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CLASSES

ORGANIZATION OF COMMERCE AND MANAGEMENT



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CHAPTER 1**PRINCIPLES OF MANAGEMENT**

➤ **Meaning of Principles of Management:**

Principle is defined as a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or a chain of reasoning.

Management principles are formed to guide and influence the behaviour of employees.



➤ **Nature of Principles of Management:**

1. **Universal Application** : Principles of management are applied to all types of organizations, irrespective of their size and nature.
2. **General Guidelines** : Which management principles are to be applied depends upon the situation of the organization as they are flexible and not rigid.
3. **Principles are formed by practice and experiments** : Principles are developed through research work.
4. **Flexibility** : Management principles can be changed according to the situation.
5. **Behavioral in nature** : Management aims at achieving certain goals through a group of human being. It influences human behaviour.
6. **Cause and effect relationship** : Principles are the base for taking decision. E.g. payment of good wages and incentive helps increasing output.
7. **All Principles are of equal importance** : All management principles are to be practiced simultaneously to get best results.

➤ Henry Fayol's 14 Principles of Management;



Henry Fayol Principal of Management

- Henry Fayol was a French mining engineer.
- He explained 14 principles of management in his famous book "General and Industrial Administration".
- Henry Fayol is known as **Father of Modern Management**.

Following are the 14 principles of management given by Henry Fayol:

Henri Fayol's 14 Principles of Management

- 1 • Division of Work
- 2 • Authority and Responsibility
- 3 • Discipline
- 4 • Unity of Command
- 5 • Unity of Direction
- 6 • Subordination of Individual Interest
- 7 • Remuneration
- 8 • The Degree of Centralization
- 9 • Line of Authority/Scalar Chain
- 10 • Order
- 11 • Equity
- 12 • Stability of Tenure of Personnel
- 13 • Initiative
- 14 • Esprit de Corps/Team Spirit

1. **Principle of Division of Work:** Work to be divided into different kinds such as technical, financial, commercial, security operations and managerial as per qualities of employees.
2. **Principle of Authority and Responsibility:** Manager should be given proper authority and responsibility to complete a task.
Authority and responsibility should go hand in hand.
3. **Principle of Discipline:** Employees should obey and respect the rules that govern the organization.
4. **Principle of Unity of Command:** According to this principle each member of the organization should receive orders from one superior only i.e. one boss to one employee.
5. **Principle of Unity of Direction:** According to this principle there should be one head and one plan in organization.



6. **Principle of Subordination of Individual interest to organizational interest:** Interest of individual is to be given less importance and more importance to be given to organizational goals.
7. **Principle of Centralization:** Centralization refers to concentration of powers and authorities in one hand or few hands.
8. **Principle of Remuneration:** According to this principle remuneration should be fixed by taking into consideration the skill, expertise, knowledge, tenure, cost of living, market trend, profitability of organization. Fair remuneration leads to high level of productivity.
9. **Principle of Scalar Chain:** Scalar Chain means the hierarchy of authority from top level to lower level for the purpose of communication. Gang Plank to be created in emergency situations.
10. **Principle of Order:** 'There should be a place for everything and everything in its place' according to this principle. This principle focuses on the proper utilization of physical and human resources.

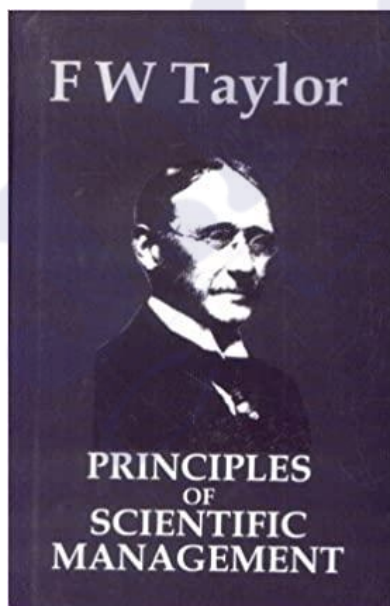
11. **Principle of Equity:** Management should be fair as well as friendly to the subordinates. There should not be any discrimination between employees according to this principle.



12. **Principle of Stability of Tenure:** Management should assure employees regarding job security according to this principle.
13. **Principle of Initiative:** New ideas from employees should be welcomed by the manager.
14. **Principle of Esprit de Corps:** Team Work. It means union is strength.



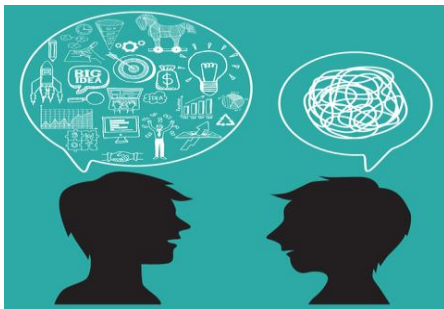
➤ **Principles of Scientific Management:**



- Fredrick Winslow Taylor developed the theory of Scientific Management.
- F.W.Taylor is known as **Father of scientific management.**

Following are the Principles of Scientific Management;

1. **Science, Not Rule of Thumb:** In order to increase organizational efficiency, the Rule of Thumb method should be substituted with the methods developed through scientific analysis of work.
2. **Harmony, Not Discord:** There should be harmony between the employees and management. Perfect understanding between management and employees helps in creating good working environment.
3. **Mental Revolution:** This principle focuses on change in the attitude of employees and management towards each other.



4. **Cooperation, Not Individualism:** This principle emphasizes on mutual cooperation between workforce i.e. Employees and management.
5. **Division of Responsibility:** Proper division of work should always be accompanied with division of responsibilities between the managers and employees. Major part to be done by top level and middle level management and execution to be done by employees.
6. **Development of employer and employees for greater efficiency and maximum prosperity:** Each and every employee should be given proper opportunity to attain greater efficiency and maximum prosperity.



CHAPTER 2**FUNCTIONS OF MANAGEMENT**

- According to Henry Fayol, “To manage is to forecast and to plan, to organize, to command, to co ordinate and to control.”
- **Following are the functions of management:**
- Planning
 - Organising
 - Staffing
 - Directing
 - Co-ordinating
 - Controlling
- 1) **Planning:** Planning is the basic function of management. Planning is a detailed programme of future course of action.



Importance of planning:



2. **Organising:** Organising is a process identifying, bringing the required resources together such as men, money, material, machine and method, grouping and arranging them in properly for achieving the objectives.



Importance of Organizing:



3. **Staffing:** Staffing is the function of execution according to plan and organizational structure.

Need of staffing arises since the initial period of organization.

Right person at right job with pay is the basic principle of Staffing.



Importance of Staffing:



4. **Directing:** Direction is a continuous managerial process which is initiated at top level and flows to the lower level.



Importance of Directing:



5. **Co-ordinating / Co-ordination:** Co-ordination is the integration and synchronization of the efforts of a group.



Importance of Co-ordination:



6. **Controlling**: Controlling is a function of comparing the actual performance with the predetermined standard performance. It measures deviation if any.



Importance of Controlling:

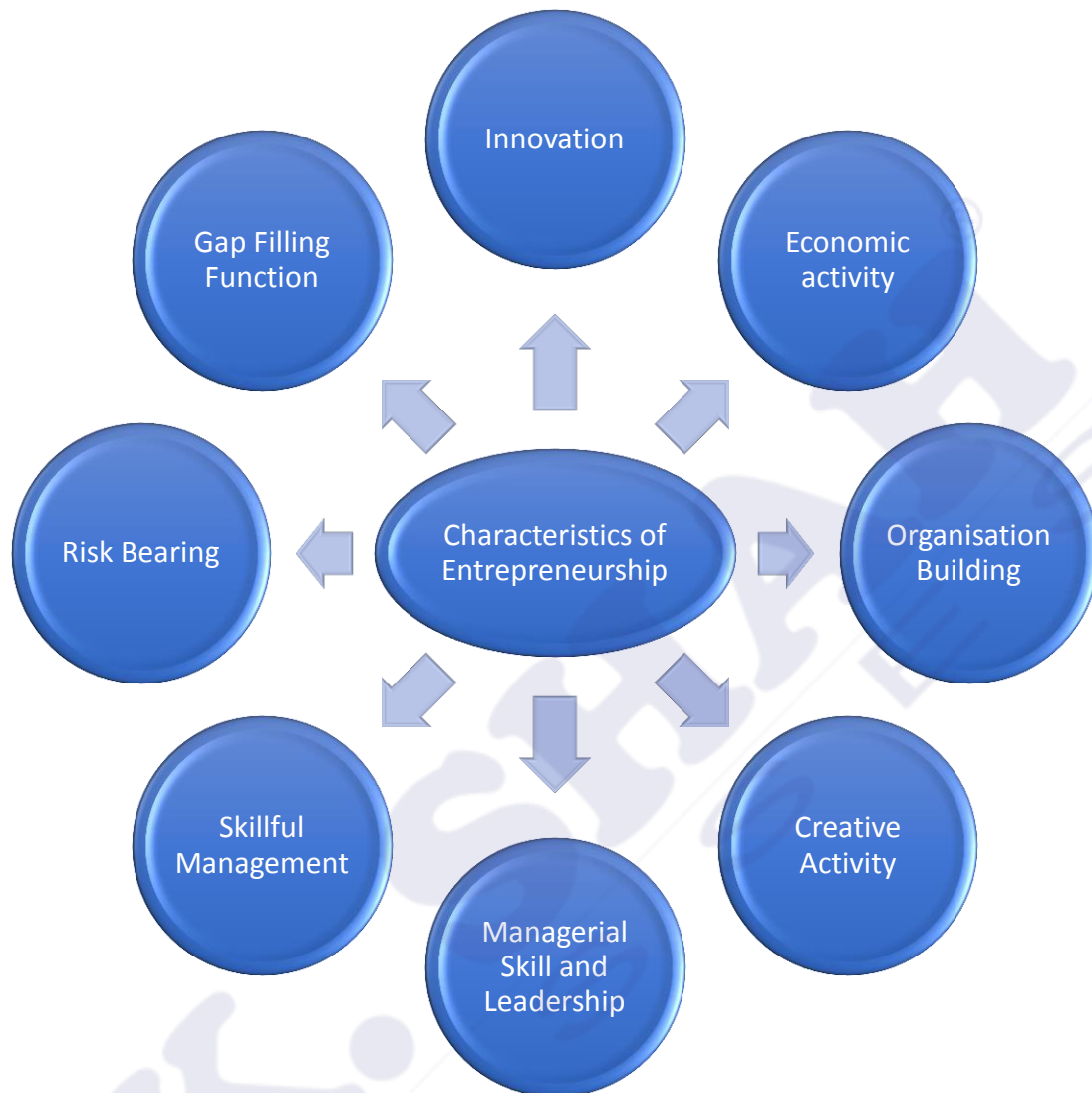


CHAPTER 3**ENTREPRENEURSHIP DEVELOPMENT**➤ **Meaning:**

Entrepreneurship means the willingness of an individual to start a new business venture by taking risk and managing it.

➤ **Characteristics of an Entrepreneur:**

➤ **Characteristics of Entrepreneurship;**



CHAPTER 4**BUSINESS SERVICES**➤ **Types of Business Services:**

1. Banking
2. Insurance
3. Transport
4. Warehouse
5. Communication

➤ **Banking Services:**

A bank is a financial institution which deals with deposits and advances and other related services.

➤ **Types of Banks:**

1. **Central Bank:** Central bank is the apex financial institution in banking industry in the country. In India it is RBI.



2. **Commercial Bank:** Commercial banks play vital role in economic and social development of a country. Types of commercial banks in India are; a) public sector bank, b) private sector bank, c) foreign bank.



3. **Co-operative bank:** Co-operative banks are the banks which registered under Indian Co-operatives Societies Act, 1912 and regulated by Banking Regulation Act, 1949.



Co-operative banks works at three different levels;

- a) Primary Credit Societies
- b) District Central Co-operative Bank
- c) State Co-operative Bank

4. **Industrial Development Banks:** These are financial institutions that provide medium and long term funds to the business firms.

Functions of development banks are;

- a) provide medium and long term loans
- b) underwriting of shares

5. **Exchange Banks:** Exchange banks facilitates foreign exchange transactions.

Functions of exchange banks are;

- a) financing foreign trade transactions
- b) Issue of letter of credit
- c) remittances of dividend, interest and profit etc.



6. **Regional Rural Bank:** Regional Rural Banks are those which mobilise deposits primarily from rural and semi-urban areas and provide loans to small farmers, agricultural laborers and rural artisans.

7. **Savings Banks:** Main objective is to encourage saving habit of the people.

8. **Investment Bank:** These banks provide financial and advisory assistance to their customer.

9. **Specialised Banks:** These banks provide support for setting up business in specific areas. Some of the specialised banks are as follows;

- a) Export and Import bank (EXIM)
- b) Small industries Development Bank of India (SIDBI)
- c) National Bank for Agriculture and Rural development (NABARD)



➤ **Functions of Commercial Banks:**

The functions of Commercial banks have been divided into two groups;

- 1) **Primary Functions** & 2) **Secondary Functions**

Primary functions of commercial banks are known as core banking functions.

Following are the primary functions of commercial banks;

- A) **Accepting deposits:** Commercial banks collect deposits from individuals and organizations in the form of Time deposit and Demand Deposit.
Time deposit includes **Fixed Deposit and Recurring Deposit**.
Demand Deposits includes **Saving Account and Current Account**.



- B) **Granting Loans and Advances:** Bank grants **loans and advances** to business firms and others who are in need of funds.



1. **Loans:** Banks provide to businessman and others. Loans are as follows:
 - a) Short Term Loans – for period upto one year
 - b) Medium Term Loans – for period of 1 year to 5 years
 - c) Long Term Loans – for period of 5 years or more
2. **Advances:** Advances are small term fund provided to businessman. Types of advances are:
 - a) Cash Credit
 - b) Overdraft
 - c) Discounting of bills of exchange.

Secondary functions of commercial banks are classified as:

A) **Agency Function** and B) **Utility Function**

Following are the agency function of Commercial Bank;

1. Periodic Collections and Payments
2. Portfolio Management
3. Fund Transfer
4. Dematerialisation
5. Forex Transaction

Following are the utility function of Commercial Bank;

1. Issue of Drafts and Cheques
2. Locker Facility
3. Project Reports
4. Gift Cheques
5. Underwriting of Shares
6. Gold related Services

➤ **E – Banking Services.**

Following are the e-banking services offered by commercial banks;



1. **Automated Teller Machine:** These are operated by the customer on his own to withdraw and deposit money.
2. **Credit Cards:** It offers convenience to customers as they need not carry any cash. Credit card is a payment card.
3. **Debit Cards:** Through debit card amount gets deducted from the account of account holder.
4. **RTGS:** Real Time Gross Settlement is a fund transfer system from one bank to other.
5. **NEFT:** National Electronic Fund Transfer is system of transferring money online from one bank account to other.
6. **Net Banking and Mobile Banking:** Through net banking client is able to transact banking operations. Mobile banking refers to use of banking service with the help of mobile phones.

➤ **Insurance Services.**



Insurance means protection from financial loss.

Following are the basic terms in insurance:

1. **Insured:** Means a policy holder
2. **Insurer:** A firm or person who compensates the loss.
3. **Premium:** Consideration paid by insured to insurer
4. **Policy:** Statement of contract between insured and insurer.
5. **Claim:** demand for compensation
6. **Proposal:** Written request by insured to insurer for policy.
7. **Subject Matter:** It refers to any subject or entity i.e. Life, property, goods etc.

**Principle of Insurance:**

1. **Principle of Utmost good faith:** Insured and insurer both must provide clear and correct information regarding subject matter and policy to each other.



2. **Principle of Insurable Interest:** There must be some financial interest in the subject matter.
3. **Principle of Indemnity:** A guarantee or assurance to compensate the insured. This principle is not applicable on life insurance.



4. **Principle of Subrogation:** After the policy amount is compensated to insured the right of ownership on property passes on to the insurer.
5. **Principle of Contribution:** This principle is applicable where the insured has taken more than one policy for same risk or subject matter.
6. **Principle of Mitigation of loss:** According to this principle it is the responsibility of insured to protect the property insured and try to minimize loss, if any.



7. **Principle of causa proxima:** Nearest cause for loss is to be taken into consideration while deciding the liability of Insurer.

➤ **Types of Insurance:**

Following are the types of insurance;

1. **Life Insurance:** Life insurance is a contract between insured and insurer where insurer agrees to compensate a certain sum to insured on expiry of policy or death whichever is earlier.



Types of Life Insurance:

- a. **Whole Life Policy:** Whole life of a person is insured.
 - b. **Endowment Policy:** Policy amount is paid along with the bonus.
 - c. **Term Insurance:** Policy amount is paid in case of untimely death within the insurance policy duration.
 - d. **Annuity Policy:** Insurance premium is paid in lump-sum or in installment over a period of time.
 - e. **Money back policy:** Provides a regular percentage of the sum assured during the life time of policy and also guarantees full payment.
 - f. **Child Insurance:** A policy taken to meet child's future.
 - g. **Retirement Plans:** Provides income assurance during retirement.
 - h. **ULIP Policy:** Gives benefits of investment like mutual fund.
2. **Marine Insurance:** Gives protection against losses caused due to danger of sea.



Types of Marine Insurance:

- a. **Voyage policy:** Subject matter is insured for a specific voyage (journey) irrespective of time.
 - b. **Time Policy:** Subject matter is insured for specific period of time.
 - c. **Mixed Policy:** Combination of voyage and mixed policy.
 - d. **Valued policy:** Goods are insured for an agreed value between insurer and insured.
 - e. **Blanket Policy:** It covers multiple risks in one property or many properties under one policy.
 - f. **Port Risk Policy:** Covers all types of risk of a vessel while it is halted at a port for a particular time.
 - g. **Composite Policy:** Policy purchased from more than one insurers.
 - h. **Single Vessel Policy:** Suitable for small ship owner having only one ship.
 - i. **Fleet Policy and Blanket Policy:** In fleet policy several ships belonging to one owner are insured under same policy. And under block policy cargo owner is protected in all modes of transport.
3. **Fire Insurance:** A contract where insurer undertakes to indemnify insured against loss to property by fire.

**Types of Fire Insurance:**

- a. **Valued Policy:** Value of subject matter of insurance is agreed upon at the time of making contract.
- b. **Average Policy:** Policy which contains average clause is called average policy.
- c. **Specific Policy:** Property is insured for a definite sum irrespective of market value.
- d. **Floating Policy:** For goods laying at different locations.

- e. **Excess Policy:** Taken when the value of goods or stock fluctuates.
- f. **Reinstatement policy:** Where insurer undertakes to replace the property or goods lost by fire instead of compensation.
- g. **Comprehensive Policy:** This policy covers many risks under one policy.
- h. **Consequential loss policy:** Consequential loss policy covers loss of tangible as well as intangible properties.
- i. **Sprinkler Leakage Policy:** It covers damage caused to property by an automatic sprinkler system that has leaked.

➤ **Warehouse Services:**

Warehousing refers to storage of goods and consists of all those activities which are connected with storage and preservation of goods.



➤ **Function of Warehouse;**

1. Storage
2. Price Stability
3. Risk Bearing
4. Financing
5. Grading and Packing
6. Transportation
7. Time and Place Utility
8. Processing

➤ **Types of Warehouse:**

1. **Private Warehouse:** Warehouse owned and operated by big manufacturers for their own use.

2. **Public Warehouse:** Provides storage facilities to general public as a specialized business establishment.
3. **Bonded Warehouse:** They are licensed by Government to accept imported goods for storage until payment of custom duty.
4. **Duty Paid Warehouse:** Goods are stored here after paying duty when importer faces any problem relating to transport.
5. **Government Warehouse:** Warehouse owned, controlled, and managed by government.
6. **Co-operative Warehouse:** Warehouse owned, controlled and managed by co-operative societies. They provide warehouse facility at most economical rates.
7. **Cold Storage Warehouse:** Warehouse for perishable commodities like fruits, vegetables, dairy products etc.

**Important Distinguish between from this Chapter:**

1. Commercial Bank and Central Bank (**Text Book Pg. 86**)
2. Current Account and Saving Account (**Text Book Pg. 85**)
3. Life Insurance and Fire Insurance (**Text Book Pg. 84**)

CHAPTER 5**EMERGING MODES OF BUSINESS**

➤ **Meaning of E-Business;**

The term 'E-business' is derived from the terms **e-mail** and **e-commerce**.

E-business is the administration of conducting business via the internet.



• **Benefits of E-business;**



Following are benefits of e-business;

1. **Ease of formation:** Formation is easy as compared to traditional business.
2. **Lower Investment cost:** Investment requirement is low in e-business. Physical store is not required in e-business and can be managed with less manpower.
3. **Convenience:** E-business goes on 24x7x365 days a year with flexibility as services of e-business can be availed any time.
4. **Speed:** Buying and selling of goods or services are available at the click of mouse.

5. **Global Access:** E-business allows buyer to choose products from any part of the world.
6. **Movement towards Paperless society:** There is less of paperwork involved in e-business.
7. **Government Support:** Government provides favourable environment for setting up e-business.
8. **Easy Payment:** Payment can be easily done by credit card, fund transfer etc.

- **Limitations of E- Business:**



Following are the limitations of e-business;

1. **Lack of personal touch:** One cannot touch or feel the products to check quality of products.
2. **Delivery Time:** Delivery of products in e-business can take place anytime.
3. **Security issues:** People are exposed to scams through online business. Hackers find it easy.
4. **Government Interference:** Sometimes Government monitoring can lead to interference in the business.
5. **High Risk:** High risk is involved in e-business as there is no direct contact between parties.

➤ **Online Transaction:**

Online transaction is done with the help of internet. Online transaction occur when a process of buying and selling take place through the internet.

- **Process of online transaction:**
 1. Registration
 2. Placing an Order
 3. Payment

➤ **Outsourcing:**



Outsourcing is the process of contracting some business functions to specialized agencies.

Examples of Outsourcing are **canteen facility, sanitation, security** etc.

- **Advantages of Outsourcing:**

1. Overall cost reduction
2. Stimulates entrepreneurship, employment, and exports
3. Low manpower cost
4. Access to professional, expert and high quality services
5. Emphasis on core process rather than the supporting ones
6. Investment requirements are reduced
7. Increased efficiency and productivity
8. Knowledge sharing

- **Disadvantages of outsourcing:**

1. Lack of customer focus
2. A threat to security and confidentiality
3. Dissatisfactory services
4. Ethical Issues
5. Other disadvantages like lack of communication, poor quality and delayed services. Misunderstanding of contracts.

- **Following are the New forms of outsourcing:**

1. **Business Process Outsourcing (BPO):** BPO is a business practice in which one organization hires another company to perform a task that the hiring organization requires to operate its own business successfully.



2. **Knowledge Process Outsourcing (KPO):** KPO is described as the functions related to Knowledge and information outsourced to third party service providers. KPO is the sub segment of BPO. KPO involves outsource of core functions.



3. **Legal Process Outsourcing (LPO):** LPO is a type of KPO that is specific to legal services, ranging from drafting legal documents, performing legal research to offering advice.



➤ **Important Distinction Between from this Chapter:**

1. E-Business and Traditional Business (Text Book Pg no. 105)

CHAPTER 6**SOCIAL RESPONSIBILITIES OF BUSINESS**

- **Meaning of Social Responsibility:**

Social responsibility of business refers to its obligation to take those decisions and perform those actions which are desirable in terms of the objectives and values of our society.

- **Need for Social Responsibility:**

1. Concept of Trusteeship
2. Changing Expectations of Society
3. Reputation
4. Protection of Environment
5. Optimum Utilisation of Resources
6. Pressure of Trade Union
7. Growth of Consumer Movement
8. Government Control
9. Long term Self interest
10. Complexities of Social Problems
11. Globalisation
12. Role of Media

- **Responsibility Towards Different Interest Groups:**



- **Social Responsibility Towards Owners:**



1. **Reasonable Profit:** Business should earn reasonable profit for financial stability.
2. **Exploring Business opportunity:** Businessmen should be alert to find new business opportunity for the growth of business.
3. **Optimum Use of Capital:** Available capital should be used carefully by business firms.
4. **Minimize Wastage:** Business organisations can maximise profitability by minimising wastages.
5. **Efficient Business:** Scarce resources should be utilized at optimum level.
6. **Fair Practices on Stock Exchange:** Practices like insider trading, providing wrong information should be avoided.
7. **Expansion and diversification:** Business should undertake Research and Development programmes to expand and diversify business.
8. **Periodic Information:** Owners of business should get complete and accurate information about business activities.
9. **Effective use of owners fund:** owners funds must be utilized in best possible manner.
10. **Creating Goodwill:** Management of business should develop and maintain good public image of organisation.

- **Social Responsibilities towards Investors:**



1. **Proper Conduct of Meeting:** Company should call meetings of investors and provide information about the business.
2. **Return on Investment:** Business should provide fair return on investment to the investors as they take risk.
3. **Handling Grievances:** Grievances of investors should be answered in a satisfactory way.
4. **Maintain Transparency:** Business should maintain high level of transparency in its operation with investors.
5. **Proper disclosure of Information:** Management of business/company should present full and factual information to investors.
6. **Maintain Solvency and Prestige:** Business should maintain sound financial position, solvency, prestige and goodwill to satisfy investors.

- **Social Responsibilities towards Employees;**



1. **Job Security:** Job security provides mental peace to the employees and they can work with full dedication. It is the responsibility of business.
2. **Fair Remuneration:** Business should pay attractive salary, bonus, incentives to the employees to boost their moral.
3. **Health and Safety measures:** Business should protect health of the employees. Canteen, Medical and sanitation facilities must be provided.
4. **Good Working Conditions:** Employees should be provided with adequate lighting, ventilation, drinking water etc in the name of good working condition.

5. **Recognition of Trade Union:** It is the responsibility of business organisations to maintain industrial peace. Employer must recognize the workers right to join trade union.
6. **Education and Training:** Business organisation should provide education and training to the employees depending upon the nature of job.
7. **Workers Participation in Management:** Suggestion schemes, profit sharing is to be encouraged by management.
8. **Promotion and Career opportunities:** Business should offer adequate opportunities of promotion to their talented employees.
9. **Proper Grievances Procedure:** All queries of employees should be sorted quickly and they should feel satisfied.
10. **Miscellaneous:** a) fair treatment, b) introduce code of conduct, c) recognize special skill of employees etc.

- **Social Responsibilities towards Consumer;**



1. **Good Quality of Goods:** Business organisation should have its quality control department so that inferior and substandard products can be rejected.
2. **Fair Prices:** Consumers should not be cheated by charging high prices. Only MRP is to be charged and not more.
3. **Customer Safety:** Unsafe products should not be marketed.
4. **Honest Advertising:** Advertisement conveys information about facts, advantages, side effects etc about the products. Advertisement should not be misleading.
5. **After Sale Service:** Organisation is expected to provide after sale service for maintenance of goods during the period of warranty.
6. **Research and Development:** Organisation should conduct research and development to improve the quality of goods.

7. **Regular Supply:** Artificial shortages of goods by hoarding should not be created. There should be regular supply of goods.
8. **Attend Complaints:** Business Organisations must attend complaints of consumers immediately.
9. **Training:** Business organisations should arrange training for their consumers.
10. **Avoid Consumer Exploitation:** Business should avoid unfair trade practices.

- **Social Responsibilities towards Government;**



1. **Timely Payment of Taxes:** Business units should pay tax on time to Government like sales tax, income tax etc.
2. **Observing Rules and Regulations:** Business organisations should follow laws to which it is subjected. E.g. Joint Stock Companies have to follow Companies Act, 2013.
3. **Earning Foreign Exchange:** Business organisations are expected to earn foreign exchange by exporting goods.
4. **Economic Development:** Government sets targets for balanced and rapid economic development of the country with the help of big business firms.
5. **Implementing Socio Economic Policies:** Government expects cooperation and help from different business sector for implementation of socio-economic policies.

6. **Suggestions to the Government:** Business organisations are expected to provide suggestions to the government before framing any policies.
7. **No Favours:** Business organisations should not be involved in activities like bribing.
8. **Contributing to Government Treasury:** During emergencies and natural calamities business organisations are expected to contribute funds to government.

- **Social Responsibilities towards Community/Society/Public in General;**



1. **Protection of Environment:** Business organisations should take all possible measures to protect environment from air pollution, water pollution etc.
2. **Better and Maximum Use of Resources:** There should be proper and optimum utilization of scarce resources by business firms.
3. **Reservation for weaker section:** Business organisation are expected to reserve positions in their establishment for economically weaker section of the society.
4. **Development of Weaker Section:** Business organisations are expected to generate employment in backward areas by starting new business activities in backward areas.
5. **Protest against Anti-Social Activities:** Business organisations should not participate in any anti-social activities. Activities like smuggling should be avoided.

6. **Financial Assistance:** Business organisation is expected to provide donations and provide financial assistance for social causes.
7. **Prevent Congestions:** Business should avoid congestion of industries in cities by spreading industries in different locations.
8. **Employment Generations:** Businesses are expected to provide more and more generations to all sections of the society.

- **Corporate Social Responsibility;**

Corporate Social Responsibility (CSR) is self-regulating business model, aims to contribute to societal goals or support volunteering or ethically-oriented practices.



- **Applicability of CSR;**

Companies having –

- a) **net worth** of Rs.1500 Cr. or more, OR
- b) **turnover** of Rs. 1000 Cr. or more, OR
- c) **net profit** of Rs. 15 Cr. or more,

CSR Committee shall be formed during any financial year.

The CSR Committee shall consist of **four directors** who shall meet at least **twice** in a year to discuss and review CSR activities.

CHAPTER 7**CONSUMER PROTECTION**➤ **Meaning of Consumer.**

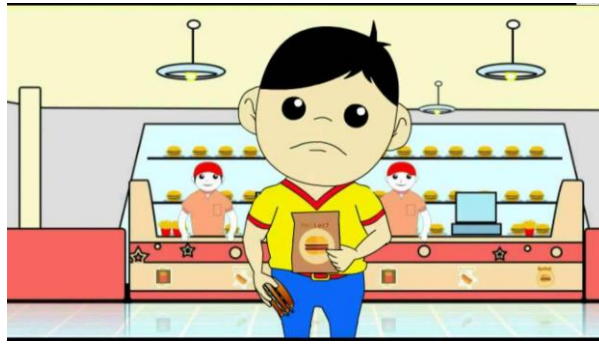
The word Consumer is derived from the Latin word “Consumere” which means to eat or to drink.

➤ **Rights of Consumer.**

15th March is observed as World Consumer Rights Day



1. **Right to Safety:** This right protects consumers against products, production processes and services which are hazardous to health or life.
2. **Right to Information:** According to this right, consumer should be provided with adequate information about all aspects of goods and services like price, name of manufacture, date of manufacture, expiry date etc.



3. **Right to Choose:** According to this right, consumer should be given full freedom to select an article as per his requirement, liking, and purchasing capacity. Seller cannot compel consumer to particular product.



4. **Right to be heard:** According to this right, consumers have opportunity to voice their complaint to the consumer forum.
5. **Right to Consumer Education:** Consumer has a right to know about consumer rights and solutions to their problems. This right creates consumer awareness.
6. **Right to represent:** The Consumer Protection Act provides an opportunity to individuals and consumer groups to represent consumers interest before consumer forum.
7. **Right to Redress:** This right enables the consumer to demand repair or replacement or compensation for defective products and for poor services.
8. **Right to Healthy Environment:** Consumer can demand actions against the pollution causing business organization according to this right.
9. **Right to Protect from unfair business practices:** All consumers are having right to be protected against unfair business practices like black marketing, profiteering, faulty weights etc.
10. **Right against spurious goods:** This right is against the marketing of goods which are hazardous to health, spurious and pose a danger to life itself.

➤ **Ways and Means of Consumer Protection:**

1. **Lok Adalat:** Also known as people's court. It is established by Government. Lok Adalat is the effective and economical system for quick redressal.
2. **Public Interest Litigation:** It is a legal action initiated by court of law regarding matter of general public interest.
3. **Redressal Forums:** Under Consumer Protection Act, 2019 a system has been set up to deal with consumer grievances and disputes at district, state and national level. Main aim is to provide speedy and inexpensive redressal.
4. **Awareness Programme:** State and Central Government regularly publishes journals, brochures, booklets and various posters to create awareness in customers regarding their rights.
5. **Consumers Organizations:** Consumer organizations encourage consumers to raise voice against faulty and inferior goods.
6. **Consumer Welfare Fund(CWF):** Department of Consumer Affairs has created consumer welfare fund for providing financial assistance to strengthen the voluntary consumer movement.
7. **Legislative Measures:** In India number of Acts have been enacted to safeguard interest of consumers like Sale of Goods Act, 1930, Essential Commodities Act, 1955 etc.

➤ **Following are the Consumer Dispute Redressal Forums established under Consumer Protection Act,2019:**

District Commission	State Commission	National Commission
Consumer dispute redressal forum established at district level.	Consumer dispute redressal forum established at state level.	Consumer dispute redressal forum established at national level
Established by State Government	Established by State Government	Established by Central Government
District Court Judge can act as President	High Court Judge can act as President	Supreme Court Judge can act as President
Not less than 2 and not more than prescribed Members	Not less than 4 and not more than prescribed Members	Not less than 4 and not more than prescribed Members
Age of member up to 65 years	Age of member up to 67 years	Age of member up to 67 years

Territorial jurisdiction is particular district.	Territorial jurisdiction is particular state	Territorial jurisdiction is entire country
Monetary jurisdiction is up to Rs.1 crore.	Monetary jurisdiction is more than Rs.1 crore but less than Rs. 10 crore	Monetary jurisdiction is more than Rs.10 crore
Appeal against district commission to be made to state commission within 45 days of order	Appeal against state commission to be made to national commission within 30 days of order	Appeal against national commission to be made to Supreme Court within 30 days of order

CHAPTER 8**MARKETING**

➤ **Concept of Market:**

The term market is derived from Latin word 'mercatus' which means to trade, to trade merchandise or a place where business is transacted.



Market is a place where two or more parties are involved in buying and selling.

➤ **Importance of Marketing:**

In the absence of marketing, many businesses would fail to exist so we need to understand importance of marketing which are as follows:

A) **Importance of marketing to the Society:**



1. **Increase in Standard of Living:** Marketing helps to identify the needs of the customers and take an initiative to provide quality goods at cheaper price.
2. **Provides Employment:** To run system of marketing there is a need of lot of people. Thus marketing provides job opportunity to people in the society.

3. **Decreases Distribution Cost:** Effective use of Channel of distribution can help in reducing the cost price of the products and services.
4. **Consumer Awareness:** Marketing helps consumers to know about new products and services available in the market.
5. **Increase in National Income:** Effective marketing of products and services results into industrialization, more job and makes economy stronger.
6. **Managing Consumer Expectation:** Marketing research helps organizations to understand the needs of the consumers.

B) **Importance of marketing to the Firm:**



1. **Increase Awareness:** Marketing helps in creating awareness about the existing products, new arrivals as well as the company which sells particular product.
2. **Increase Sales:** Successful marketing campaign helps to increase sales of the organization which also leads to increase in profits of the firm.
3. **Creates Trust:** Effective marketing helps firm to create trust in the minds of consumers. Creating trust among the consumers helps business to earn loyal customers.
4. **Basis of Making Decisions:** From the point of starting a business to delivering final product to the consumer, businessmen has to take several decisions which is helped by marketing process.

5. **Source of New Ideas:** Marketing helps to understand changes in the needs of customers, likes and dislikes etc. and helps businessmen to deal accordingly by implementing new ideas.
6. **Tackling the Competition:** Marketing plays important role in creating brand image of the organization in the minds of potential customers which helps particular business organization to win competition in the market.

C) **Importance of Marketing to the Consumers:**



1. **Promotes Product Awareness:** Marketing activities helps consumers to know about different products and services available in the market.
2. **Provides Quality Products:** The increase in the competition has forced business firms to provide quality products to the consumers.
3. **Provides Variety of Products:** Businessmen try to provide variety of goods to cater the needs of the different market segments of the consumers. Variety may change according to price, size, and quality of product.
4. **Helps in Selection:** Marketing provides option to the consumers to choose the best product or services in the market.
5. **Consumer Satisfaction:** Marketing leads to consumer satisfaction through honest advertising, quality product etc.
6. **Regular Supply of Goods:** Effective marketing helps regular supply of goods which helps to maintain balance between demand and supply

➤ **Different Functions of Marketing:**

1. **Marketing Research:** Effective marketing is possible when business takes initiative to identify the needs and wants of consumers in the market. To identify these needs of consumers is called market research.
2. **Buying and Assembling:** it involves collecting raw material from different sources at one place of production.
3. **Market Planning:** Market planning is the process of organizing and defining the marketing objectives of business.
4. **Product development:** Product development and design play important role in the selling of the product. Product design includes decision related to quality, standards, shape, design, packing, colour etc.
5. **Standardization and Grading:** Standardization means to determine standards related to process, size, quality, design, weight, colour etc. Grading is the process of classification of products according to similar characteristics and/or quality.
6. **Packing and Labelling:** Packaging means designing the package for the product. It helps avoiding breakage and damage of the product.



Label is a slip which is found on the product and provides all the information regarding the product and its producer.

7. **Branding:** Branding is a process of giving special identity to a product through unique brand name. Registered brands are known as 'Trademarks'.
8. **Customer Support Services:** Business should take necessary steps to satisfy customer. Timely support services help to gain customer loyalty.

9. **Pricing of Products:** Pricing is the most important and challenging function of marketing. Factors like cost, desired profit, competitor's price, demand of product, market conditions have to be kept in mind while pricing the product.
10. **Promotional Channels:** Promotion is a process of informing the consumers about the products, their features, uses, prices, etc. and encouraging them to buy. Advertising, Personal Selling, Publicity and sales promotion are tools of promotion.
11. **Distribution:** Distribution is a set of activities concerned with movement of goods from place of production to consumer. Distribution accounts major part of marketing.
12. **Transportation:** Transportation means physical movement of goods from place of production to the place of consumption. Transportation creates place utility.
13. **Warehouse:** Warehouse helps to maintain smooth flow of goods and maintain price stability of goods. Warehousing creates time utility.

➤ **Marketing Mix:**

Marketing mix is the combination of different marketing variables that the firm blends and controls to achieve the desired result from the target market.

There are two types of Marketing Mix;

- a) Product Marketing Mix
- b) Services Marketing Mix

Following are the Marketing Mix:

1. **Product:** Product refers to the goods and services that are offered to the customers for sale and are capable of satisfying the needs of the consumers. Product can be tangible or intangible.



2. **Price:** Price of the product is the amount that a customer pays. It plays an important role in creating demand for the product.



3. **Place:** Business should distribute the product in a place that is accessible to potential buyers. Place is also known as distribution channel.



4. **Promotion:** Promotion is an important element of marketing as it creates brand recognition and sales.
5. **People:** People comprise of all human beings that play an active role in offering products and services to the customer. People include employees who help to deliver service to customer.



6. **Process:** Process refers to the steps involved in delivering products and services to the customer.
7. **Physical Environment:** Physical Environment refers to the Marketing environment wherein the interaction between customer and firm takes place.

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Name	Percentage	Name	Percentage	Name	Percentage
Khushbu Mali	95.54	Netri Shah	93.23	Riya Mahyavanshi	92.31
Priyanka Udeshi	94.92	Sakshi Navin Shetty	93.23	Ayush Agrawal	92.31
Smruti Suresh Jagdale	94.92	Parth Patki	93.23	Gautam Bhavesh Shah	92.31
Nidhi Dhanani	94.77	Pratham Shah	93.08	Bhumit Mehta	92.31
Ishika Pravin Sanghavi	94.62	Prishita Shah	93.08	Saakshi Deepak Karia	92.31
Vansh Vora	94.46	Prachi Parkar	93.08	Palak Jaitly	92.31
Aishwarya Vijay Badhe	94.46	Pratishtha Pravin Shetty	93.08	Purna Rajen Vora	92.31
Khushi Vipul Darji	94.46	Pallavi Jha	93.08	Manasvi Patankar	92.31
Kushal Thakkar	94.46	Nameera Ahmed	93.08	Hetavi Shah	92.15
Sampreeth Jayantha Poojary	94.31	Shreya Bharat Jain	93.08	Bansi Madlani	92.15
Janahvi Bharat Dayare	94.31	Yashvi	93.08	Deeksha Kapoor	92.15
Kriti Khatri	94.31	Sakshi Kothari	92.92	Yash Nautiyal	92.15
Sindhu Umesh Gawde	94.31	Khushi Nayan Makadia	92.92	Shruti Jain	92.15
Dhruvi Sanghvi	94.31	Kashti Mehta	92.92	Mahek Payak	92.15
Gautami Taggerse	94.15	Kevin Patel	92.77	Raksha Shekhar Shetty	92.15
Sudhanshu Singh	94.15	Priyanshi Mihir Shah	92.77	Dev Shah	92.15
Komal Jitesh Gandhi	94.15	Prabhankit Shinde	92.77	Aditi Ashok Shetty	92.15
Vedika Mediboina	94.15	Krupa Bidye	92.77	Athira Vaipur	92.15
Sharvari Dilip Sawant	94.15	Prasham Gandhi	92.77	Jahnavi	92.15
Rashi Sanjay Jain	94.15	Nisha Surendra Rai	92.77	Manas Shetty	92.00
Saniya Kulkarni	94.15	Devank S. Mayekar	92.77	Neeraj Shah	92.00
Rochelle Menezes	94.15	Abhishek Dhuri	92.77	Yash Shah	92.00
Aditi Mogaveera	94.00	Shravani Wabekar	92.77	Yash Divyank Dhah	92.00
Arundatii Singh	94.00	Shreya Niranjan Borawat	92.77	Aditya Kandari	92.00
Yukta Sukerkar	94.00	Tithi Parmar	92.62	Isha Chotai	92.00
Megha J Hinduja	94.00	Kamlesh Suthar	92.62	Breanna Fernandes	92.00
Shreya Harlalka	93.85	Akshat Choudhary	92.62	Kashish Bhargava	92.00
Mansi Kadian	93.85	Khushal Parihar	92.62	Krishna Bharat Bhanushali	92.00
Sakshi Shankar Sudrik	93.85	Devanshi Kapadia	92.62	Keni Mehta	92.00
Ridhi Ajit Rikame	93.85	Amey Mhaskar	92.62	Khushi Kanodia	91.85
Rutika Vartak	93.69	Keya Trivedi	92.62	Shreya Tatke	91.85
Vaedik Khatod	93.69	Neer Shah	92.62	Pratyush Deepak Rajgor	91.85
Bhavya Bhandari	93.69	Yashvi Shah	92.62	Bhaktee Shah	91.85
Vidisha Shetty	93.69	Soham Angre	92.62	Bhargavraju Veerla	91.85
Parth Dubey	93.54	Ayush Ajay Sawant	92.62	Krupa Rakesh Gajre	91.85
Rohan Subramanian	93.54	Ankita Kewalramani	92.62	Swizal Gomes	91.85
Kervi Singhvi	93.54	Deepam	92.62	Heli Sanjay Dhruv	91.85
Diya Khaturia	93.54	Prasanna	92.62	Parth Upadhyay	91.85
Hetal Poonamchand Hingad	93.54	Prasanna Suresh	92.62	Vinit	91.85
Anushka M Dalvi	93.54	Hrishita Raghu Poojari	92.46	Cheryl Andrade	91.85
Jay Singh	93.54	Devdas Ranjeet Patole	92.46	Yash Thakare	91.69
Saras Sali	93.54	Anannya Mhatre	92.46	Vitrag Singhi	91.69
Yashasvi Maheshwari	93.38	Sanskriti Shashikant Phavade	92.46	Radhika Dabholkar	91.69
Livya Noronha	93.38	Sanskar Maheshwari	92.46	Aastha Hari Chand	91.69
Ishita Kute	93.38	Neeti Vakharia	92.46	Dhruvi Desai	91.69
Khushi Agrawal	93.38	Payas Mehta	92.46	Rohit Baviskar	91.69
Khushboo Shah	93.38	Shobhit Maliwal	92.46	Bhinde Parth Mahendra	91.69
Khushee Shah	93.23	Leesha Gupta	92.46	Parth Mahendra bhinde	91.69
Deep Jayesh Gada	93.23	Nikunj Jain	92.46	Tanish Agarwal	91.69
Siddharth Manoj Sethia	93.23	Siddhant Hemant Avhad	92.46	Mokshitha Sherty	91.69
Aditya Kanak	93.23	Khushi Maheshwari	92.46	Sanchit Jain	91.69
Kosha Shah	93.23	Chaitra Billava	92.31	Samiksha Bhatt	91.69
Roshni Keshav Iddya	93.23	Hitakshi Mehta	92.31	Sejal Phapale	91.69
Neha Motwani	93.23	Smit Manish Fofaria	92.31	Isha Bathia	91.69
Parth Agarwal	93.23	Khushi Varaiya	92.31	Radhika Garg	91.69

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Name	Percentage	Name	Percentage	Name	Percentage
Om Kedia	91.69	Swastik	90.92	Tanvi Rasal	90.46
Esha Trisom Sonkusale	91.69	Shayan Sadik Desai	90.92	Hatim Sonkachwala	90.46
Samarth	91.54	Khushi Rakesh Chordia	90.92	Meet Paresch Kanakia	90.46
Viraj Mehta	91.54	Krish Parmar	90.92	Meet Kanakia	90.46
Mangesh Gadewar	91.54	Vidhi Singh	90.92	Jaineel Dalal	90.46
Murtaza Saria	91.54	Saloni	90.92	Disha Biyani	90.46
Disha Mody	91.54	Shreya Reddy	90.92	Vishakha Ranga	90.31
Samma Naresh Kewlani	91.54	Diya Dedhia	90.92	Devesh Dilip Pimpale	90.31
Ayush Panchamiya	91.54	Shambhavi Pai	90.92	Khushi Vinod Bhanushali	90.31
Priya Rao	91.54	Vrunda Atul Mehta	90.77	Vini Desai	90.31
Kiara Xavier	91.54	Parikshit Vanjara	90.77	Pauravi Nitin Baikar	90.31
Hansika Gupte	91.54	Khushi Soni	90.77	Sharvari Deshpande	90.31
Deval Mehta	91.38	Esha Hingarh	90.77	Nisha Rajesh Rao	90.31
Nagesh Banne	91.38	Merill D'souza	90.77	Vanshita Vora	90.31
Ojas	91.38	Riya Patel	90.77	Sayed Mohammed Junaid	90.31
Tanaya	91.38	Poojan Sanghavi	90.77	Anish	90.31
Jhanvi	91.38	Maurya Borse	90.77	Shubham Vora	90.31
Aparna Ramanathan	91.38	Ashi Devang Dhruva	90.77	Harshit Kedia	90.31
Mahek Shah	91.38	Heena	90.77	Kirti Balu Hase	90.31
Niel Patade	91.38	Khush Agarwal	90.77	Deepal Vikas Gohel	90.31
Harshi Kothari	91.38	Siddhi Panchal	90.77	Deepal Gohel	90.31
Aryan Karnawat	91.38	Siddhi	90.77	Gautam Kothari	90.15
Ananya Akerkar	91.38	Tania	90.77	Preksha Patel	90.15
Aabeid Shaikh	91.38	Srivatsa Patil	90.77	Pratik Dattu Koakte	90.15
Shubham Modi	91.38	Rahul Medda	90.77	Sanika Shivaji Varal	90.15
Isha Shah	91.23	Nishi Jagdish Punmiya	90.77	Gandhali Sumukh Desai	90.15
Neeraj Kishore Udasi	91.23	Tanushree Yadav	90.77	Surabhi Sonar	90.15
Honey Waghela	91.23	Vedant Keluskar	90.77	Jainam Swayam Shah	90.15
Vanshita Devadiga	91.23	Nishtha jain	90.62	Siddhi Tiwari	90.15
Kavish Garg	91.23	Krish Shah	90.62	Het Fariya	90.15
Mit Shah	91.23	Amisha Mehta	90.62	Nemin Doshi	90.15
Ayushi Dhruva	91.23	Fenil Soneji	90.62	Jeni Shah	90.15
Cheril Nitin Shah	91.23	Richa Pravin Naik	90.62	Hayyan Badamia	90.15
Mohak Savla	91.23	Jhanvi Joshi	90.62	Arushi Keniya	90.15
Bhakti Deshmukh	91.23	Smriti Jain	90.62	Roshan Jain	90.00
Kaivan Dhruval Doshi	91.23	Priya Mangesh Jagtap	90.62	Shruti Shetty	90.00
Shweta Lackdivay	91.23	Sakshi Kalpesh Shah	90.62	Ramnek Chhipa	90.00
Shreyas Badiger	91.08	Rajlaxmi Magadum	90.62	Riya Shirvaikar	90.00
Sneha Chavan	91.08	Devanshi Vira	90.62	Ayush Barbhaya	90.00
Sathvika Shetty	91.08	Kashish Singhania	90.62	Pranav	90.00
Ankita Joshi	91.08	Disha Shah	90.62	Riddhi	90.00
Mansi Lad	91.08	Vidhi	90.62	Sakshi Raut	90.00
Nitansh Shah	91.08	Kaushik K Bhartiya	90.62	Manjiri Parab	90.00
Shree Joshi	91.08	Krina Satra	90.62	Pal Shah	90.00
Zubiya Ansari	91.08	Vedant Shriyan	90.46	Yash Ganesh Khanolkar	90.00
Mitali Shetty	91.08	Krish Jain	90.46	Prasesh Mehta	90.00
Ashmita Devadiga	91.08	Lokesh M Jain	90.46	Disha Bucha	90.00
Vidhi Shah	91.08	Sanskar Agarwal	90.46	Tanish Dharmendra Parmar	90.00
Diya Chheda	91.08	Narayani Gaur	90.46	Palak Jain	90.00
Dimple Dangi	91.08	Jahnvi Shah	90.46		
Chandan Tiwari	90.92	Shreeya Deorukhkar	90.46		
Disha N Shah	90.92	Aryaa Punyarthi	90.46		
Gauri Ojha	90.92	Sneha Ashok Shinde	90.46		
Tanish Dhani	90.92	Sneha Shinde	90.46		
Arishit Shetty	90.92	Yuvraj Abhaykumar Gandhi	90.46		