



SUMMER – 13 EXAMINATION

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Important Instructions to examiners:

- 1) The answers should be examined by key words and not as word-to-word as given in the model answer scheme.
- 2) The model answer and the answer written by candidate may vary but the examiner may try to assess the understanding level of the candidate.
- 3) The language errors such as grammatical, spelling errors should not be given more Importance (Not applicable for subject English and Communication Skills).
- 4) While assessing figures, examiner may give credit for principal components indicated in the figure. The figures drawn by candidate and model answer may vary. The examiner may give credit for any equivalent figure drawn.
- 5) Credits may be given step wise for numerical problems. In some cases, the assumed constant values may vary and there may be some difference in the candidate's answers and model answer.
- 6) In case of some questions credit may be given by judgement on part of examiner of relevant answer based on candidate's understanding.
- 7) For programming language papers, credit may be given to any other program based on equivalent concept.



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Q.No.1 Answer any eight(2marks each)

a) Define commerce (1 mark)

It is the part of business activity which are related to distribution & selling of the goods or exchange of commodities.

OR it constitutes sum total of those processes which are engaged in the removal of hindrances of person, place & time in the exchange of commodities.

Activities of commerce (any 4 may written for 1mark)

- | | |
|----------------|------------------------------|
| i)Transport | iv)Insurance, |
| ii)Warehousing | v) Packaging, |
| iii) Banking, | vi) Advertising & publicity. |

b)Define Business Organization (1 mark)

When the business is handled by an individual or a group of persons it is known as business organization.

Merits of sole proprietorship (any 4 may written for 1mark)

- i) simple & easy to start.
- ii) Can be started even with small finance.
- iii) Capital can be increased or decreased at will of proprietors
- iv) Owner is free to take fast decision.
- v) Secrecy of business is maintained.
- vi) Employment of workers depends on will of proprietors
- vii) proprietor have intimate contact with customer so can better understand them.
- viii) overhead expenses of management are less.
- ix) Proprietor can change or wind up business at his will.

c) Channel of distribution of drugs (all 4 written for 2marks)

Direct selling of drugs to consumer is not done. It includes following channels

- i)Manufacturer → Distributors→ wholesaler → Retailer (pharmacist) → Consumer.
- ii) Manufacturer → Wholesaler → Retailer(pharmacist) → Consumer



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iii) Manufacturer → Wholesaler (pharmacist) → Consumer

iv) Manufacturer → Retailer (pharmacist) → Consumer

d) Explain term contract (1 mark)

It is also called purchase order or supply order. It is a mutual agreement between the supplier & buyer. This agreement is called contract. It serves as basis for legal obligation to supply or accept a specific product.

Various particulars of contract (1 mark for any four points)

- i) Supplier's name & address
- ii) Order no., date & reference number
- iii) Detail specification of item & its quantity
- iv) Mode & date of delivery
- v) Packing instructions
- vi) Mode of payment
- vii) signature of authorities

e) Define inventory (1 mark)

It is a detailed list of those movable items which are necessary to manufacture a product & to maintain the equipment & machinery in good working order.

OR

It is a sum of a value of raw material, fuels & lubricants, spare parts, maintenance consumables, semi processed materials, & finished goods of the business firm at any given point of time.

Objectives of inventory control. (1 mark)

- (1) maximum customer service

High level of inventory ensures good customer service & production schedule are kept flexible to meet the changing demands.

- (2) minimum inventory investment

The inventory blocks the capital, they generate storage cost, or become obsolete on storage.

- (3) low cost plant operation.

The overall plant costs are kept low by stable production which is possible by having sufficient inventories.

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- i) regular supply: Proper inventory control helps in regular supply of goods in the market. Goods will be available as per need of consumer.
- ii) Reduced investment: Proper inventory control avoids excess purchase of goods & thus reduced investment on the goods & avoids over –stocking of materials.
- iii) Reasonable price : inventory control reduces production cost of product in different ways. Thus help to keep price reasonable.
- iv) Minimum wastage: Proper inventory control avoids damage, loss & wastage of goods &% raw material.
- v) Proper inventory control help to control theft of small but costly items.

f) Explain the term Advertising (1 mark)

Advertising is an art to familiarize public with the product by informing the description uses price, superiority over other brands etc.It is the paid form of communication.

OR

Word is derived from latin term advertere means turning attention towards product. It may be defined as printed, written, spoken or graphic salesmanship.

OR

The art of making a business establishment & its products known to the public in such a way that desire is created in the mind of public to buy that particular product.

Media used for advertising pharmaceutical products (any 4 for 1 mark)

- i) Direct mailing
- ii) Personal contact or detailing
- iii) Professional magazines & journals news paper
- iv) Audiovisual media- Television, radio
- v) Outdoor advertisements
- vi) Miscellaneous methods: posters, bills, electrical display.

g) state & explain various types of bank accounts (4 correctly state 1 mark, explained 4 then 1 mark)

- i) Fixed deposit account: her e amount can be withdrawal only after certain period of time agreed by the bank & depositor.



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ii) Recurring deposit account: person is required to deposit a specific amount of money every month for a specified period.

iii) savings accounts: aim is to collect small savings of people who save their money as & when possible.

iv) Current deposit account: preferred by people who run business. Deposits can be withdrawn by them at any time as per business need.

h) Define books of original entry (1 mark)

These are books for account in which a transaction is recorded for the first time from a source document.

Various books of original entry: (1 mark)

i) Journal

ii) Cash-book: simple cash book, two columnar cash book, Three columnar cash book, Petty cash book

iii) Other day book: Purchase book, Sales book, Purchase return book, Sales return book

i) Four advantages of Hire purchase system(0.5 marks for each, any 4 for 2marks)

i) It is usually carried on in case of durable, costly items like T.V., Refrigerator, vehicles

ii) Useful for people having limited income.

iii) Help to increase sale of costly items

iv) Amount of items can be paid by customer in easy instalment.

v) System is helpful for salaried class of people.

vi) Even people who have money prefer to purchase their requirement under this system so as to invest their money to elsewhere to earn more profit

vii) Small & medium scale mfg. can install the required machinery & tools.

j) Define cheque(1 mark)

Cheque is an instrument in writing containing an unconditional order signed by the maker, directing a banker to pay, on demand, a certain sum of money only to, or the order of certain persons, or to the bearer of the cheque.

Salient feature (1 mark for any 2)

i) instead of carrying cash, its easy to carry cash book

ii) If cheque is crossed, there is no risk of misuse

iii) it is a means of exact amount of payment



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- iv)by cheque money can be transferred to any part of country or foreign
- viii) Counterfoil of cheque serves purpose of receipt for future reference

k) Advantages of perpetual inventory control system (any 4 for 2 mark)

- i) Balance of stock can be known at any time during the year
- ii)it is helpful in formulating proper purchase policies
- iii) Detail & more reliable check can be obtained
- iv) Errors & shortages of stock are discovered & can be avoided in future
- v)Capital investment in material will be controlled
- vi) Continuous stock verification makes store keeper more efficient

OR

- 1)-it helps in detection & immediate rectification of errors & discrepancies.
- 2)-it ensures reliable checking of the items in a systemic way without disturbing routine work.
- 3)-timely action can be taken on serious shortage.
- 4)-there is a moral check on the staff .
- 5)-it helps in compilation of profit & loss account & balance sheet.
- 6)-overstocking & under stocking is avoided.

l) Objectives of sales promotion: (any 4 for 2 mark)

- i)To introduce new product in the market
- ii)to attract new customer & maintain old ones
- iii)To improve image of store in the mind of public
- iv)To stabilize the fluctuating sales
- v)To create demand in the mind of public.
- vii)To help salesmen & dealer in selling
- viii)To induce customer to purchase more items.



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Q.no.2 Answer any 4 of the following (4 * 3 marks)

a) Define accounting (1 mark)

Accounting may be defined as process of identifying , measuring, recording, communicating the economic events of an organization to the interested users of the information.

Objectives of accounting (any 4 for 2 mark)

- i) To maintain record of transactions of business.
- ii) To provide knowledge about creditors, debtors & overall financial positions.
- iii) To find out total purchase, total sales & closing stock
- iv) To find out net profit or loss made during a financial year.
- v) To provide knowledge about capital, assets & liabilities of firm at particular time
- vi) To provide ready information to all users or interested parties
- vii) Depiction of financial position.

b) Silent feature of joint stock company (any 6 for 3 marks)

1. Registration of a co. is 1st requirement.
2. Members or shareholders are owners of co.
3. B. are run by board of directors elected by members in general body meeting of the Co.
4. Investors can invest small or large sums as per their wish.
5. Liability of members is limited.
6. Shareholder is always free to withdraw by transferring his shares.
7. Co. can own hold or dispose of property in its own name. The shareholders cannot claim to be joint owners.
8. Company is a legal person. Its life does not depend on the life of members.
9. A company cannot sign documents for itself.

Common seal on it is used as a substitute for its signature.

c) Internal trade(1.5 marks for explanation including definition& types)

Also known as home trade since buying & selling is done within the boundries of country. It may be classified as

- i) local trade- goods are purchased & sold at a particular place.
- ii) State trade- goods are traded only in particular area.



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iii) interstate trade- goods are bought & sold from one state to another state.

Payment involved in trading are made in nation's own currency.

It is also classified as Wholsale trade & retail sale trade.

Wholsale trade – buying of goods in large quantity from manufacturer & selling them in small quantity to retailer.

Retail trade.- when goods are distributed to consumer in small quantity.

International trade(1.5 marks for explanation including definition& types)

When goods are exchanged between two or more countries it is known as foreign or international trade. Payment is done through foreign exchange currency.

Movement of goods is done through international system of transport.

Classification :-

- i) Import trade- here trader brings the goods from foreign countries to his own country.
- ii) Export trade:- Here goods of one country are sold to other country.
- iii) Entreport trade- It involves import of foreign goods of one country with the idea of exporting the same to other countries & making profit in the process.

d) Differentiation between wholesaler &retailer (any 6 for 3 marks)

Retailer	Wholesaler
Middlemen bet wholesaler & consumer	middlemen bet Manufacturer& retailer
deals in small scale business	deals in large scale business
Sells goods for consumption.	sells goods for resale
Location is very imp	Location of shop is not imp
Window display is imp.	Window display of goods not imp
Deals in large no of products of diff. mfg.	Deals in specific type of product
provides after sale service	.Donot provide after sale service
Sells at higher margin of profit	Sells goods at low margin of profit since the turnover of sale is high.



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e) Explain term finance(1 mark)

Finance is the provision of money at any time when business require it. Its necessity all levels in the business organizations. No activity in business can be carried out without finance.

Objectives of financial management (any4 for 2marks)

- i) to provide continuous supply of adequate funds to the business.
- ii) To ensure fair return on investment to the investors.
- iii) To generate sufficient surplus and reserves for growth of business.
- iv) To co-ordinate with other department of organization in the utilization of finance.
- v) To plan, direct and control the utilization of finance.
- vi) To develop & maintain proper relation with supplier, financiers, workers & member of the organization.

f) explain terms (1 mark for each term)

(i) Training :- training is defined as scientific process of improving the existing knowledge & skills of the employees for specific purposes. Training help in increasing the performance of the employees. Properly trained person can handle work satisfactorily & efficiently.

(ii) Recruitment :- It is the process of giving employment to suitable persons in an organization. For this purpose search is made by stimulating & encouraging the prospective employee to apply for job in the organization. In this way a large number of persons are tempted with idea to get a job. Amongst the eligible persons suitable person can be selected for the job.

(iii) Partnership-deed :- Partnership is formed on the basis of an agreement may be oral or written. The written document of partnership is known as partnership deed, which is made in the court of law. The profits & losses of the firm will be divided among the partners in the ratio agreed upon at the time of formation of partnership deed.

QIII Answer any four of the following (4*3 marks)

(a) Enlist various inventory control techniques.(1.5 marks) State advantages of ABC control. (1.5 marks)

techniques of inventory control

- ABC analysis
- Economic order quantity
- perpetual inventory system
- review of slow & non-moving items
- setting of various levels



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- use of material budgeting
- establishing an effective purchase procedure

advantages of ABC control

- 1)-the investment in inventory can be regulated & funds can be utilized in the best manner.
- 2)-closer & strict control on valuable items is possible.
- 3)-it helps to maintain enough safety stock of C items.
- 4)-this type of control helps in the maintenance of high stock turn over.

(b) Explain the term sales promotion.(1 mark) Explain in brief sales promotion techniques. (2 marks)

It includes the marketing activities other than personal selling, advertising & publicity, that stimulates the customer to purchase the products such as window display, shows ,demonstration etc.,.

techniques of sales promotion

1. free samples,
2. trading stamp
3. coupons,
4. premium or bonus offers prize contest
5. fair & exhibitions

Free samples-

The M.R. gives free samples to the doctor.

This method is useful for new products.

It is expensive method.

trading stamps-

The stamps are issued in proportion to the purchase.

The customers collect the stamps & exchange it for free product.

Coupons-

Coupons entitles the holder to save certain amt on purchase of specific product.

The coupons may be sent via post, magazine, newspaper or retailers.

The retailers give discount to the customers.

The firm reimburses the retailers for the same.



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Premium or bonus offer

In this the firm gives certain quantity of the product free of cost on purchase of a specified quantity of the product.

They may be of three types

1. with pack premium,
2. a reusable containers,
3. free in the mail premium.

Prize contest

The contests are held where the best entry gets the first prize.

Fairs & exhibitions-

They are organized to popularize the products

Extra quantity-The mfg. offers more quantity of the product at the same price.

Lower price- Mfg. sell their product at lower price than the original price.

(c) Explain the term industry.(1 mark) State classification of industries based on type of good produced by them.(2 marks)

Industry It is the part of business activity which relates to production, processing, or fabrication of products.

Industries based on type of good produced

➤ **Extractive industries**

They are involved in the activities where in the wealth is obtained from soil, air water or from beneath the earth surface by various extractive processes.

The goods are used by other industries. e.g. fishing, hunting, agriculture etc

➤ **Genetic Industries**

They produce certain species of plants and animals for earning profit from their sale.

➤ **Construction Industries**

Involved in construction of building roads dams etc

➤ **Manufacturing industry**

Involved in conversion of raw material into finished goods . **They are sub classified as,**

➤ **Analytical industry-** Involved in manufacturing of products by analyzing & separating of different elements from same material.e.g .fractional distillation of crude oil

➤ **Synthetic Industry** - various ingredients are put together to mfg. new products



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- **Processing industry** - RM is processed thro' different stages of production. E.g. textile industry d Assembly line industry-the components are assembled together.
- **Assembly line industry** -in this industry, different instruments or components already mfged are assembled. E.g. computers, t. v. etc.

(d) Draw an ideal layout design of retail drug store(1.5 marks) & state objective of of layout design. (1.5 marks for any four points) Note- Diagram on page no. 25

objectives of the layout design

1. to attract large no. of customers.
2. to increase the sale of the store,
3. to reduce selling expense to minimum,
4. to give professional image to the store,
5. to minimize movement of the customers,
6. to keep watch on the customers to reduce theft.
7. to have space for the reserve stock, office and resting space for the employees,
8. to have proper entrance for the incoming goods.

(e) Differentiate bet. Departmental store & multiple shops.

Departmental store	Multiple shops
Wide variety of products are available	Particular type of product are available
No uniform pricing system.	Uniform pricing in all the branches
Control over the activity is easier.	Control is difficult
No uniformity in decoration	uniformity in decoration
They provide no. of services & amenities.	No other services to the customer
Sell of goods in cash & credit	Sell is only on cash basis
Stores mainly for rich people	For general public



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(f) Define scrap & surplus. (1+1 mark). State how scrap can be controlled in pharmaceutical industry. (1 mark)

Scrap is the residue obtained from mfging processes. It is recovered without further processing.

e.g. powder & granules.

The surplus items are those which are not reqd. or excess stock of the organisation. E.g. spoiled raw material, defective parts, obsolete items, equipment, expired goods.

Control of scrap

By providing proper attention during the designing stage.

By selecting the right material & equipment during production.

By selecting right type of personnel with proper training & experience.

Q IV Attempt any four of the following (4*3 marks)

(a) State the formula to calculate retail price of the drug formulation.(1 mark) Explain LIFO & FIFO.(1 mark each)

Retail price of the drug formulation-the formula is

$$RP=(MC+CC+PM+PC)*(1+MAPE/100)+ED.$$

RP=retail price

MC=material cost

CC=conversion cost.

PM=cost of packing material.

PC=packing charges

MAPE-maximum allowable post mfging expenses

ED=excise duty.

First in First Out method (FIFO)

In this method, the materials which are recd. first are issued first at the cost price of the that consignment.After this the next issue are priced at the cost price of the next oldest lot.

Last in first out(LIFO)

In this method, the price of the latest consignment is taken for calculation.

(b) Explain the term codification of drug.(1 mark) Explain methods of codification.(2 marks)

Codification is a method to assign a code symbol or no. to the item for its easy identification.



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methods of codification

Alphabetical method

This is also known as letter code system. E.g. T represents tablet. Not suitable if large no. of items are present.

Mnemonic method

In this method code is given to items .e.g. AT represents aspirin tablets etc.

The main disadvantage is the materials cannot be recognized without the referring to code index.

Numerical method

This method is known as sequence system. Separate no. are given to different classes of items.

The new item is given the next higher no. in the sequence. This system involves use of ,

decimal system & block system.

Decimal system

In this system, the no. are assigned in such a manner that each digit represents sub group of previous digit. E. g. 15.1 represents paracetamol tablet where 15 is the analgesic group.

The main advantage is this system has capacity to expand & accommodate new items,

The main disadv. is it is cumbersome to use.

Block system

In this method the set of no. are reserved for specified classification. e.g. 100-300 allotted to the tablets.

Combination system

In this the mnemonic & numerical methods are combined together. e.g. MT 100 is given to Meftal 250mg. tablets & MT 101 is given to Meftal 500mg. tablets.

(c) Define salesmanship. (1 mark) State qualities a person should possess to become successful salesman. (2 marks)

Salesmanship is the process of creating demand & promoting sales by assisting & persuading the buyer to buy a particular item in face to face situation.

Qualities of a salesman

Personal qualities, Mental qualities, Social qualities, vocational skills

Personal qualities

He should have attractive personality,



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Good health, good physique, as the job involves lot of physical strain.

He should have clear voice, & the his talk should impress people.

He should be well dressed.

Mental qualities

He should have good memory, imagination, presence of mind, good judgment.

He should be intelligent to understand the nature & requirement of the buyers.

He should be able to think from the view of the customer.

Social qualities

He should have liking for people & should be able to mix with them.

He should not be shy & reserved.

He should be a patient listener.

He should be polite & courteous.

Vocational skills

He should know selling tech.

He should have knowledge of the product, customers, & competitive products.

(d) Explain Window display as one of the forms of advertisement. (3 marks)

Window display is one of the forms of advertisement because,

1. Window display acts as a silent salesman for promoting sales.
2. It is a good method of advertisement.
3. It attracts the customers or passers by.
4. It makes a drug store decorative & attractive.
5. It creates good impression on the customer when they enter the store.
6. It saves time of shop keeper.

(e) Explain various kinds of partners in partnership form of business organization.(0.5 marks for each type)

Kinds of partners

Active or working partner He takes active part in management of firm's business & has unlimited liability. He contributes in the capital.

Inactive or sleeping partner He does not take active part .He contributes in the capital. Has unlimited liability. He shares the profit or loss.



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Nominal partners (contribution of capital is not essential to become partner of a firm) He only lends his name as a partner. He doesn't invest any capital He doesn't claim any share of profit or loss. He doesn't take part in management of business. Has unlimited liability.

Partners in profit only He invests his capital only for making profit. He has no liability if the firm makes loss He has unlimited liability.

Minor partner A partner below 18 yrs of age. The Indian partnership act allows a minor partner provided all partners agree He does not enjoy the right of full fledged partner. He shares the profit & property of the firm. His liability is limited. On attaining majority, he has a choice to continue as a partner. If he does not give a public notice within six months he continues as a partner. Then his liability is unlimited.

Partners by estoppels If the outsiders behave in such a fashion that he is mistaken as partner of the firm by third party he is called as partner by estoppels . In actual practice he is not a partner of the firm .He doesn't contribute any capital or doesn't take part in a management.

(f) Explain the following (1 mark for each)

i) Bank overdraft facility -A customer is allowed to draw cheque even if there is no balance amt. in his account. i.e. overdraw. The upper limit is fixed by the bank. The customers pay interest at a specific rate on the amt. overdrawn on daily basis. This Facility is allowed against some security.

ii) Cash credit facility- Under this scheme a bank fixes a limit up to which a customer can borrow money against some security. This account is operated on regular basis. The interest is charged on the outstanding amt. The money is repaid by the customer as & when possible.

iii) Industrial bank.- They provide medium & long term finance to industrial concerns. The govt. of India has set up industrial finance corporation of India., Industrial credit investment, national small scale industrial corporation. Industrial development bank of India.

Q.5 a) Sources of finance (3 marks.)

Sources of finance

1. Owned capital It is contributed by the owner i.e. proprietor, share holder or partner. It remains in the business till its existence.

2. Loan capital can be raised from individual banks or financial institutions. It involves periodic payments of interest & repayment of loan capital after the expiry of the stipulated period. The sources are classified into three parts on the basis of duration for which it is required by the business.

i) Long term finance:- It remain invested in the business for the long period i.e. ten years or more. It is raised by ,

(a) Shares

(b) Debentures

(c) Ploughing back of profit



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(d) Financial institution

Medium term finance :- It remain invested in the business for the period between 3 to 10 years. It is raised by ,

(a) Shares

(b) Debentures

(c) Bank loans

(d) Financial institution

(e) public deposit

(f) Mortgages

Short term finance:- It is raised for the period of less than two years. It is raised by ,

(a)Trade credit

(b) Bank credit.

(c)Installment credit

(d)customers advances

Q.5 b) Explain various points for evaluation of pharmacist.(9 points for 3 mark)

An employer may evaluate his employee on the basis of following a check list.

- Appearance
- Personality
- Alertness and promptness in dealing with customers
- Courtesy and attitude towards customer
- Personal acquaintance with customers
- Cooperation with colleagues
- Product knowledge
- Selling ability
- Suggestive selling
- Self improvement

The grades good, average, and poor may be given and than consolidated report is prepared and accordingly

they are suitably rewarded.



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Q.5 c) Explain for 2 mark, 1 mark for ex.

VED analysis:-

In a drug store VED analysis is useful in controlling & maintaining the stock of various types of formulation of a particular group of drugs.

The brands are classified into following categories-

V-vital.

E -essential

D-desirable.

There should be maxi. Stock of vital items, followed by essential items & then desirable items

For ex. Acetyl salicylic acid is available as disprin tablets, Anacin tablets, micropyrine tablet. So there is great demand for of disprin tablets, so these are vital ,less demand of micropyrine tablet, is come under essential ,Anacin tablet is comes under desirable items because hardly few prescriptions of it.

Q.5 d) Definition for 1 mark, types of tender for 2 marks.

Tender : A tender or quotation is a written offer to do the work or provide a material at a given price within a prescribed period & under a specified condition.

Types of tenders:-

- 1. Single tender:-** only one supplier is there as in case of patent and proprietary goods. Here tenders are invited from one supplier only.
- 2. Closed tender:-** also known as limited as limited tender because tenders are invited from a limited number of suppliers who are on the approved list of supplier. Supply order is given to that supplier who have quoted minimum rate with same specification.
- 3. Open tender:-** Also known as public tender or unlimited tender because here tender is not limited to certain supplier. Here wide publicity is given by advertising.
- 4. Global tender :-** When material of international standards is to be purchased or work involving huge costs is to be done then tenders are invited from all parts of the world. Tender invited in this way are known as Global tender.



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Q.5 e) Explain the steps necessary for purchasing.(All points for 3 marks).

Purchasing Procedure:-

i) Purchase requisition:- when the stock of an article reaches the minimum limit, or the reorder level, the store in charge fills the requisition form & gives it to the purchase dept. The purchase requisition indicates the type ,quantity & quality of the item to be purchased.

ii) Selection of suppliers :-

After receiving the quotations from the list of suppliers ,supplier who quoted lowest price as well as his ability to supply required volume, maintenance of quality goods , ability to deliver the goods are taken into considerations.

iii) Placing the order:-

After selection of supplier, the order is placed on supply order form which contain items, quantity

required, the price & other terms & conditions of the supply.

iv) Receiving & checking of material :-

The materials which is received are inspected for its quantity & quality & compared with invoice or bill

v) Checking of invoice or bill.

If goods are received in satisfactory condition, the invoice or bill is checked before t is approved for payment.

vi) Recording of bills in books:-

Account section entered the bills into the account books.

vii) Releasing the payment to the supplier:-

payment is released by the account section to the supplier.

Q.5 f) six functions of management(for 3 marks.)

Functions of Management:-

1) Planning is done to achieve the desired results, Proper planning involves the full production utilization, Inventory control, and sales organization.

2) Organising :- It is the implementation of plans by giving responsibilities to the people of organization to perform various activities such as purchasing, quality control, distribution etc.

The process involves the following steps:



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- Identify the activities necessary to achieve the objectives.
 - Grouping the activities into manageable units.
 - Assigning duties to appropriate individuals.
 - Giving authority to individuals & fixing responsibilities for results.

3) Staffing :- A right person should be selected for the job to get maximum output to target work done.

Staffing consist of following activities:

- Manpower planning
- Recruitment, selection & replacement.
- Training & development.
- Promotion & transfer.
- Employee remuneration etc.

4)Directing :- Management is the art and process of getting things done. The manager have the responsibilities of supervising their sub- ordinates in following wa

- by giving proper instruction.
- By guiding & teaching the subordinates.

5)Controlling :- It ensures that performance of the organization conforms the plans. To look the day to

day working. There should be an adequate control so that pre- determined planned objectives are achieved.

6) Co- ordination :- In the management of an organization objective are laid down which can ultimately be

fulfilled by co- ordination with various departments.

Q.6 Attempt any FOUR of the following.(4*4 marks)

a) State the format of journal & ledger. (1+1 mark.) Difference bet journal & ledger (2 marks.)



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Format of Journal

Date	Particulars	L.F.	Debit	Credit

Format of Ledger

‘Dr’

‘Cr’

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount

<u>Journal</u>	<u>Ledger</u>
<p>1) It is the book of original entry.</p> <p>3) Balancing is not done.</p> <p>4) From the books of original entry, entries are transferred to the ledger.</p> <p>5) The process of recording entries in the journal is called ‘Journalising’.</p> <p>6) In the journal there is one column for particulars & two columns for amount one for debit & another for credit.</p> <p>7) The unit of classification of data within the journal is the transaction.</p>	<p>1) It is the book of secondary entry.</p> <p>3) All the accounts are balanced.</p> <p>4) From the ledger, the trial balance is drawn and then financial statements are prepared from it.</p> <p>5) The process of recording entries in the ledger is called ‘Posting’.</p> <p>6) The ledger there are two equally divided sides having identical columns. The left side is known as debit side & the right side is known as credit.</p> <p>7) The unit of classification of data within the ledger is the account.</p>



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Q.6 b) Types of cash book for 1 mark , Explanation & format of petty cash book each for 1.5 mark.

Types of cash book.

- 1) Single column cash book or simple cash book.
- 2) Two columnar cash book.
- 3) Three columnar cash book.
- 4) Petty cash book.

Petty cash book

Large number of small payments, such as, for conveyance (bus, taxi), stationery, postage, telegrams, cartage and other miscellaneous expenses are made. If all these payments are handles by the cashier and are recorded in cash book, the procedure is found to be very cumbersome. To avoid this, a petty cashier is appointed , who makes all small payments and records them in his cash book which is called the petty cash book

Format of Petty Cash –Book

‘Dr’

‘Cr’

Date	Particulars	Total Amt. Rs	Date	Particulars	Vou- Cher No.	Tot al Am oun t Rs.	Conv eyan ce Rs.	Statio- nery Rs.	Postage & Telegra m Rs	Cartage Rs	Misc .Rs	Re ma rk

Q6.C) Define Trial Balance(1 mark,) Objectives (1.5 mark), Mention methods for preparation of trial balance.(1.5 marks.)

Trial balance is a statement prepared to check the arithmetical accuracy of the book-keeping entries up to the date stated at the head of the trial balance.

Objective of the Trial Balance

- A) To ascertain the arithmetical accuracy of the ledger accounts
- B) To help in locating errors
- C) To help in the preparation of final accounts



Methods of preparation of the Trial Balance

1) **Balance method:-** The debit and credit sides of each ledger account is totalled . The balance is then recorded on the debit or credit side of the trial balance. If the grand total of debit and credit balances tally, it shows that the books are accurate arithmetically.

2) **Total amounts method :-** A grand total of both debit and credit side is taken. In case the grand totals on both sides tally, it indicates arithmetical accuracy of the book.

Q 6. d) Explain Budget (1 mark), Classification (2 marks), Explain Master budget (1 mark)

A budget is a written plan covering projected activities of a firm for a definite period of time. Budget is a tool of management for carrying out its functions of planning, coordinating and controlling operations.

Classification of Budget

There are three basis of classification of budgets;-

1. **Classification according to time factor:-** In terms of time factor, budgets are classified as

- Long –term budgets
- Short-term budgets
- Current budgets

2. **Classification according to flexibility factor:-**

- Fixed budget
- Flexible budgets

3. **Functional classification:-**sales budget, selling & distribution cost budget, cash budget, production budget ,master budget, capital budget.

Master budget :-After compilation of functional budget, the budget officer makes master budget.This combines all the functional budgets into one harmonious unit which is approved, adopted & employed. The budget contains details regarding sales, production costs, cash position and key account balances like fixed assets, debtors, stock etc.

Q.6 e) List Various forms of business organizations (1 mark,) any six Salient features of Joint Hindu Family business (3 mark).

Various forms of business organizations.

- Sole proprietorship
- Partnership
- Joint Stock company
- Cooperative society



Salient features of Joint Hindu Family business:-

1. There is no discrimination among any members in the family business. Only the male members can claim the right to be the member.
2. Only Karta has the right of management of the business.
3. Karta has unlimited liability, but all other members have limited liability.
4. The business is not affected by death or insolvency of Karta or a member.
5. The share of each member keeps changing.
6. The members can ask for partition of business.

Q.6 f) Explain the following terms. (1 mark Each).

i) **Transaction :-** A dealing between businessman involving money or goods or services is known as transaction.

ii) **Nominal Account :-** These accounts are generally called **fictitious accounts**. These accounts are maintained to deal with discounts, insurance, rent, wages, salaries, cost of stationery items, interest, commission, amount spent on advertisement, profits or incomes of business etc.

iii) **Capital :-** The investment by the owner for use in the firm. It is equal to total assets minus total liabilities.

iv) **Liquidity Ratios:-** This ratios are used to measure the ability of the firm to meet its current obligations. two ratios come under this head

i) Current ratios =
$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

ii) Quick ratio =
$$\frac{\text{Quick assets}}{\text{Current liabilities}}$$



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Q.No. 3 d) Layout design of retail drug store

