



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 anyequivalent 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.



Q. No.	Sub Q. N.	Answer	Marking Scheme
1		Attempt Any Eight	16 Marks
1	a)	Define Trade and Industry Trade Trade means buying selling and exchange of goods & services. Industry It is the part of business activity which relates to production, processing, or fabrication of products.	(1 Mark Each)
1	b)	What is Drug House Management? After attaining the required qualification i.e Diploma or Bachelor in pharmacy, if the pharmacist has aptitude for business and willing to invest money than he or she can start his own drug store after selecting a suitable location, acquiring licence , ideal layout design, effective purchase procedure & storage in his drug store is called drug house management.	2Marks
1	c)	Define Inventory Control and enlist its techniques Inventory control is a process of maintaining optimum level of inventory by using any technique of inventory control. OR It is a systematic control , constant checking & evaluation of stored inventories.	(1 mark)



		<p>Technique of Inventory Control.</p> <ol style="list-style-type: none">1. ABC analysis2. Economic Order Quantity3. Perpetual Inventory system4. Review of slow and non moving items5. Input output ratio analysis6. Setting of various level7. Use of Material Budgeting8. Establishing an effective purchase procedure9 Scrap & surplus disposal10 VED analysis	(1 Mark for any four tech.)
1	d)	<p>Define trial balance and ledger.</p> <p>Trial balance: It 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.</p> <p>Ledger: It contains summarized and classified form a permanent record of all transaction of a business, ledger is a collection of all the accounts debited or credited in the journal. called folios and they are numbered</p>	1Mark each
1	e)	<p>State two advantages of book keeping.</p> <p>Advantages of book keeping</p>	1 Mark Each

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		<ol style="list-style-type: none">1. It is scientific method of maintaining the books of accounts2. It helps in recording both the aspects of every transaction3. It is easy to find assets and liabilities income and expenditure, purchase and sale for particular period4. It is easy to find out the net profit or loss earned by an enterprise5. It is easy to make comparison between the previous year and current year6. The exact state of business can be easily verified by preparing balance sheet7. It helps in locating the error in ledger	
1	f)	<p>State the Meaning of (i) Evaluation &(ii) Compensation</p> <p>Evaluation: It implies employees rating based on qualification, product knowledge, experience, performance etc.</p> <p>Compensation: Employee gets salary, allowances and other benefits for personal services rendered to an organization is called compensation.</p>	1Mark 1Mark
1	g)	<p>Define Balance Sheet and how does it differ from profit and loss account statement.</p> <p>Balance Sheet: is a statement of account prepared for the purpose of ascertaining the exact financial Position of the business on the last date of financial year under review.</p> <p>Profit and losses account reveals the net profit earned and loss incurred by a firm in course of its business operation during the accounting period. Whereas balance sheet gives an idea regarding assets and liabilities of a firm during the accounting period.</p>	1Mark 1Mark



1	h)	Define Budget A budget is a written plan covering projected activities of a firm for a definite period of time.	2 Marks
1	i)	State two qualities of a salesman Qualities of good salesman: A) Personal qualities: 1. A good salesman must have an attractive personality. 2. He must possess good health & sound physique 3. He should have a clear voice & his tone of speaking should be natural. 4. He should also be well dressed because it adds to his charm. B) Mental qualities: 1. A good salesman should possess a sound memory, presence of mind, imagination, foresightedness, sound judgment & initiative. 2. He should be intelligent enough to understand the nature & requirements of potential buyers. 3. He must have the imagination to look at things from the viewpoint of the customer. C) Social qualities: 1. A good salesman must have a liking for people & the ability to mix with them. 2. He must not be shy & of reserved nature. 3. He should be sincere, dependable, co-operative & honest.	1Mark Each



		<p>4. He should have patience to listen to his customers & remove their objections.</p> <p>5. He should always be polite & courteous while dealing with his customers.</p> <p>6. He must help the customers in selecting the right type of goods.</p> <p>D) Vocational skills:</p> <p>1. A good salesman must have specialized knowledge of selling techniques.</p> <p>2. He should have a thorough knowledge of the products, customers & competitive products already available in the market.</p>	
1	j)	<p>Define training and recruitment:</p> <p>Training: Training is the scientific process of improving the knowledge and skill of the employees for doing a particular job</p> <p>Recruitment: Recruitment is process of exploring the source of supply of the required personnel and stimulating the prospective employees to apply for job in the organization.</p>	1Mark 1Mark
1	k)	<p>What is EOQ write the formula to calculate EOQ</p> <p>Economic Order Quantity: The correct quantity of the material to buy is the quantity at which the ordering cost and the inventory carrying cost will be minimum.</p> <p>Determination of EOQ by algebraic formula</p> $EOQ = \sqrt{\frac{2ab}{cs}}$ <p>a=Annual consumption</p> <p>b=Buying cost per order</p> <p>c=Cost per unit of material</p>	1mark 1mark



		s=Storage & other inventory carrying cost	
1	1)	<p>What is mean by codification of drugs name different methods of codification.</p> <p>Codification is a method to assign a code, symbol or number to the item for its easy identification.</p> <p>Methods of codification.</p> <ol style="list-style-type: none">1. Alphabetical method2. Mnemonic method3. Numerical method <p>a)Decimal system</p> <p>b)Block system</p> <ol style="list-style-type: none">4. Combination system	<p>1 mark</p> <p>1 mark</p>
2		Attempt any four	12
2	a)	<p>What is mean by Aids-to-trade? Enlist various aids-to trade. Explain any two of it.</p> <p>Definition: The activities which facilitate trade are called aids to trade.</p> <p style="text-align: center;">OR</p> <p>These are the commercial activities revolving around the trade which boost the trade.</p> <p>List of aids-to trade</p> <ul style="list-style-type: none">➤ Banking➤ Transport➤ Insurance	<p>½ mark</p> <p>½ Mark</p>



	<ul style="list-style-type: none">➤ Warehousing➤ Packaging➤ Advertising and publicity <p>• Banking: Exchange of goods with money is solved by services of banks and financial institutions</p> <p>• Transport:</p> <p>Transportation overcomes hindrance of Place. It helps trade by moving goods from the place of its production to locations where these are sold for consumption.</p> <p>• Insurance:</p> <p>Despite efficient transportation and packaging there may be loss of goods.</p> <p>This may be overcome by providing insurance cover of the goods during transportation and storage. Various types of insurances are fire, marine and general.</p> <p>• Warehousing</p> <p>Goods are prepared before demand, so proper storage is required.</p> <p>Warehousing facilities solve this problem</p> <p>• Packaging</p> <p>The goods get spoiled or damaged during transportation. This hindrance is overcome by proper and safe packaging of goods.</p> <p>• Advertising and publicity</p> <p>Advertising and publicity agencies overcome Hindrance of Knowledge. Advertising and publicity can be undertaken through radio, T.V, newspapers etc. the main object of advertising and publicity is to create demand of goods produced by the manufactures.</p>	2 mark
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<p>2</p>	<p>b)</p>	<p>Explain mail order business. Write it's any two disadvantages & advantages.</p> <p>It is a type of retail trade in which all business activities take place through mail or post.</p> <p>Advantages:</p> <ol style="list-style-type: none">1) It does not require a shop to start a business.2) Requires a low capital3) It is very useful for those customers who live in remote areas of the country.4) There is no danger of bad debts, since the price of goods is received either in advance or collected from post office when goods are sent by V.P.P.5) There is a direct link between manufacturer and customers.6) The seller gets a very wide market to sell his products. <p>Disadvantages:</p> <ol style="list-style-type: none">1) A buyer can not examine the goods before its purchase.2) A large amount of money is spent on advertisement, correspondence, packing of goods which increases the overhead expenses and hence the price of goods.3) The credit facility is not available to the customers.4) There is a risk of damage of goods during transportation.5) There is a lack of personal contact between manufacturer and customers so it is difficult to make permanent customers.6) There are the chances of cheating by dishonest trader.7) The illiterate customers cannot use this facility.8) lot of time is wasted by the customer for correspondence.	<p>1mark</p> <p>1 Mark</p> <p>1 mark</p>
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2	c)	<p>State the advantages and disadvantages of channels of distribution.</p> <p>Advantages:</p> <ol style="list-style-type: none">1. The cost of marketing is reduced by channels of distribution.2. The goods are easily available at all places.3. The sale of goods increases due to support of wholesaler and retailers.4. The goods are available at similar prices throughout the area.5. The financial burden and employment problems are removed for producer. <p>Disadvantages:</p> <ol style="list-style-type: none">1. Wholesaler, retailer and other agent's commission increases the price of goods.2. Sometime they do not supply goods in time.3. They may create artificial scarcity by holding goods supply.	<p>1$\frac{1}{2}$ mark</p> <p>1$\frac{1}{2}$ mark</p>
2	d)	<p>State the various points which should be considered for evaluation of pharmacist.</p> <p>Work of pharmacist is evaluated by following parameters</p> <ol style="list-style-type: none">1) Appearance2) Personality3) Alertness and promptness in dealing with customers4) Courtesy and attitude toward customers5) Personal acquaintance with customers6) Cooperation with colleagues7) Product knowledge	3 marks



		<p>8) Selling ability</p> <p>9) Suggestive selling</p> <p>10) Self-improvement, etc.</p> <p>The grades good, average & poor may be given on each count mention in the check list & consolidated report is prepared.</p>	
2	e)	<p>Functions of Bank.</p> <p>1.Services to depositor:</p> <p>a) they Collect the amount of cheque, demand draft, hundis, local and foreign bills on behalf of their depositor</p> <p>b) They offer discounting facilities in respect of local and foreign bills of the depositor</p> <p>C) They pay insurance premium subscription and taxes on behalf of the depositor</p> <p>2. Services by way of loan:</p> <p>a) Overdraft: The overdraft facility permits the customer to overdraw from his account however the bank fix the limit beyond which the customer cannot overdraw and the customer is required to pay specific rate of interest on over drawn amount on daily basis. The overdraft facility is allowed only against some security.</p> <p>b) Cash credit: Bank fixes a limit up to which a customer may borrow money from it against some security and interest is charged by the bank on the outstanding amount in cash credit account.</p> <p>c) Loans: The bank gives Loans to the customer against some security of Mortgage.</p> <p>d) Discounting of bill: The bank encash the customer's bill before they become due for payment and for this service the bank charges a nominal discount</p>	3 mark

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		<p>3. Miscellaneous services :</p> <ul style="list-style-type: none">• It buys and sell shares/bonds / debentures on behalf of its customers• Lockers are provided to the customers for safe keeping of jewellery and important documents• It makes regular payment of subscription, insurance premium taxes etc. on behalf of its customers• It collects interest/dividend on securities and shares belonging to its customers• Its accepts bill of exchange in respect of imported goods and also purchases bills of exchange• It helps people going abroad by arranging for foreign exchange• It provides assistance and advises the customers with regard to investment.	
2	f)	<p>The Retailer perform the following important functions</p> <ol style="list-style-type: none">1) Wide choice to consumers: He keeps a stock of various items according to the need of the consumers.2) Ready stock: He keeps ready stock of all goods so that he is able to meet demand of customers at all times.3) Transportation: Retailer makes their own arrangements for transportation of products of different kind from wholesaler's godown.4) Grading: Retailer does grading of those goods which have been left ungraded by the manufacturers and wholesalers.5) Risk bearing: Retailers bears a risk of loss of goods by fire, theft or deterioration as	3 marks for any six points



		<p>long as they are not sold.</p> <p>6) Financing: They provide financial help to consumers by selling them the goods on credit.</p> <p>7) Market research: The retailer passes the knowledge regarding the product (likes, dislikes, tastes) from the Customer to the wholesaler and in return the wholesaler passes this knowledge to the manufacturer.</p> <p>8) Sales promotion: They display the goods in show windows & the counter for information of customers thus retailer promotes the sale of goods.</p>	
3		Attempt any FOUR	12
3	a)	<p>What are the different account books? Mention advantages of journal with its specimen format.</p> <p>The different account books are:</p> <ol style="list-style-type: none">1. Journal2. Cash book<ol style="list-style-type: none">a) Simple cash bookb) Two columnar cash bookc) Three columnar cash bookd) Petty cash book3. Other day books<ol style="list-style-type: none">a) Purchase bookb) Sales bookc) Purchases return book	1 Mark



d) Sales return book

Advantages of Journal:

Journal provides a chronological record of all transactions with details of the accounts debited and credited and the amount of each transaction.

1 Mark

Format of Journal

Date	Particular	L.F.	Debit(Amount)	Credit(Amount)

1 Mark

3

b) Explain multiple shop system. State its advantages and disadvantages.

Multiple shop or chain stores are the groups of shops in the same branch of retail trade. The main objective is to provide shopping facilities near the residence of the would be customers. Each branch deals in a similar line of goods. Each multiple shop system has a head office whose decisions are passed on to all its branches. The price of all the items is fixed by the head office and the same is charged at every branch. The supply of items to various branches is made direct from head office.

1 Mark

Advantages:

1. Central head office does the purchasing for all the branches which results in bulk buying which reduces the cost of the product.
2. Multiple shops are located in important localities of the city for the convenience of the customers which increases sale.
3. The fixed price and standard quality of goods helps in winning the confidence of the customers.
4. The shortage of supplies at one branch can easily be met by transfer from another branch having a surplus stock.
5. There is uniformity of window display and shop decoration in all the branches of

**1 Mark
for any
four
points**



		<p>multiple shops which makes an easy identification of them.</p> <p>6. There is a direct contact between producer and customer, so the middlemen's profit are eliminated.</p> <p>7. In multiple shops sales are made strictly on cash payment. So there is practically no loss due to bad debts.</p> <p>8. Multiple shops are run under the control of head office which follows uniform policies in regard to all important matters. This makes it easy for the head office to exercise effective control and supervision of its branches.</p> <p>Disadvantages:</p> <p>1. Multiple shops deal in a limited range of products. So the customers do not have a wide choice.</p> <p>2. The head office of multiple shops is generally located at a faraway place, so there is generally no effective control on the staff working in its branches.</p> <p>3. The staffs at multiple shops have little freedom to make its own decisions sometimes it adversely affect the sales.</p> <p>4. There is no provision for any facilities to its customers.</p> <p>5. The owner of multiple shops cannot make personal contacts with his customers. The success of the organisation depends upon the branch managers.</p>	1 Mark for any four points
3	c)	<p>Define advertising, state various methods of advertising pharmaceutical products.</p> <p>Advertising:-It is an art, used to familiarize public with the product by informing of its description, uses, it's superiority over other brands, sources of its availability.</p> <p style="text-align: center;">OR</p> <p>It is a paid form of communication, used to familiarize public with the product by informing of its description, uses, it's superiority over other brands, sources of its</p>	1 Mark



		<p>availability.</p> <p>The various methods which are used for advertising</p> <ol style="list-style-type: none"> 1. Direct mailing 2. Professional magazines and journals. 3. Personal contact or detailing 4. Miscellaneous methods. 5. Through video cassettes and other audio-visual media. 	2 marks						
3	d)	<p>State the importance and objectives of purchasing</p> <p>Importance:</p> <p>Purchasing is a basic function of any industrial enterprise. Since any industrial enterprise Manufacturing goods (tangibles goods) (products) need raw materials and components for converting them into finished goods purchasing function is of major purchasing department is responsible for purchasing materials of right type, in right quantities, at the right price, made available at the right time and procured from the right supplier.</p> <p>Objective:</p> <p>The objective of purchasing is not only to procure the quality raw material at the lowest price but also to reduce the cost of the final product.</p>	<p>1 ½ mark</p> <p>1 ½ marks</p>						
3	e)	<p>State the difference between general journal and ledger</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Journal</th> <th style="width: 50%;">Ledger</th> </tr> </thead> <tbody> <tr> <td>It is the book of original entry</td> <td>It is the book of secondary entry.</td> </tr> <tr> <td>All the transactions are recorded chronologically.</td> <td>All the transactions relating to a particular account are recorded in order of their occurrence.</td> </tr> </tbody> </table>	Journal	Ledger	It is the book of original entry	It is the book of secondary entry.	All the transactions are recorded chronologically.	All the transactions relating to a particular account are recorded in order of their occurrence.	0.5 mark oints
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		<p>Balancing is not done.</p> <p>From journal entries are posted in ledger.</p> <p>The process of recording entries in the journal is called Journalising.</p> <p>The unit of classification of data within the journal is the transaction.</p> <p>In Journal there is one column for particulars & two columns for amount one for debit & another for credit.</p>	<p>Balancing is done.</p> <p>From ledger, trial balance is prepared.</p> <p>The process of recording entries in the ledger is called Posting.</p> <p>The unit of classification of data within the ledger is the account.</p> <p>In 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>	
3	f)	<p>Define tenders. Explain various types of tenders.</p> <p>Tender: It is a written offer or quotation to do some specified work or to provide required materials at a given price within a prescribed period and under specified condition..</p> <p>Types of Tenders:</p> <p>1. Open Tender: These tenders are called by advertisement when the sources of supply are many and total value of items to be purchased is large. The order is placed with the firm which has quoted the lowest rate.</p> <p>2. Limited tenders: this system is used only in those cases where the value of tender is moderate. The tenders are invited only from those firms which are on the approved list of supplier.</p> <p>3. Single tenders: When the items to be purchased are proprietary in nature or the order is to be repeated within a short period, the tender is send only to a single supplier who is</p>		<p>1 Mark</p> <p>2 Marks</p>

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		dealing with the items of specific specification. 4. Oral tenders: In case the supplies are of minor character and are urgently required, a person or a committee is deputed to purchase the specified items from the market. The items are purchased from the supplier which has quoted the minimum price of the specified items. 5. Global tenders: The tenders are invited from all parts of the world. These are for large contracts for supplies from foreign countries or when foreign collaboration is required in the proposed project.	
4		Attempt any FOUR	12
4	a)	What is financial analysis? List out various methods of financial analysis. Financial analysis: is a process of evaluating the relationship between component parts of financial statement to obtain a better understanding of the financial position and performance of a firm. Methods for analysis of financial statements are as follows: 1) Comparative financial statements: 2) Common size financial statements: 3) Funds flow analysis: 4) Ratio analysis:	1 Mark 2 Marks
4	b)	Define budgetary control. Give classification of budgets. Budgetary control: means a constant checking and evaluation of actual results achieved compared with the budget goals, which enables the management to take corrective action where indicated.	1 Mark



		<p style="text-align: center;">CLASSIFICATION OF BUDGET</p> <pre>graph TD; Root[CLASSIFICATION OF BUDGET] --- A[ACCORDING TO TIME FACTOR]; Root --- B[ACCORDING TO FLEXIBILITY FACTOR]; Root --- C[FUNCTIONAL CLASSIFICATION]; A --- A1[1. Long-term budget]; A --- A2[2. Short-term budget]; A --- A3[3. Current budget]; B --- B1[1. Fixed budget]; B --- B2[2. Flexible budget]; C --- C1[1. Sales budget]; C --- C2[2. Selling and distribution cost budget]; C --- C3[3. Production budget]; C --- C4[4. Production cost budget]; C --- C5[5. Purchase budget]; C --- C6[6. Labour cost budget]; C --- C7[7. Production overhead budget]; C --- C8[8. Capital budget]; C --- C9[9. Cash budget]; C --- C10[10. Master budget];</pre>	<p style="text-align: right;">2 Marks</p>
<p>4</p>	<p>c)</p>	<p>Define partnership. State various kinds of partners in partnership firm.</p> <p>Partnership: It is defined as the relation between persons who have agreed to share the profits of a business carried on by all or any one of them acting for all.</p> <p>Kinds of partners :</p> <ol style="list-style-type: none">1) Active or working partner2) Inactive or sleeping partner3) Nominal partners4) Partners in profit only5) Secret partner6) Minor partner	<p style="text-align: right;">1 Mark</p> <p style="text-align: right;">2 Marks</p>



		7) Partners by estoppels	
4	d)	<p>Explain various errors disclosed by a trial balance.</p> <p>1. Errors of Principle:</p> <p>These errors arise because of an incorrect application of the double entry principle.</p> <p>Ex. If machinery purchased is debited to purchase account & building sold is credited to sales account, an error of principle will occur. Trial Balance will remain unaffected by such errors.</p> <p>2 Errors of Omission.:</p> <p>These errors are the result of some act of omission on the part of the person responsible for the maintenance of the books of account.</p> <p>Error of Partial omission can affect the Trial Balance.</p> <p>3.Errors of Commission:</p> <p>These errors are the result of some positive act of committance on the part of the person responsible for the maintenance of accounts.</p> <p>These errors occur due to wrong posting (either of an amount or on the wrong side of an account, or in the wrong account), wrong totaling, wrong balancing, or wrong recording of an account.</p>	3 Marks
4	e)	<p>Explain window display as an important and effective form of advertisement.</p> <p>1. In Window display the goods are exhibited in the artistically laid down windows in front of the shops or at busy centres like bus stop, railway stations.</p> <p>2. The main aim of window display is to attract customers & thus promote sales.</p> <p>3. It create good impression about the retail pharmacy.</p>	3 Marks



		<p>4. As it display seasonal items, price of the items & due to brilliant lighting during night people will attract easily.</p> <p>5. As the items displayed in the window are changed frequently to give freshness & newness to the display, hence it attracts people regularly.</p> <p>6. The colour plays imp role in window display. It helps in arresting the attention of passers-by and creates a pleasing impression.</p> <p>7. As without communicating with customers, window display attract customers It act as silent salesman</p>																							
4	f)	<p>Describe ABC technique of inventory control.</p> <table border="1"> <thead> <tr> <th>A items</th> <th>B items</th> <th>C items</th> <th rowspan="8">3 Marks</th> </tr> </thead> <tbody> <tr> <td>it covers 10% of the total inventories.</td> <td>it covers 20% of the total inventories</td> <td>it covers 70% of the total inventories</td> </tr> <tr> <td>it consumes about 70% of total budget.</td> <td>it consumes about 20% of total budget.</td> <td>it consumes about 10% of total budget.</td> </tr> <tr> <td>it requires very strict control.</td> <td>it requires moderate control.</td> <td>it requires loose control.</td> </tr> <tr> <td>it requires either no safety stocks or low safety stocks.</td> <td>it requires low safety stocks</td> <td>it requires high safety stocks</td> </tr> <tr> <td>it needs maximum follow up</td> <td>it needs periodic follow up</td> <td>it needs close follow up</td> </tr> <tr> <td>it must be handled by senior officers</td> <td>it can be handled by middle management</td> <td>it can be handled by any official of the management</td> </tr> </tbody> </table>	A items	B items	C items	3 Marks	it covers 10% of the total inventories.	it covers 20% of the total inventories	it covers 70% of the total inventories	it consumes about 70% of total budget.	it consumes about 20% of total budget.	it consumes about 10% of total budget.	it requires very strict control.	it requires moderate control.	it requires loose control.	it requires either no safety stocks or low safety stocks.	it requires low safety stocks	it requires high safety stocks	it needs maximum follow up	it needs periodic follow up	it needs close follow up	it must be handled by senior officers	it can be handled by middle management	it can be handled by any official of the management	
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5		Attempt any FOUR of the followings		12																					

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5	a)	<p>What do you mean by scrap? Describe the procedure for disposal of scrap & surplus.</p> <p>Scrap is residue incidentally obtained from manufacturing process. It is usually a small value and is recoverable without further processing.eg. powder and fine granules obtained in processing of tablets, non-returnable containers and packing cases.</p> <p>There are two methods of disposal of scrap & surplus</p> <ul style="list-style-type: none">➤ It is sold if it cannot be recycled into useful material.➤ It can be reprocessed into useful raw material for subsequent production.	1Mark 2 Mark
5	b)	<p>Explain departmental stores. State its advantages & disadvantages.</p> <p>It is a large scale retail organization with number of dept., each dealing in separate line of products of wide range, but has one management .</p> <p><u>Advantages</u></p> <ol style="list-style-type: none">1. all requirements are fulfilled at one place.2. customers get good choice of goods.3. Location of such stores is usually in a convenient place.4. Due to purchase in the large quantity, the initial cost is reduced and profit is increased.5. Because of the high sell in the store, the selling cost per unit becomes low.6. Competent persons can be employed as the profit is high.7. they provide recreational facility, free home delivery. <p><u>Disadvantages</u></p> <ol style="list-style-type: none">1 The initial cost of running is very high.2 People staying in remote area cannot access the mall.3 There may not be co-ordination bet. The dept. of the store as each dept. works independently.4 Owner is not in contact with the customer.5 To cover the overhead expense, the prices of the articles are high.	1 Mark 1 Mark for any two points 1 Mark for any two points



5	c)	<p>Explain about various types of middlemen in the trade.</p> <p>Types of middlemen</p> <ul style="list-style-type: none">➤ Functional middlemen➤ Merchant middlemen <p>1) Functional Middlemen: They help in transfer of goods from the hands of producers to the customers without having an ownership rights. (they do not have title to goods)</p> <p><u>Brokers</u>- Their only function is to bring buyer & seller together. If hired by seller then called as selling agent & if engaged by buyer called as buying agent. They get certain % of commission.</p> <p><u>Commission agent</u> - They negotiate the sale of goods, take possession & make arrangement for transfer of the goods. So he has to arrange for warehousing, grading, packing, assembling & disposal.</p> <p><u>Auctioneers</u> They collect goods display & invite bids from buyers. Bid means the price which the buyer is willing to pay for the goods being auctioned. The buyer making the highest bid gets the goods.</p> <p><u>Del credere agent</u>- They find the buyer & also guarantee the payment of price on their behalf. The agent has to pay the sum if the buyer fails to pay. Del credere agents charge higher than normal <u>commission rates</u>.</p> <p>2) Merchant Middlemen –</p> <ul style="list-style-type: none">a) Whole seller: They buy goods in large quantity from producer & sell them to retailers.b) Retailers: They are the middlemen between wholesaler & consumer.	3 Marks
5	d)	<p>What is mean by Financial statements? Give a format of i) Profit & loss account ii) Balance sheet.</p>	



		<p>Financial statement:</p> <p>The term financial statements means the two statements prepared at the end of the accounting period of the enterprises viz., the balance sheet and profit and loss account.</p> <p>Format of Profit & Loss Account</p> <p>Dr. Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particulars</th> <th style="width: 25%;">Amount</th> <th style="width: 25%;">Particulars</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>Format of Balance sheet</p> <p>Dr. Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Liabilities</th> <th style="width: 25%;">Amount</th> <th style="width: 25%;">Assets</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount					Liabilities	Amount	Assets	Amount									<p>1 Mark</p> <p>1 Mark</p> <p>1 Mark</p>
Particulars	Amount	Particulars	Amount																				
Liabilities	Amount	Assets	Amount																				
<p>5</p>	<p>e)</p>	<p>Explain the terms :(Any three)</p> <p>i) Inventory carrying cost: Refers to the total cost of holding inventory It includes rent on storage, Cost of insurance and taxes, Salaries of the store keeper, Losses in store due to pilferage, wastage breakage etc.</p> <p>ii) Lead time: Lead time is the total time consumed between the recognition of the need of an item till the time received for use.</p> <p>iii) Economic order quantity: The correct quantity of the material to buy is the quantity at which the ordering cost and the inventory carrying cost will be minimum.</p> <p>iv) Safety stock: This is the lower limit below which the stock of any item should not normally be allowed to fall. The main purpose of determining this limit is to protect against the possibility of a particular item going out of stock and there is further danger of</p>	<p>1 Mark each</p>																				

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		stoppage of its production and supplies.	
5	f)	<p>How will you select site for opening new retail drug store?</p> <p>Following points to be taken into consideration while selecting site for opening new retail drug store</p> <p>i) Business locality – it is preferable site as many people visit the locality. The main hindrance is it requires huge investment.</p> <p>ii) Thickly populated residential areas- it is preferred.</p> <p>iii) Developing areas -it is the ideal location as there is no competition.</p> <p>iv) Hospitals/nursing homes - ideal location.</p> <p>v) Flow of traffic- Avoid near the signal & near the circles as there is parking problems. One way roads also should be avoided.</p> <p>vi) Parking-There should. be enough parking space, the areas where parking is not allowed should. be avoided.</p> <p>vii) drug store as far as possible there should be no competition.</p> <p>viii) Near hotel, school, play ground or theatres -These are not proffered as the residential areas are far from these places.</p>	3 Marks
6		Attempt any FOUR of the followings	16
6	a)	<p>Discuss advantages & disadvantages of co-operative business organisation.</p> <p>Advantages :</p> <p>1. Formation of Co-operative society business is easy.</p> <p>2. It works on democratic principles.</p>	2 Marks

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		<p>3. It is not affected by the death, insolvency or insanity of the members.</p> <p>4. The liability of the members of a Co-operative society are limited.</p> <p>5. Co-operative society conducts their business on cash basis only, so chances of bad debts or irrecoverable debts are minimized.</p> <p>6. The membership of a co-operative society is open to all the members of the public irrespective of caste, creed, and religion and so on.</p> <p>Disadvantages:</p> <p>1. Limited capital</p> <p>2. Inefficient management, as it has limited capital, it cannot afford the service of expert person.</p> <p>3. It is subjected to excessive govt. control and interference.</p> <p>4. Business accounts and records are made available to members as well as public, so secrecy cannot be maintained.</p> <p>5. Due to limited capital, business cannot purchase in bulk.</p> <p>6. We find restriction on numbers, as minimum 10 members are required to form a Co-operative society.</p>	2 Marks
6	b)	<p>What is mean by channels of distribution? Explain various channels of distribution.</p> <p>Channels of distribution are the various outlets through which the product moves from the factory into the hands of its consumer.</p> <p>Channel of distribution of drugs</p> <p>Direct selling:</p>	1 Mark 1 Mark



		<p>i) Manufacturer - Consumer</p> <p>Indirect selling of drugs to consumer includes following intermediates.</p> <p>i) Manufacturer – Distributors- wholesaler - Retailer (pharmacist)- Consumer.</p> <p>ii) Manufacturer - Wholesaler - Retailer(pharmacist) - Consumer</p> <p>iii) Manufacturer -Wholesaler (pharmacist)- Consumer</p> <p>iv) Manufacturer -Retailer (pharmacist)- Consumer</p>	2 Marks
6	c)	<p>Explain the terms:</p> <p>i) Assets: The economic resources of an enterprise that can be usefully expressed in monetary terms.</p> <p>ii) Bad debts: These are the debts which are irrecoverable called bad debts.</p> <p>iii) Salesmanship: It is an art of convincing & persuading the customers to buy a product.</p> <p>iv) Debenture : is a document or certificate issued by the company acknowledging loan & also gives undertaking to repay the specified borrowed sum along with interest to the debenture holder on a prescribed date.</p>	1 Mark Each
6	d)	<p>What is a cash book? Describe various types of cash books.</p> <p>Cash book is used to keep a record of all transactions related to cash receipt and cash payment. Cash book is also a book of original entries because the transactions are recorded from the source document for the first time. When a cash book is maintained, transaction of cash is not recorded in the journal.</p> <p>1) Single column cash book or simple cash book.</p> <p>A cash book which contains only one column is called a single column or simple cash book. A cash account is divided into two sections by central vertical line. The debit entries</p>	1 Mark 3 Marks For Any 3 types

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		<p>are made on the left side & the credit entries are made on the right side.</p> <p>2) Two columnar cash book.</p> <p>There is great importance of discount in cash transactions. If a businessman receives or allows cash discount, then two columnar cash book is needed to record it. The two columns are provided on each side of the cash book. A) The first column is discount, which is a nominal account. B) The second column is for cash which is real account.</p> <p>3) Three columnar cash book.</p> <p>It is a popular form of cash book. In this type of cash book, the following three columns are provided on each side of the cash book. A) The first column is for discount, which is a nominal account. B) The second column is for cash, which is a real account. c) The third column is for bank, which is a personal account.</p> <p>4) Petty cash book</p> <p>Large number of small payments, such as, for conveyance (bus, taxi), stationery, postage, telegrams, cartage and other miscellaneous expenses are made in any business organisation. 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.</p>	
6	e)	<p>Explain various functions of management.</p> <p>Functions of Management</p> <p>1) Planning: Planning is the process of deciding in advance what to do, how to do it, when to do it and who will do it. It aims at achieving the desired results .It helps to do things in an orderly manner and proper utilization of resources.</p> <p>2) Organizing: It is the implementation of plans by giving responsibilities to the peoples</p>	4 Marks



		<p>of organization to perform various activities such as purchasing, production , quality control, distribution etc. It involves the identifying the activities, grouping the activities, assigning the duties, delegating authorities etc.</p> <p>3) Staffing: A right person should be selected for right job to get maximum output to target work done.</p> <p>4) Directing: Management is the art & process of getting things done. The manager have the responsibilities of supervising their sub-ordinates by giving proper instruction & checking the performance etc.</p> <p>5) Co-ordination: In the management of organization objectives are laid down which can ultimately be fulfilled by co-ordination with various departments.</p> <p>6) Controlling- means the steps taken to ensure that the performance of the organization conforms to the plans. There should be an adequate control, so that predetermined planned objectives are achieved.</p>	
6	f)	<p>Describe finance planning & state the sources of finance.</p> <p>Financial planning is to ensure that adequate funds are available to the business firm for its proper utilization & administration.</p> <p>Basically there are two source of raising capital for any business are</p> <p>a) Owned capital</p> <p>b) Loan capital</p> <p>The loan capital sources of finance can be classified into three parts on the basis of duration for which it is required by the business.</p> <p>1) Long term finance: It remains invested in the business for 10 or more years. It may be raised through following sources.</p>	<p>1Mark</p> <p>3Mark</p>



	<p>a) Shares- Preference shares and Ordinary shares</p> <p>b) Debentures</p> <p>c) Ploughing back of profits</p> <p>d) Financial institutions. It includes:</p> <ol style="list-style-type: none">1) Industrial Finance Corporation of India(IFCI)2) Industrial development Bank of India (IDBI)3) Industrial Credit and investment Corporation of India(ICICI)4) Industrial Reconstruction Bank of Indian (IRBI)5) Unit Trust of India (UTI) <p>2) Medium Term finance: It remains invested in the business for 3 to 10 years.</p> <ol style="list-style-type: none">a) Shares- Preference shares and Ordinary sharesb) Debenturesc) Ploughing back of profitsd) Financial institutionse) Public depositsf) Mortgages <p>3) Short term finance: It remains invested in the business for less than 2 years.</p> <ol style="list-style-type: none">a) Trade Creditb) Bank Credit	
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		c) Installment credit d) Customers advances.	
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