. The receiver can collect the money within minutes after the sender has made the remittance. The service is helpful to NRI dependent families in India, visiting International tourists and foreign students studying in India.
4. **Money Gram:** The department of Post has entered into International Co-operation Agreement with Money Gram payment system, Inc., USA to offer to the general public, the Money Gram International Money Transfer service through selected post offices in India. This service has started from 29th September, 2011.
5. **Money Order Videsh:** Money Order Videsh is a new offering of Indian post to facilitate remittances to foreign countries and receiving the remittances from foreign countries through the medium of post office. This service was started from 24th October, 2009. These services are offered through head post offices.
6. **Electronic International Money Order Services:** International Money remittance between people of India and the UAE became easier after India Post and Emirates Post, UAE signed an agreement to launch Electronic International Money Orders through postal network using secure International Financial System (IFS) of the UPU (Universal Postal Union) from February, 2008.
7. **Foreign Exchange Services:** Many Indians go abroad for travel, studies and business and also large number of foreign tourists visit India on vacation and business. The need arose for a reliable and quality service provider for purchase and sale of foreign exchange. At many places, there is no bank or facilities to avail foreign exchange. India Post with a network of more than 1.5 lakh post offices is best to offer forex services in

an efficient and economical manner. Now Indian post in association with HDFC Bank, provides Forex services through selected Post Offices in India.

2)

1. **Whole Life Policy:** The whole life of a person is insured under this policy. The insured cannot receive the money from the Insurance Company till he is alive. The rate of premium is normally very low. The money becomes payable on the death of the insured person to the nominee or the legal heir of the deceased policy holder. This policy is more beneficial for the family of the deceased, as it provides financial assistance to the family after the death of the insured person.
2. **Endowment Insurance Policy:** Under this policy, insurance is taken for a specific period. The sum assured along with bonus is given on his death to the dependents of family or on the expiry of the specific period, the insured himself receives the sum assured along with bonus. It is a popular plan as it protects the family of the deceased or provided old age pension to the insured.
3. **Term Insurance Policy:** Term Insurance policy is taken for a specific period. It has lowest premium among all Insurance plans. Premium is fixed and does not change during the term of the policy. In case of an untimely death, the dependents will receive the benefit amount specified in the term life insurance agreement.
4. **Money-Back Policy:** Money-Back policy provides a regular percentage of the sum assured during the life time of the policy and also guarantee the benefit of full sum assured in the event of the death of the insured to the dependents of the family. This policy is for those people who like to have savings and Insurance Cover.
5. **Joint Life Policy:** Under Joint Life Policy, two or more persons are jointly assured. The person who takes Joint Life Policy must have insurable interests in each other. It is useful for individuals having common interest, requiring joint safety and security to their lives. It can be taken by the partners of the firm or husband and wife. the sum assured is payable at the end of the specified term or the first death of either of the two lives assured, if earlier.
6. **Annuity Policy:** The insured has to pay the premium in lump sum or installments over a certain period of time. The insured will receive back a specific sum periodically from a specified date onwards, either for life or for a fixed number of years. Generally, life annuity is opted by a person having surplus wealth and wants to use this money after his retirement.
7. **Pension Plan Policy:** Pension Policy is different from all other forms of life insurance, as it does not provide any life insurance cover but merely offers a guaranteed income either for a life or for a certain period. (Therefore, this type of insurance is taken so as to get income after retirement.
8. **ULIP (Unit Linked Insurance Plans):** ULIPs is introduced by the private companies and are very popular as they combine the benefits of life insurance policies with mutual funds. A certain part of the premium is invested in listed equities or debt funds or bonds and the balance is used to provide for life insurance and fund management expenses.

ANSWER-4

(5 MARKS)

1)

False

i) Overdraft facility is granted only to current account holders.

Business firms, companies and businessmen holding current account are eligible to enjoy overdraft facility. It is granted to those account holders who enjoy a good track record and reputation in their business transactions.

ii) Banks provide overdraft facility to adjust demand for and supply of funds.

Businessmen holding current account face shortage of funds to meet their commitments. Overdraft facility helps to adjust their need for money.

iii) Overdraft facility is a kind of indirect loan to current account holders.

Overdraft facility is an indirect loan available to current account holders. It supports businessman to withdraw over and above their actual balance so as to clear their cheques.

The extra amount is treated as loan and interest is charged.

iv) Overdraft facility is not available to saving account holders.

Overdraft facility is a special privilege enjoyed by current account holders. Other accounts like saving account do not enjoy such facilities.

2)

False

i. All contracts except for life insurance are contracts of indemnity.

The principle of indemnity is not applicable in case of life insurance. The contracts and marine are based on the principle of indemnity. This principle prevents the insured to recover anything more than the value of his own insurable interest.

ii. The value of life can not be estimated in term of money.

The principle of indemnity ensures that the insured will not get compensation more than the value of loss. In case life insurance, loss is caused by death. It cannot be estimated in terms of money. No monetary compensation is equal to the value of life.

iii. Value of property or goods can be estimated.

In case of fire and marine insurance the subject matter is property or goods. The value of goods or property can be estimated in terms of money. Therefore principle of indemnity is applicable in case of fire and marine insurance.

iv. The principle of indemnity is based on security not on profitability.

In case of marine and fire insurance, the indemnity principle discourages the policyholder to exploit the opportunity to make profit out of loss. In the absence of indemnity, insured will intentionally destroy his property or goods to make profit. In case of life insurance, the compensation is paid at the time of death. Life of a person is more valuable and cannot be treated like property or goods. Therefore it is illogical to apply the principle of indemnity in case of life insurance.

1)

- **Advantages of Rail Transport:**

1. **SPEED**: Rail network is a convenient and quicker mode of transport for long distance.
2. **SUITABILITY FOR BULKY GOODS**: Rail network is suitable for heavy goods, since it has large capacity for carrying good as compared to road transport.
3. **SUITABILITY IN RAINY SEASON**: Rail transport is not much affected by rains, floods etc. However, there are instances where local train services have been disrupted due to heavy rains.
4. **SAFETY**: Rail transport ensures safety and security of goods. It is less risky to transport of valuable and delicate goods by railway.
5. **COST**: Rail transport is cheaper as compared to road transport for long distance travelling.
6. **ACCIDENTS**: The probability of rail transport accidents is less as compared to road accidents. Therefore, rail transport is less risky.
7. **POLLUTION**: Most of the trains now work on electricity and hence do not cause any air pollution. However, they do cause some amount of noise pollution.

LIMITATIONS:

1. **COST**: Rail network is comparatively expensive for carrying goods & passengers over short distances.
2. **FLEXIBILITY**: In case of a rail transport, the goods have to be loaded and unloaded at a station. Therefore, another mode of transport has to be used to take the goods to and from the station.
3. **DOOR TO DOOR SERVICES**: Rail network are used to transport goods from a common location to another common location. However, it cannot reach the door step of the customer.
4. **AVAILABILITY**: Even though rail transport has expanded, it is still not **available in few remote areas**.
5. **LOSS**: In case of accidents, it results in heavy loss of human life as well as property.

2)

Warehouses preserve goods on a large scale in a systematic and orderly manner. They provide protection to goods against heat, wind, storm, moisture, etc. and also cut down losses due to spoilage, wastage, etc. This is the basic function of every warehouse. There are many other functions in addition to these basic functions which are as follows:

1. **Storage of goods**: The basic function of warehouses is to store large stock of goods. These goods are stored from the time of their production or purchase till their consumption or use.
2. **Protection of goods**: A warehouse provides protection to goods from loss or damage due to heat, wind, dust, etc. It makes special arrangements for different products according to their nature. It also helps to reduce the losses due to spoilage or wastages during storage.
3. **Financing**: When goods are kept in a warehouse, the depositor gets a receipt which acts as a proof about the deposit of goods. The warehouse, also issues a document in favour of the owner of goods which is called a warehouse-keeper's warrant. The warehouse warrant and receipt are negotiable instrument and can be negotiated by endorsement and delivery. Thus the owner of the goods can raise finance from banks, financial institutions, etc.

4. **Risk-Bearing:** The entire responsibility of the goods stored in the warehouse is passed to the warehouse keeper, once the goods are handed over to him for storage. Thus, the risk of loss or damage to goods in storage is borne by the warehouse-keeper. Since he is bound to return the goods in the same condition, warehouse becomes responsible for any loss, theft, damage, etc. Thus warehouses take all precautions to prevent the goods from any loss.
5. **Grading and Branding:** Warehouses also perform the functions of grading and branding of goods on behalf of the manufacturer, wholesaler and the importer of goods. It also provides facilities for packaging of goods for the convenience of handling.
6. **Processing:** Certain commodities are not consumed in the form they are produced. Processing is required to make them consumable. e.g. Paddy is polished, timber is seasoned, fruits are ripened, etc. Sometimes warehouses undertake these activities on behalf of the owners.
7. **Transportation:** Warehouses can provide transport facility to the bulk depositors. It collects goods from the place of production and also sends goods to the place of delivery on the request of the depositors.
8. **Time and Place Utility:** Warehouses create time utility by preserving the goods till it is demanded. It also creates place utility by providing the goods at the place, where they are required.

ANSWER-6

(10 MARKS)

1)

Commercial bank performs diverse types of functions. It satisfies the financial needs of the sectors such as agriculture, industry, trade, etc. It plays a very significant role in a process of satisfying economic and social needs. The functions performed by banks are changing according to change in time and recently they are becoming customer centric and widening their functions.

Functions of the commercial banks are divided into two categories/types:

1. **Primary Functions**
2. **Secondary Functions**

1. Primary Functions

- A. **Accepting Deposits:** The most important activity of a commercial bank is to mobilise deposits from the public. People who have surplus income and savings, find it convenient to deposit the amounts with banks in different types of deposit accounts which are as follows:

Types of Deposits

1. **Fixed Deposits:** A fixed amount is deposited for a fixed period and it is called fixed deposit account. It is also known as term deposit. The fixed period of time may be from 30 days to 5 years and above. The rate of interest on this account is the highest because the amount accepted is invested elsewhere for a long term by the bank. The depositor is given a fixed deposit receipt. If the depositor is in need of cash before the date of maturity, he can get a loan against the deposit.
2. **Savings Account:** This account, as the name suggests, is meant for promotion of savings. Persons having fixed and regular income can deposit their savings in this account. A savings account holder is not permitted to have frequent withdrawals from this account as it is meant for saving. The interest on this account is credited to the account once in every six months.
3. **Current Account:** In this account, a depositor can deposit money any number of time and can withdraw it as and when he requires it. In this account, generally business class deposits the money. Generally the bank does not pay any interest on this deposit. If the total amount

deposited is less than the minimum amount required, then the bank can charge some service charges. Money is withdrawn from this account by cheque. A current Account holder enjoys overdraft facility.

4. **Recurring Deposit Account:** In this type of account, a depositor deposits a fixed amount of money every month for a fixed period. The money is deposited on monthly basis. This money cannot be withdrawn before the expiry of a fixed term except in certain conditions. The amount of interest which is received on the money deposited in this account is re-deposited along with the principle. This account attracts higher interest in comparison to other accounts except Fixed Deposit Account.
5. **Multiple Option Deposit Account:** It is a type of Saving Bank Account in which deposits in excess of a particular limit gets automatically transferred into Fixed Deposit. On the other hand, in case adequate fund is not available in our Saving Bank Account so as to honour a cheque that we have issued, the required amount gets automatically transferred from Fixed Deposit to the Saving Bank Account. The balance amount continues as Fixed Deposit and earns interest as per existing rate of interest. One can earn higher rate of interest from a Fixed Deposit Account than from a Saving Bank Account.

B. Granting Loans and Advances:

A banker receives money through its deposits at lower rates. Out of these deposits Commercial bank grants loans and advances to the members of the public and to the business community at a higher rate of interest.

- i. **Loans:** A loan is granted for a specific time period. The loans are particularly granted to businessmen and members of the public against personal security, gold and silver and other movable and immovable assets. Generally commercial banks grant short term loans. But term loan i.e. loans for more than a year may also be granted. The borrower may withdraw the entire amount in lump sum or in installments. However, interest is charged on the amount withdrawn or used.
- ii. **Advances:** An advance is a credit facility provided by the bank to its customers. It differs from loan in the sense that loans may be granted for longer period, but advances are normally given for a short period of time. The purpose of granting advances is to meet day-to-day requirement of a business. Interest is charged only on the amount withdrawn and not on the sanctioned amount.

Types of Advances:

- a. **Cash Credit:** Under Cash Credit system, bank allows the borrower to draw amount upto a specific limit. A limit of certain amount is sanctioned to the customer. The customer can withdraw this amount as and when required. Interest is charged on the amount actually withdrawn.
- b. **Overdraft:** Overdraft is a credit facility granted by bank to current account holders. A current account holder is allowed to withdraw more than amount of credit balance in his account. It is a temporary arrangement. Overdraft facility with a specific limit may be allowed either on the security of assets or on personal security or both. Bank charges interest on this facility. A current account shows a debit balance where there is an overdraft.
- c. **Discounting of Bills:** A Bill of Exchange is a negotiable instrument. Banks provide short term finance by discounting bills i.e. making payment of the amount before the due date of the bills after deducting certain amount of discount. The party gets the funds without waiting for the date of maturity of the bills. In case the bills is dishonoured on the due date, the bank can recover the amount from the customer.

2. **Secondary functions:** In addition to the primary functions of accepting deposits and granting loans and advances, banks perform a number of other functions which are called secondary functions. They are the following two types:

A) Agency Functions

Agency functions include the following:

- i. **Collection of Cheques, Dividends and Interests:** As an agent the bank collects cheques, drafts, promissory notes, interests, dividend, etc. on behalf of its customers and credit the amount to their accounts.
Customers may furnish their bank details to companies where investment is made in shares, debentures, etc. So that the companies can directly send the warrants/cheques to the bank for credit to customer's account.
- ii. **Payment of rent, insurance premiums, etc.:** The bank makes the payment such as rent, insurance premiums, subscriptions, etc. on standing instructions until further notice. Till the order is revoked the bank will continue to make such payments regularly by debiting the customer's account. ECS means electronic clearing system under which one time instruction is given to the bank for debiting/crediting the account.
- iii. **Dealing in foreign exchange:** As an agent, the commercial bank purchases and sells foreign exchange for customers as per RBI Exchange Control Regulations.
- iv. **Purchase and Sales of Securities:** Commercial banks undertake the purchase and sale of different securities such as shares, debentures, bonds, etc. on behalf of their customer. They run a separate 'Portfolio Management Scheme' for their big customers.
- v. **Act as trustee, executor of will, attorney, etc.:** The bank acts as executives of will, trustees and attorneys. It is safe to appoint a bank as a trustee than to appoint an individual. Acting as attorneys of their customers, they receive payments and sign transfer deeds for the properties of the customers.
- vi. **Act as Correspondent:** The commercial banks act as a correspondent of their customers. Small banks even get travel tickets, book vehicles, receive letters, etc. on behalf of their customers.
- vii. **Preparation of Income Tax Returns:** They prepare income tax returns and provide advises on tax matters for their customers. For this purpose, they employ tax experts and make services available to their customers.
- viii. **Bank Drafts:** A Bank Draft is a financial instrument with the help of which money can be remitted from one place to another. Anyone can obtain a bank draft after depositing the amount in the bank. The bank charges commission for issuing a bank draft. For bank draft, funds are withdrawn directly from a bank's fund and not from an individual account. It is less risky for a creditor.
- ix. **Underwriting of shares:** Underwriting services include guarantee by the bank to the company. In case the company shares are not sold, the bank will take the responsibility of the unsold shares. Bank charges commission for this service.
- x. **Demat Account:** Demat account facility has been introduced by commercial banks to facilitate the customers who are shareholders.
 - a. To keep a record of their shareholding in electronic form.
 - b. To facilitate buying and selling of shares in the share market.
A statement of holding is issued to the account holder periodically for their information and records.

B) Utility Functions:

Utility functions of Banks include the following:

- i. **Safe Deposit vault/lockers:** Safety of valuables like jewels, documents, etc. is provided by commercial banks by way of safe deposit vaults or lockers. 'Lockers' are small receptacles (cabinets) which are fitted in steel racks and kept inside 'strong rooms' known as vaults. These lockers are available in half yearly or annual rental basis.
- ii. **Traveller's Cheques:** Traveller's Cheques are used by domestic travellers as well as by international travellers. Bank issues travellers cheques to help carry money safely while

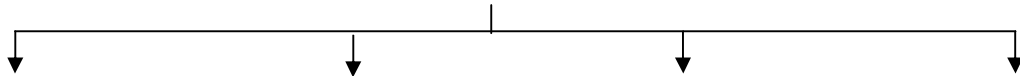
travelling within India or abroad. Thus, the customers can travel without fear, theft or loss of money. Travellers cheques are more commonly used by international travellers so as to make their travel more safe and convenient.

- iii. **Letter of Credit(L/C):** Letter of Credit is a payment document provided by the buyer's banker in favour of the seller. This document guarantees payment to the seller upon presentation of documents mentioned in the Letter of credit evidencing dispatch of goods to the buyer. The Letter of Credit is an important method of payment in international trade. There are four parties to a Letter of Credit.
 - a. The buyer or the importer also known as Applicant.
 - b. The bank which issues the letter of Credit known as opening bank.
 - c. The seller in whose favour the Letter of Credit is issued also known as Beneficiary.
 - d. The credit receiving bank.
- iv. **Provides Trade Information:** The commercial banks collect information on business and financial conditions etc for their customers which helps them to plan their strategy. Trade information service is very useful for those customers going for business with companies outside the country. It will help traders to know the exact business conditions, payment rules and buyer's financial status in other countries.
- v. **Gift Cheques:** The commercial banks offer Gift cheque facilities to the general public. These cheques receive a wider acceptance in India. Under this system by paying equivalent amount one can buy gift cheque for presentation on occasions like wedding, Birthday, etc.

OR

2)

TYPES OF POSTAL SERVICES



Mail Services	Specialised Mail Services	Money Remittance Services	Retail Services
1. Post Card 2. Inland Letter Card 3. Envelope 4. Parcel Post 5. Book Post 6. Telephones	1. UPC(Under Postal Certificate) 2. Registered Post 3. Insured Post 4. Speed Post 5. Post Restante 6. VPP (Value Payable by Post)	1. Money Order 2. Instant Money Order 3. International Money Transfer 4. Money Gram 5. Money Order Videsh 6. Electronic International Money Order Service 7. Foreign Exchange Services	1. Bill Mail 2. Retail Post 3. E-Payment

1. MAIL SERVICES

Mail Services is one of the main services of post office that deals with collection of letters and parcels from the sender to distribute among the receivers. Indian postal service deals with both inland and international mails.

- 1. **Post Card:** Post Card is the cheapest means of written communication. It is a card on both sides of which we can write our message. It has a specified space to write the address of the receiver. In the post office, two different types of post cards are available. One is 'Ordinary post card' and the other is 'competition post card'. While ordinary post cards are used for writing letters, competition post cards are used to send

- reply to questions asked in various competitions announced through radio, television, newspapers and magazines.
2. **Inland Letter Card:** Like post card, written message can also be send using inland letter card. This card is sold by post offices and is commonly used for sending messages within our country. Unlike post card, the written portion of the inland letter card is folded and sealed. Only names and addresses of the receiver and the sender remain open. Thus these ensure secrecy of the message. However, no enclosure is allowed inside the inland letter cards. A special type of card just like inland letter card is used for sending messages to foreign countries. It is known as "aerogram".
 3. **Envelope:** As post cards are not suitable for sending confidential messages and in inland letter card it is not possible to send any enclosure although it ensures secrecy of the message. If one wants to send an application or bio-data seeking employment in any organization, a postal envelope or an ordinary envelope with postage stamps affixed on it can be used for sending enclosures. It is a small size paper packet having one side open. After keeping your enclosure in it, you need to close it and sent it to the receiver.
 4. **Parcel Post:** The postal facility through which articles can be sent in the form of parcels is known as Parcel post. It provides reliable and economical parcel delivery service. Under parcel post services, parcels of specified size and weight can be sent across the country as well as outside the country. Postal charges vary according to the weight of the parcel. Separate postage is to be paid for inland and foreign parcel post.
 5. **Book Post:** Printed materials, printed books, periodicals, greeting cards can also be mailed as book post. Under book post, envelopes containing books or documents should only be closed but not sealed. It should be mentioned on the face of the envelope as "Book Post". The postage on Book post mails is less than the postage on sealed envelopes.
 6. **Telegrams:** Telegrams is an important medium of sending messages to distant places. Whatever message the senders writes in the telegram, it is communicated in the same form to the receiver. First of all the message is communicated by one post office to the other post office situated nearest to the place of the addressee. From there a postal employee takes the message to the house of the receiver. The expense on the telegram is calculated on the basis of the words written in the message.
 7. **Telephones:** In India, telephone service was started by the post and telegraph department in 1881. Talking to a person in the same city is called a local call and talking to a person in some other city is called a trunk call. Telephone is the best medium for quick communication both in and outside the country. These days the telephone service is being provided by The Videsh Sanchar Nigam Ltd. (VSNL), Bharat Sanchar Ltd. (BSNL) etc. Mostly business messages are communicated through the medium of the telephone.

2. SPECIALIASED MAIL SERVICES

Post offices also offer various mail services having some extra advantages like sending mails faster, ensuring certainty of delivery of mails, compensating the sender in case of loss or damage to the mail during transit, etc. One can avail of the benefit of all these facilities by paying additional postage.

1. **UPC (Under Postal Certificate) :** When ordinary letters are posted, the post office does not issue any receipt because we generally drop in the letterbox of the post office in the locality. However, if a sender wants to have a proof that actually the letters are posted, then a certificate can be obtained from the post office on payment of prescribed fee. This is called 'certificate of posting'. A completed letter with all details is given in the Post Office. The post office will put its seal on that paper and return to the sender. This paper now serves as an evidence of posting the letters. UPC is written on the face of the envelope.

2. **Registered Post:** The post office offers registered post facility through which one can send his letters and parcels. These mails are handed over to the post office affixing additional postage as registration charge. On receiving the mail the post office immediately issues a receipt to the sender, which also serves as a proof that the mail has been posted. "Acknowledgement Due Card" can be sent along with the registered mail. This form is signed by the receiver (addressee) on delivery of the article and returned to the sender by post. The envelope must be superscribed as 'Registered post AD'.
3. **Insured Post:** While mails are in transit they can get damaged or lost, resulting in a loss to the sender. In case of ordinary letters, registered letters or parcels, post office cannot be held liable for any loss or damage to the article. However, there is a provision that at sender can insure the letter or parcel, so that, in case of any loss or damage to the letter or parcel, the post office shall compensate for it. Thus, insured post is a type of mail service through which valuable articles may be sent after insuring these upto a specific amount. The insurance premium is paid to the post office according to the value for which the mail is insured.
4. **Speed post:** Sometimes because of some urgency or to avoid delay we want our mail should reach the addressee at the earliest. Here post office provides time-bound as well as guaranteed mail delivery through its Speed Post Service. Under this service, letters, documents and parcels are delivered faster i.e. within a fixed time frame. This facility is available at specific post offices. The post office charges relatively more postage for speed post than that of ordinary mail and it varies according to distance.
5. **Post Restante:** When it is necessary to send letter to a person whose exact address is not known you can sent it to the postmaster of that area in which the receiver resides. These letters are called Post Restante Letters. While sending such letters you have to specifically mention post restante' or 'care of postmaster'' on the face of the letters. With this indication the letter will be retained at the post office at the receiving end and delivered to the addressee on his calling the postmaster concerned. The post office at the receiving end retains such letters for a maximum period of 14 days. Then it is returned back to the sender or to the Return Letter Office. This facility is particularly suitable for tourists and traveling salesmen who are not sure about their address in a particular place, or for any other person looking for a fixed address at a new place.
6. **VPP (Value Payable by Post):** The value payable by post is for the persons who wish to pay for articles sent to them at the time of receipt of the articles and also to meet the requirements of traders and others who wish to recover through the agency of post office, the value of the article supplied by them. Registered parcels, registered letters, registered book packets and newspapers prepaid with postage of newspaper rates of postage and with registration fee may be transmitted by inland post as value payable postal articles. The amount specified for remittance to the sender should not exceed Rs.1000.

3. MONEY REMITTANCE SERVICES

8. **Money Order:** A money order is an order issued by the post office for the payment of a sum of money to the person to whom it is sent through the post office. A 'payee' is the person named in money orders person to whom the money is to be paid. The advantage of sending money to someone through money order is that the money is delivered at the house of the receiver.
9. **Instant Money Order:** Indian post presents Instant money order (IMO) the instant on-line money transfer service which is convenient, reliable and affordable. IMO is an instant web based money transfer price through which one can transfer money from

Rs.10,000 to Rs.50,000 from designated IMO post offices. It is simple to send and receive money.

10. **International Money Transfer:** Money transfer service scheme is a quick and easy way of transferring personal remittances from abroad to beneficiaries in India. Only inward personal remittances into India are permissible. No outward remittance from India is permitted. Money transfer is now available through post offices in India, which helps in instant remittance of money from around 195 countries to India. The receiver can collect the money within minutes after the sender has made the remittance. The service is helpful to NRI dependent families in India, visiting International tourists and foreign students studying in India.
11. **Money Gram:** The department of Post has entered into International Co-operation Agreement with Money Gram payment system, Inc., USA to offer to the general public, the Money Gram International Money Transfer service through selected post offices in India. This service has started from 29th September, 2011.
12. **Money Order Videsh:** Money Order Videsh is a new offering of Indian post to facilitate remittances to foreign countries and receiving the remittances from foreign countries through the medium of post office. This service was started from 24th October, 2009. These services are offered through head post offices.
13. **Electronic International Money Order Services:** International Money remittance between people of India and the UAE became easier after India Post and Emirates Post, UAE signed an agreement to launch Electronic International Money Orders through postal network using secure International Financial System (IFS) of the UPU (Universal Postal Union) from February, 2008.
14. **Foreign Exchange Services:** Many Indians go abroad for travel, studies and business and also large number of foreign tourists visit India on vacation and business. The need arose for a reliable and quality service provider for purchase and sale of foreign exchange. At many places, there is no bank or facilities to avail foreign exchange. India Post with a network of more than 1.5 lakh post offices is best to offer forex services in an efficient and economical manner. Now Indian post in association with HDFC Bank, provides Forex services through selected Post Offices in India.

4. RETAIL SERVICES

1. **Bill Mail:** Communication in the form of financial statements, bills, monthly accounts bills or any such other items of similar nature may be posted by services provider to customer at least once in 90 days under this service.
2. **Retail Post:** Retail Post includes services like collection of electricity bills, telephone bills, insurance premium, collection of taxes and fees for the government etc. Further under Retail Post, the post office sell 'Application forms of UPSC, SSC, AFMC', Universities, etc., thus providing convenience to the common man in getting applications for various examinations.
3. **E-Payment:** The most convenient way to pay bills under one roof. India Post specializes in acceptance of payment across the counter. E-payment is a 'Many to One' service through which bills i.e. telephone, electricity, ICICI, etc. are paid by customers in post offices.