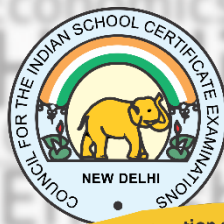


**ICSE**

**Year 2019  
Examination**

# **Analysis of Pupil Performance**

## **COMMERCIAL STUDIES**



*Pioneering Excellence in Education since 1958*

**Research Development and Consultancy Division**  
**Council for the Indian School Certificate Examinations**  
**New Delhi**

**Year 2019**

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This document of the Analysis of Pupils' Performance at the ISC Year 12 and ICSE Year 10 Examination is one of its kind. It has grown and evolved over the years to provide feedback to schools in terms of the strengths and weaknesses of the candidates in handling the examinations.

We commend the work of Mrs. Shilpi Gupta (Deputy Head) of the Research Development and Consultancy Division (RDCCD) of the Council and her team, who have painstakingly prepared this analysis. We are grateful to the examiners who have contributed through their comments on the performance of the candidates under examination as well as for their suggestions to teachers and students for the effective transaction of the syllabus.

We hope the schools will find this document useful. We invite comments from schools on its utility and quality.

**October 2019**

**Gerry Arathoon**  
**Chief Executive & Secretary**

# PREFACE

The Council has been involved in the preparation of the ICSE and ISC Analysis of Pupil Performance documents since the year 1994. Over these years, these documents have facilitated the teaching-learning process by providing subject/ paper wise feedback to teachers regarding performance of students at the ICSE and ISC Examinations. With the aim of ensuring wider accessibility to all stakeholders, from the year 2014, the ICSE and the ISC documents have been made available on the Council's website [www.cisce.org](http://www.cisce.org).

The documents include a detailed qualitative analysis of the performance of students in different subjects which comprises of examiners' comments on common errors made by candidates, topics found difficult or confusing, marking scheme for each question and suggestions for teachers/ candidates.

In addition to a detailed qualitative analysis, the Analysis of Pupil Performance documents for the Examination Year 2019 also have a component of a detailed quantitative analysis. For each subject dealt with in the document, both at the ICSE and the ISC levels, a detailed statistical analysis has been done, which has been presented in a simple user-friendly manner.

It is hoped that this document will not only enable teachers to understand how their students have performed with respect to other students who appeared for the ICSE/ISC Year 2019 Examinations, but also provide information on how they have performed within the Region or State, their performance as compared to other Regions or States, etc. It will also help develop a better understanding of the assessment/ evaluation process. This will help teachers in guiding their students more effectively and comprehensively so that students prepare for the ICSE/ ISC Examinations, with a better understanding of what is required from them.

The Analysis of Pupil Performance document for ICSE for the Examination Year 2019 covers the following subjects: English (English Language, Literature in English), Hindi, History, Civics and Geography (History and Civics, Geography), Mathematics, Science (Physics, Chemistry, Biology), Commercial Studies, Economics, Computer Applications, Economic Applications, Commercial Applications.

Subjects covered in the ISC Analysis of Pupil Performance document for the Year 2019 include English (English Language and Literature in English), Hindi, Elective English, Physics (Theory), Chemistry (Theory), Biology (Theory), Mathematics, Computer Science, History, Political Science, Geography, Sociology, Psychology, Economics, Commerce, Accounts and Business Studies.

I would like to acknowledge the contribution of all the ICSE and the ISC examiners who have been an integral part of this exercise, whose valuable inputs have helped put this document together.

I would also like to thank the RDCD team of Dr. M.K. Gandhi, Dr. Manika Sharma, Mrs. Roshni George and Mrs. Mansi Guleria who have done a commendable job in preparing this document.

**October 2019**

***Shilpi Gupta***  
**Deputy Head - RDCD**

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# INTRODUCTION

This document aims to provide a comprehensive picture of the performance of candidates in the subject. It comprises of two sections, which provide Quantitative and Qualitative analysis results in terms of performance of candidates in the subject for the ICSE Year 2019 Examination. The details of the Quantitative and the Qualitative analysis are given below.

## Quantitative Analysis

This section provides a detailed statistical analysis of the following:

- Overall Performance of candidates in the subject (Statistics at a Glance)
- State wise Performance of Candidates
- Gender wise comparison of Overall Performance
- Region wise comparison of Performance
- Comparison of Region wise performance on the basis of Gender
- Comparison of performance in different Mark Ranges and comparison on the basis of Gender for the top and bottom ranges
- Comparison of performance in different Grade categories and comparison on the basis of Gender for the top and bottom grades

The data has been presented in the form of means, frequencies and bar graphs.

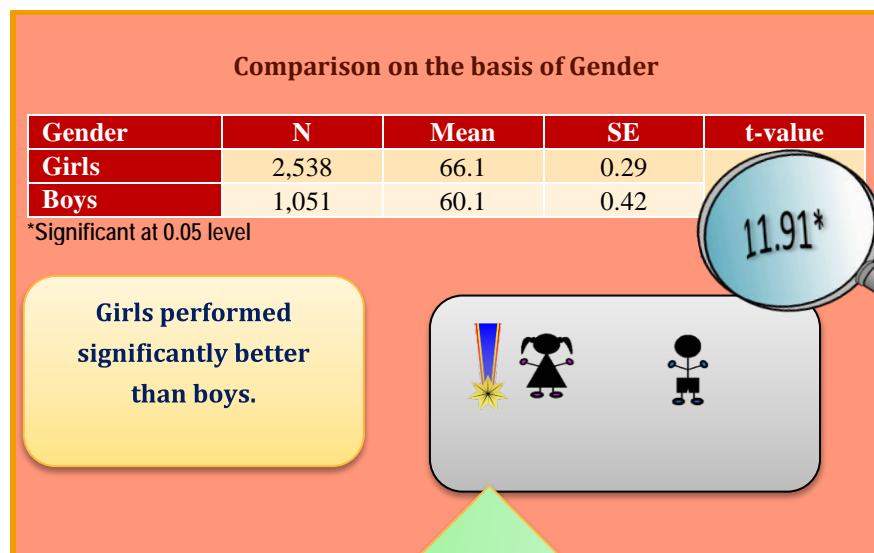
## Understanding the tables

Each of the comparison tables shows N (Number of candidates), Mean Marks obtained, Standard Errors and t-values with the level of significance. For t-test, mean values compared with their standard errors indicate whether an observed difference is likely to be a true difference or whether it has occurred by chance. The t-test has been applied using a confidence level of 95%, which means that if a difference is marked as 'statistically significant' (with \* mark, refer to t-value column of the table), the probability of the difference occurring by chance is less than 5%. In other words, we are 95% confident that the difference between the two values is true.

t-test has been used to observe significant differences in the performance of boys and girls, gender wise differences within regions (North, East, South and West), gender wise differences within marks ranges (Top and bottom ranges) and gender wise differences within grades awarded (Grade 1 and Grade 9) at the ICSE Year 2019 Examination.

The analysed data has been depicted in a simple and user-friendly manner.

Given below is an example showing the comparison tables used in this section and the manner in which they should be interpreted.



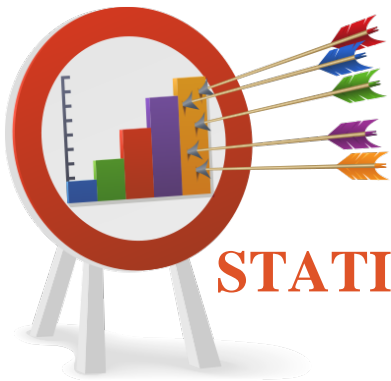
The table shows comparison between the performances of boys and girls in a particular subject. The t-value of 11.91 is significant at 0.05 level (mentioned below the table) with a mean of girls as 66.1 and that of boys as 60.1. It means that there is significant difference between the performance of boys and girls in the subject. The probability of this difference occurring by chance is less than 5%. The mean value of girls is higher than that of boys. It can be interpreted that girls are performing significantly better than boys.

The results have also been depicted pictographically. In this case, the girls performed significantly better than the boys. This is depicted by the girl with a medal.

## Qualitative Analysis

The purpose of the qualitative analysis is to provide insights into how candidates have performed in individual questions set in the question paper. This section is based on inputs provided by examiners from examination centres across the country. It comprises of question wise feedback on the performance of candidates in the form of *Comments of Examiners* on the common errors made by candidates along with *Suggestions for Teachers* to rectify/ reduce these errors. The *Marking Scheme* for each question has also been provided to help teachers understand the criteria used for marking. Topics in the question paper that were generally found to be difficult or confusing by candidates, have also been listed down, along with general suggestions for candidates on how to prepare for the examination/ perform better in the examination.

# QUANTITATIVE ANALYSIS



## STATISTICS AT A GLANCE

Total Number of  
Candidates: 15,669

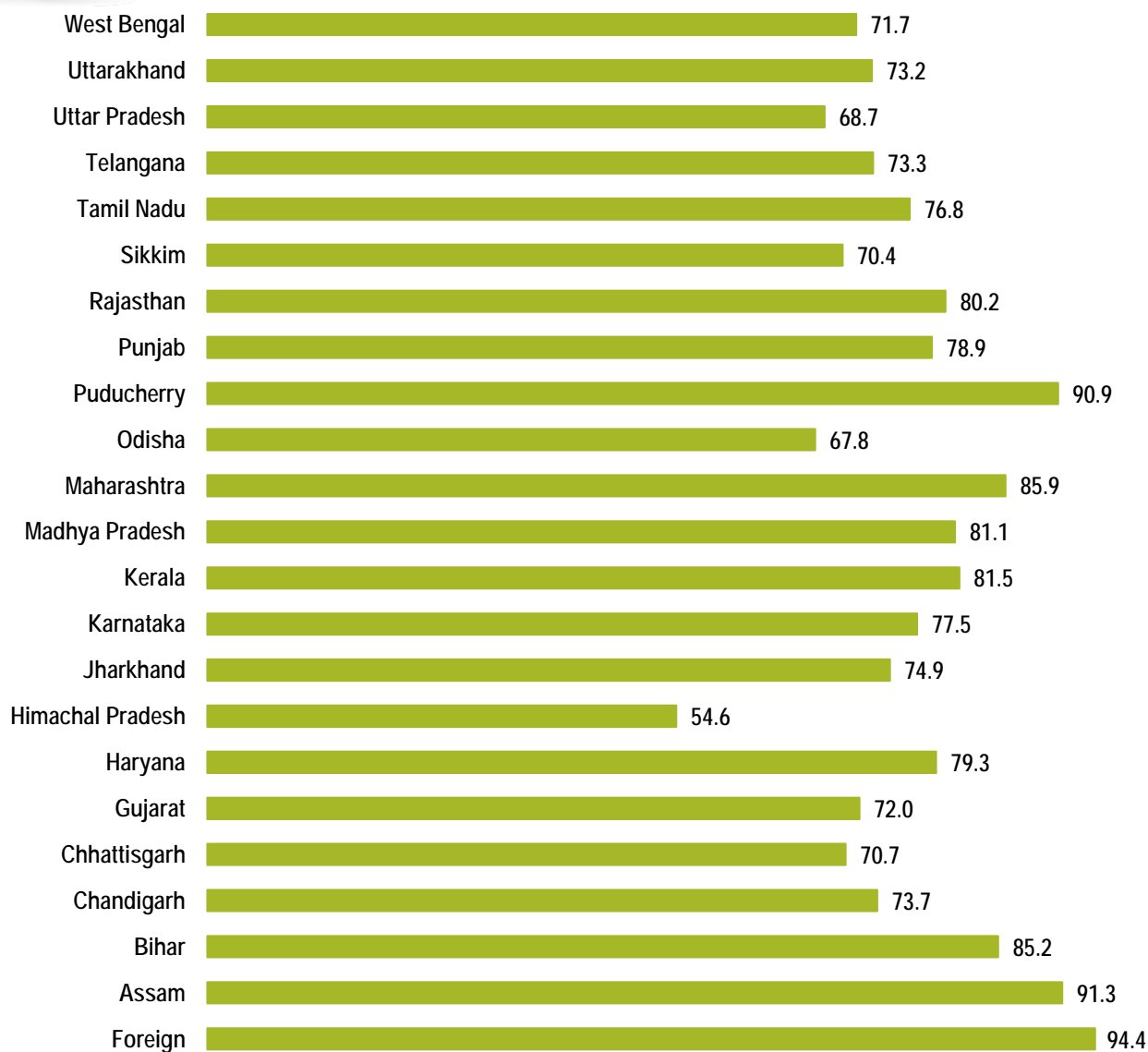
Mean Marks:  
73.7

Highest Marks: 100  
Lowest Marks: 02





## PERFORMANCE (STATE-WISE & FOREIGN)



**The States/ UTs of Assam, Puducherry and Maharashtra secured highest mean marks. Mean marks secured by candidates studying in schools abroad were 94.4.**



## GENDER-WISE COMPARISON



### GIRLS

Mean Marks: 76.5

Number of  
Candidates: 7,190



### BOYS

Mean Marks: 71.4

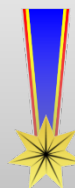
Number of  
Candidates: 8,479

### Comparison on the basis of Gender

Gender	N	Mean	SE	t-value
Girls	7,190	76.5	0.21	17.13*
Boys	8,479	71.4	0.21	

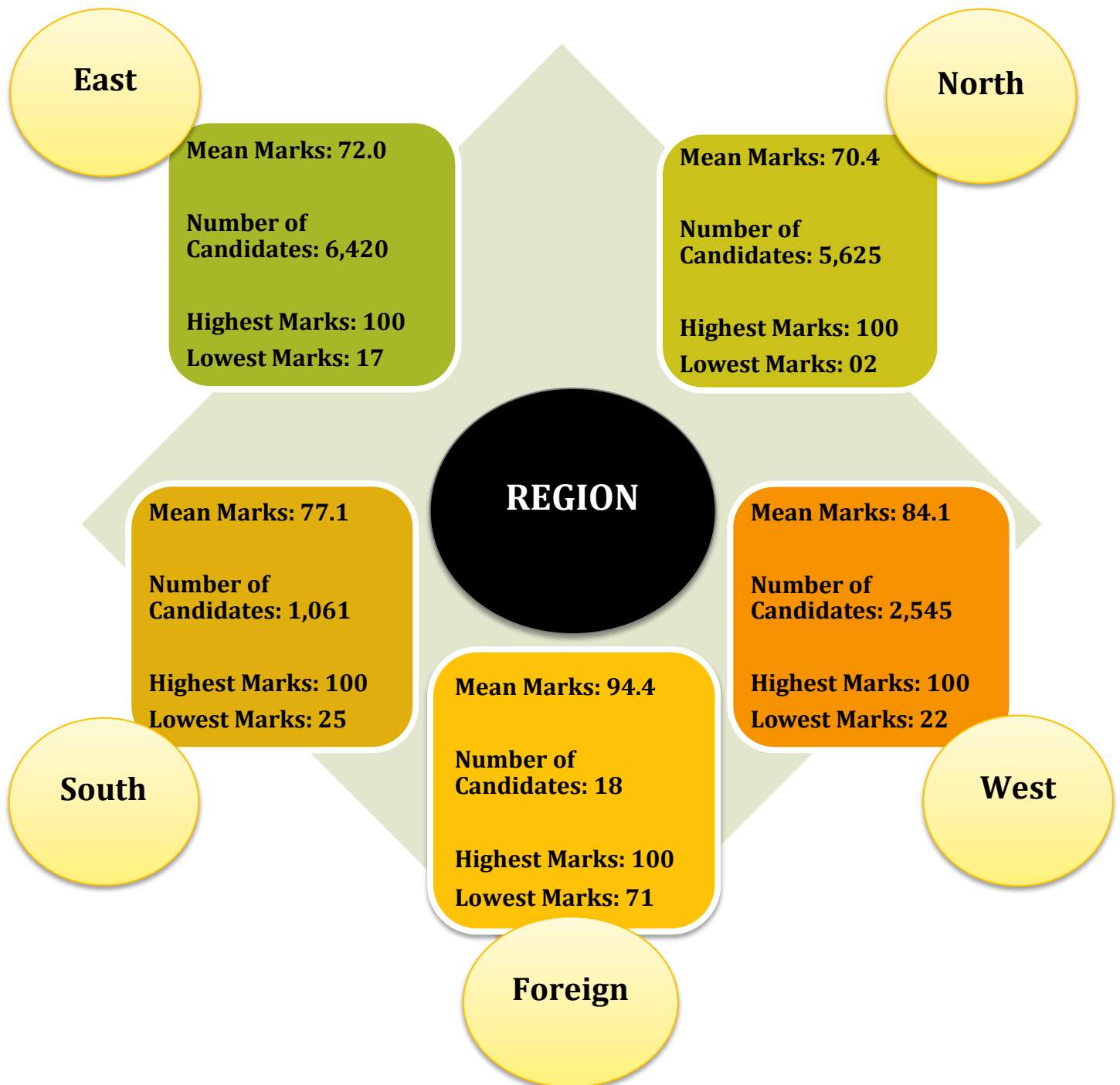
\*Significant at 0.05 level

**Girls performed  
significantly better than  
boys.**

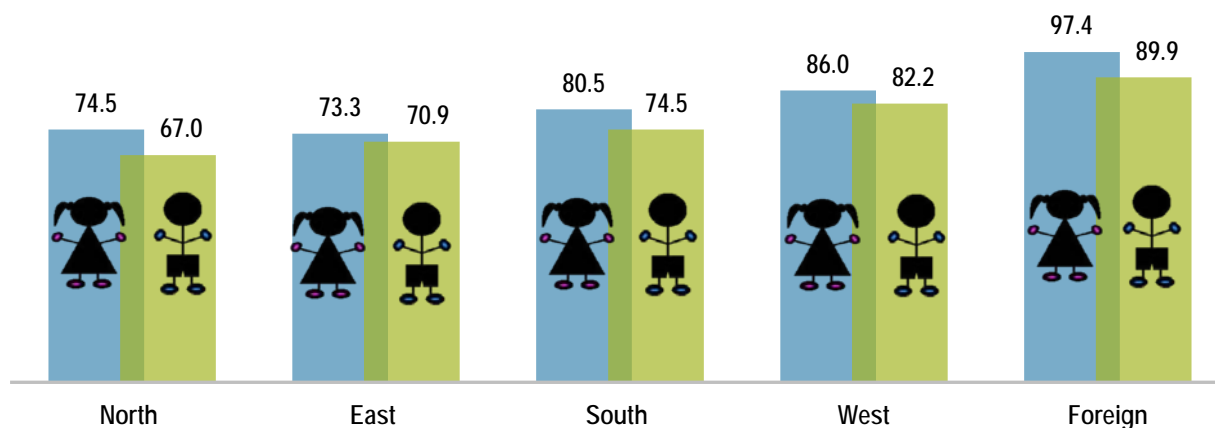




## REGION-WISE COMPARISON



## Mean Marks obtained by Boys and Girls-Region wise



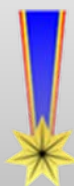
### Comparison on the basis of Gender within Region

Region	Gender	N	Mean	SE	t-value
North (N)	Girls	2,529	74.5	0.37	14.13*
	Boys	3,096	67.0	0.38	
East (E)	Girls	2,903	73.3	0.32	5.56*
	Boys	3,517	70.9	0.30	
South (S)	Girls	464	80.5	0.72	6.07*
	Boys	597	74.5	0.65	
West (W)	Girls	1,283	86.0	0.38	6.70*
	Boys	1,262	82.2	0.42	
Foreign (F)	Girls	11	97.4	0.94	2.02*
	Boys	7	89.9	3.59	

\*Significant at 0.05 level

**The performance of girls was significantly better than that of boys in all the regions.**

**REGION (N, E, S, W, F)**





## MARK RANGES : COMPARISON GENDER-WISE

### Comparison on the basis of gender in top and bottom mark ranges

Marks Range	Gender	N	Mean	SE	t-value
Top Range (81-100)	Girls	3,449	91.5	0.10	5.30*
	Boys	3,176	90.7	0.11	
Bottom Range (0-20)	Girls	6	16.7	2.95	-0.80
	Boys	24	19.0	0.22	

\*Significant at 0.05 level

#### Marks Range (81-100)

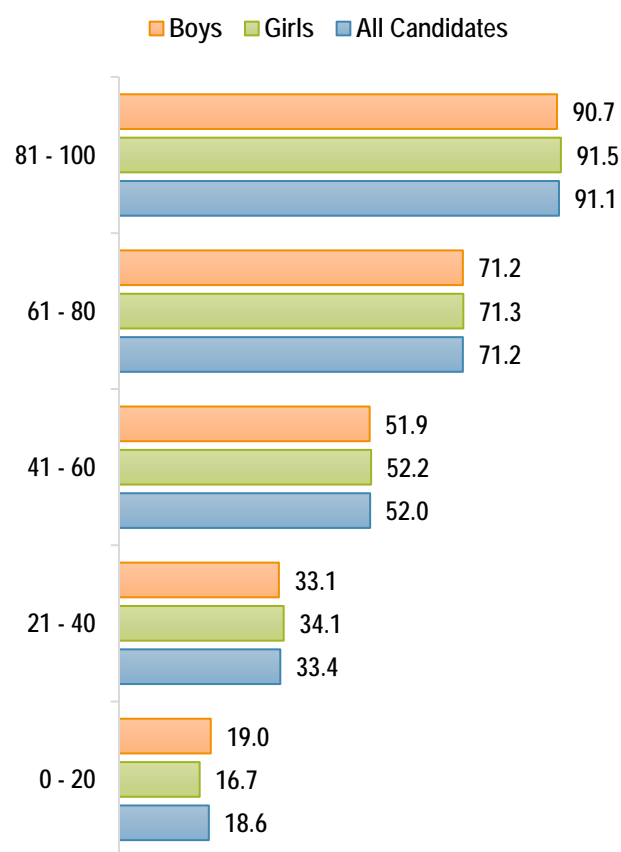
Performance of girls was significantly better than the performance of boys.

#### Marks Range (81-100)



#### Marks Range (0-20)

No significant difference was observed between the average performance of girls and boys.





## GRADES AWARDED : COMPARISON GENDER-WISE

### Comparison on the basis of gender in Grade 1 and Grade 9

Grades	Gender	N	Mean	SE	t-value
Grade 1	Girls	2,104	95.7	0.07	3.46*
	Boys	1,762	95.3	0.08	
Grade 9	Girls	6	16.7	2.95	-0.80
	Boys	24	19.0	0.22	

\*Significant at 0.05 level

#### Grade 1

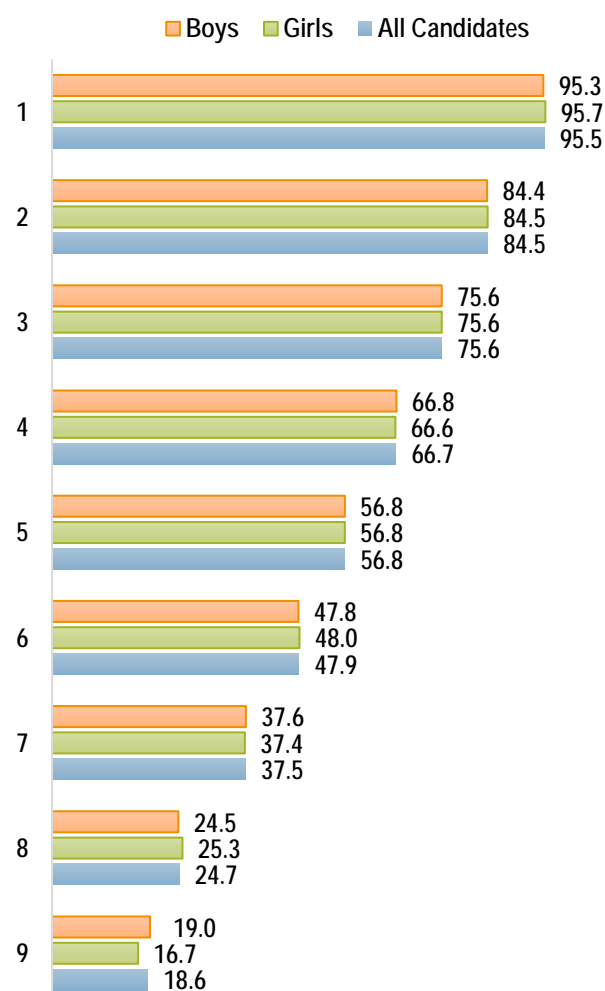
Performance of girls was significantly better than the performance of boys.

#### Grade 1



#### Grade 9

No significant difference was observed between the average performance of girls and boys.



# QUALITATIVE ANALYSIS

## SECTION A (40 Marks)

*Attempt all questions*

### Question 1

Distinguish between:

- |                                      |     |
|--------------------------------------|-----|
| (a) Marketing and Sales              | [2] |
| (b) Central Bank and Commercial Bank | [2] |
| (c) Product and Service              | [2] |
| (d) Debit Card and Credit Card       | [2] |
| (e) Shares and Debentures            | [2] |

### Comments of Examiners

- (a) Many candidates were confused between market and marketing. Several candidates interchanged the points of distinction. Some candidates wrote sales as discount given on MRP of the product.
- (b) Most candidates answered this question well. However, a few candidates interchanged the points.
- (c) This was a well attempted question.
- (d) Majority of the candidates were not very clear about the differences between Debit Card and Credit Card. Some candidates wrote the differences between debit and credit entries to record transactions.
- (e) Many candidates were not clear of the concept of debentures.

### Suggestions for teachers

- Clarify that marketing is a broader concept than market and that selling is a part of marketing.
- Explain the difference in the working of commercial banks with the working of the Central bank.
- Give examples of products and services from real life to make the concepts clearer to the students.
- Spell out to the students that when a payment is made through a debit card, the amount of money is immediately deducted from the account of the holder, where as in credit card the holder borrows the amount from the bank to be paid back later.
- Make clear to the students that debentures are an acknowledgment of a debt taken by a company and that the debenture holders earn interest on debentures at a fixed rate.

## MARKING SCHEME

### Question 1

(a)	<b>Marketing</b> <ol style="list-style-type: none"> <li>1. It is the process of identifying and satisfying wants.</li> <li>2. Long-term goals.</li> <li>3. Consumer oriented activities.</li> <li>4. Wider scope</li> <li>5. Begins before production and continues after sales.</li> <li>6. Focuses on customers' needs.</li> <li>7. Involves creation and maintenance of customers.</li> <li>8. New and modern concept.</li> </ol>	<b>Sales</b> <ol style="list-style-type: none"> <li>1. It is the process of exchanging goods for money.</li> <li>2. Short-term goals.</li> <li>3. Production oriented activities.</li> <li>4. Narrow scope</li> <li>5. Begins after production and ends with sales.</li> <li>6. Focuses on sellers' needs.</li> <li>7. Presupposes existence of demand.</li> <li>8. Old and traditional concept.</li> </ol>
(b)	<b>Central Bank</b> <ol style="list-style-type: none"> <li>1. It is the apex institution of a country's banking system.</li> <li>2. It controls credit.</li> <li>3. It is a non-profit making organization.</li> <li>4. It is a banker to the Government and the other banks.</li> <li>5. It is owned by the Government.</li> <li>6. It is a custodian of foreign currency.</li> <li>7. Every country has only one Central bank.</li> </ol>	<b>Commercial Bank</b> <ol style="list-style-type: none"> <li>1. It is an organ of a country's banking system.</li> <li>2. It creates credit.</li> <li>3. It is a profit-making organization.</li> <li>4. It is a banker to the general public.</li> <li>5. It is owned by shareholders.</li> <li>6. It is a dealer of foreign currency.</li> <li>7. Every country has several commercial banks.</li> </ol>
(c)	<b>Products</b> <ol style="list-style-type: none"> <li>1. Full tangible.</li> <li>2. Can be stored.</li> <li>3. Product can be replaced.</li> </ol>	<b>Services</b> <ol style="list-style-type: none"> <li>1. Intangible may have physical evidence.</li> <li>2. Cannot be stored.</li> <li>3. Services delivered cannot be replaced.</li> </ol>
(d)	<b>Debit Card</b> <ol style="list-style-type: none"> <li>1. Available to accountholders who keep deposit accounts.</li> <li>2. No overdraft is available.</li> <li>3. This card is used like a cash payment.</li> </ol>	<b>Credit Card</b> <ol style="list-style-type: none"> <li>1. Available to selected customers who make payment of credit bills.</li> <li>2. Fully depends on overdraft up to a specified limit.</li> <li>3. This card is widely used for credit purchases.</li> </ol>



(e)	<b>Shares</b> <ol style="list-style-type: none"> <li>1. Part of Capital, owned funds.</li> <li>2. Status of holders – owners.</li> <li>3. Risk – complete risk borne by holders.</li> <li>4. Voting rights – Full voting rights.</li> </ol>	<b>Debentures</b> <ol style="list-style-type: none"> <li>1. Debt or loan, borrowed funds</li> <li>2. Creditors</li> <li>3. Minimum risk in case of secured debenture.</li> <li>4. No voting rights.</li> </ol>
-----	---	--

## Question 2

- (a) Mention *any two* objectives of Pricing. [2]
- (b) Explain ‘Sales Budget’. [2]
- (c) What is ‘Social Advertising Media’? [2]
- (d) What is ‘Discounting of bills of exchange’? [2]
- (e) What do you mean by On-the-job training and Off-the-job training? [2]

## Comments of Examiners

- (a) Many candidates, instead of objectives of Pricing, wrote the meaning of ‘price’. Several candidates stated the benefits of ‘price’ with regards to customers.
- (b) Most of the candidates did not explain Sales Budget.
- (c) Majority of the candidates were able to give examples of social media but were unable to explain the socially useful side to it. Several candidates highlighted the advertisement of products done on social websites.
- (d) Several candidates wrote about discount given on the maximum retail price of a product and on the bill given to the consumers.
- (e) Most candidates were able to write the correct answer. However, some candidates interchanged the points.

### **Suggestions for teachers**

- Explain to the students clearly, the objectives of price and pricing.
- Teach types of budgets thoroughly and lay emphasis on the importance of *Sales Budget* and its relevance to other budgets.
- Discuss with examples, the relevance of social media in propagating socially useful ideas and schemes.
- Clarify *Discounting of Bills of Exchange* as a credit facility given by commercial banks to its customers.
- Explain with examples, the difference between *On the Job Training* and *Off the Job Training*.

## MARKING SCHEME

### Question 2

(a)	<b>Objectives of Pricing:</b> (i) Increase in market Share. (ii) Getting ready to face competition. (iii) To win confidence of customers.
(b)	<b>Sales Budget:</b> Sales Budget is related to the main function of Sales Department. It is the overall estimation of sales, related to a specific period. This budget helps the authorities to handle the sales volume effectively to maximize the profit of the business.
(c)	<b>Social Advertising:</b> Social advertising means advertising of socially useful ideas, schemes, programmes, curses etc. <i>Beti Bachao, Beti Padhao</i> . Blood Donation, <i>Swachh Bharat</i> examples of social advertising. Radio, T.V., Newspaper are social media.
(d)	<b>Discounting of Bills:</b> Banks provide short term finance to business firms against bills of exchange, Banks pay less than face value. The holder is responsible of the bills dishonoured.
(e)	When the trainee is placed on a regular job and taught the skill required to perform the job while he is doing the actual job, it is known as On-the-job training.  When the trainee is separated from the job situation and taught the skills related to the job, it is known as Off-the-job training.

### Question 3

- |  |     |
|--|-----|
| (a) What is meant by 'Deferred Revenue Expenditure'?         | [2] |
| (b) What do you understand by 'Semi-variable Costs'?         | [2] |
| (c) How do warehouses help in price stabilization?           | [2] |
| (d) Why is a 'Master Budget' also known as a Summary Budget? | [2] |
| (e) Explain the term 'Logistics'.                            | [2] |

## Comments of Examiners

- (a) This was a well attempted question.
- (b) Majority of the candidates were unable to explain the meaning of semi- variable cost.
- (c) Most candidates, instead of explaining the role of warehousing in stabilizing the prices, wrote about the general importance of warehousing.
- (d) Some candidates wrote the question itself as the answer.
- (e) Several candidates wrote an incomplete answer having left out important aspects.

### Suggestions for teachers

- Explain a semi variable cost being partly fixed and partly variable with examples, such as an electricity bill.
- Discuss with the students, the use of warehouses in stabilizing prices due to changes in demand and supply of goods.
- Emphasise on *logistics* as a physical distribution movement and its aspects of transport and warehousing.
- Lay stress on the use of keywords in the answers.

## MARKING SCHEME

### Question 3

(a)	<b>Revenue Expenses</b> <p>The benefit of which extends beyond the current accounting year. Such expenditure does not result in the acquisition of any permanent asset.</p> <p>e.g.    1.      Heavy advertising expenses                    2.      Research expenses.</p>
(b)	There are certain costs which do not vary proportionately but not remain constant with changes in the volume of output e.g. telephone costs, basic rental is fixed but call charges are variable.
(c)	Warehouses bring about <b>equalisation of demand and supply</b> , consequently <b>reducing price fluctuation</b> and facilitating price stabilization.
(d)	The master budget is a summary of all budgets. The budget requires the approval of the Budget committee before it is put into operation.
(e)	Logistics is the process of managing the movement and storage of raw materials parts and finished products from the supplier through the firm and on to customers.

### Question 4

- (a) What is 'National Electronic Fund Transfer'? [2]
- (b) State *any two* precautions while using an 'ATM'. [2]
- (c) What do you understand by 'Health Insurance'? [2]
- (d) What do you mean by Internet and Cyber Fraud? [2]
- (e) Explain *any two* features of Environment (Protection) Act, 1986. [2]

## Comments of Examiners

- (a) Some candidates confused National Electronic Fund Transfer with RTGS. A few candidates mentioned it as an inter-country transfer of funds.
- (b) Most candidates were able to answer this question. However, some candidates, instead of *precautions while using an ATM*, wrote the advantages of using an ATM.
- (c) Many candidates confused Health Insurance with Life Insurance and wrote that the family got the insurance money in case of the insurer's death.
- (d) Several candidates, instead of giving the meaning of Internet and Cyber Fraud, wrote the meanings of 'Internet' and 'fraud' separately.
- (e) Most candidates wrote a general answer rather than specific features of Environment (Protection) Act, 1986. Some candidates mentioned movements like Chipko, Beej Bachao etc.

### Suggestions for teachers

- Discuss NEFT in detail.
- Point out in the class, the precautions to be taken while using an ATM.
- Clarify the differences between life insurance and health insurance with examples such as Mediclaim.
- Explain that cybercrimes could take place wherever there was an internet connection.
- Discuss with suitable examples, the features of Environment (Protection) Act, 1986.

## MARKING SCHEME

### Question 4

(a)	NEFT (National Electronic Fund Transfer): is a country wide system by which an individual, firm or company can electronically transfer funds from any bank branch to another individual, firm or company having an account with any other bank branch in the country.
(b)	<ol style="list-style-type: none"> <li>1. If your card gets stuck in the machine, call your financial institution promptly to report the incident.</li> <li>2. Avoid using the ATM if suspicious individuals are standing nearby.</li> <li>3. Watch out for ATM that appears to have been altered.</li> </ol>
(c)	Health Insurance means protection of health against various types of diseases. In case of ill health, the insured person gets the cost of treatment.
(d)	<p><b>Internet or Cyber Fraud</b></p> <p>Internet or Cyber Fraud are criminal offenses committed via internet or otherwise aided by various forms of computer technology, such as the use of online social networks to bully others or sending sexually explicit digital photos with a smart phone.</p>
(e)	<p><b>Features of Environment (Protection) Act, 1986</b></p> <ol style="list-style-type: none"> <li>(i) Take all necessary measures for protecting quality of environment.</li> <li>(ii) Lay down standards for discharge of environmental pollutants.</li> <li>(iii) Establish or recognise environmental laboratories.</li> </ol>

## SECTION B (40 Marks)

*Attempt any four questions from this Section*

### Question 5

- (a) State *any five* expectations of employers from a business enterprise. [5]
- (b) Briefly discuss *any five* advantages of E-commerce over traditional methods of transactions. [5]

### Comments of Examiners

- (a) Many candidates, instead of giving the expectations of employers from a business enterprise, wrote the expectations of employees.
- (b) Majority of the candidates wrote a general answer rather than specific advantages of E-commerce over traditional methods of transactions.

### Suggestions for teachers

- Clearly explain the difference between the terms - employer and employee.
- Emphasise on students learning specific points with relevant keywords.

## MARKING SCHEME

### Question 5

(a)	Expectations of employers: (i) Safety of capital. (ii) Fast and regular return. (iii) Capital appreciation. (iv) Accurate and up to date information. (v) Equal participation in policy decision. (vi) Good public image of the company. <div>(Any five points)</div>
(b)	<b>Advantages of E-Commerce</b> (i) Better service quality. (ii) Reduced service costs. (iii) Increased revenues. (iv) Reduced time to complete a transaction. (v) Reduced administration costs. (vi) Increased return on investment. (vii) Reduced paper work. (viii) Convenient time for the buyer and seller. (Any five advantages with brief explanation)

## Question 6

- (a) What is an Advertising Agency? Explain any two of its functions. [5]
- (b) Explain *any five* rights enjoyed by consumers as per The Consumer Protection Act, 1986. [5]

### Comments of Examiners

- (a) Some candidates defined advertising instead of advertising agency. Several candidates, instead of functions of advertising agency, wrote the advantages of advertising.
- (b) Many candidates made their own headings. The headings and the explanation did not match in a few answer scripts.

### Suggestions for teachers

- Spell out the difference between advertising and advertising agency.
- Explain the rights of consumers with examples from real life situations.

## MARKING SCHEME

### Question 6

- |     |  |
|-----|--|
| (a) | <p>Advertising agency is a specialized organisation which provides all advertising related services for some fee or commission.</p> <p>Functions:</p> <ul style="list-style-type: none"><li>(i) Planning</li><li>(ii) Creation and execution</li><li>(iii) coordination</li><li>(iv) Accounting</li><li>(v) Media planning</li><li>(vi) Research</li><li>(vii) Internal Control</li></ul> <p>(Any two functions with explanation)</p>  |
| (b) | <p><b>The rights of a consumer are:</b></p> <ul style="list-style-type: none"><li>(i) Right to Safety: Consumers have the right to be protected against the marketing of goods that are hazardous to life and property. They have the right to get protection against such risks. The responsibility of their safety lies with the producers and traders.</li><li>(ii) Right to be Informed: Consumers have the right to be informed about the quality, quantity, potency, purity, standard, price and any other relevant attributes of the goods he/she intends to buy. The manufactures and the traders should disclose all relevant information that might affect the decision of the consumer about buying a product.</li><li>(iii) Right to Choose: Consumers have the right and freedom to choose a product from a wide range of products at competitive prices. Aggressive selling techniques should not be used to sell any product.</li></ul> |

- |  |   |
|--|---|
|  | <p>(iv) <b>Right to be Heard:</b> The grievances and claims of a consumer must be heard and considered. He has the right to register his dissatisfaction and be heard at appropriate forums.</p> <p>(v) <b>Right to Seek Redressal:</b> Consumers have the right to get his claims and complains settled at appropriate forums against manufacturers or traders if they are exploited by them.</p> <p>(vi) <b>Right to Consumer Education:</b> The consumer must be aware of his rights and the remedies available to him under different laws. This will help to make consumers conscious and they will be able to protect themselves from fraudulent manufactures and traders.</p> <p style="text-align: right;"><i>(Any five rights of a consumer)</i></p> |
|--|---|

## Question 7

- (a) What is a Capital Market? Explain any two of its functions. [5]
- (b) Explain *any five* objectives of Industrial Relations. [5]

### Comments of Examiners

- (a) Most candidates were able to explain a Capital Market. However, some candidates mistook capital market for a normal market and wrote the functions accordingly.
- (b) Some candidates, instead of objectives of Industrial Relations, wrote the objectives of Trade Unions.

#### Suggestions for teachers

- Explain the role of a Capital Market in channelizing funds into investment and how it helps in further growth and development.
- Discuss with the students that Industrial Relation is a broader concept and Trade Unions are a part of it.

### MARKING SCHEME

#### Question 7

- |        |   |   |
|--------|---|---|
| (a)    | Capital market is a place where long term securities like shares are bought and sold at stock market. |   |
| (i)    | Promotion of Savings habit  |   |
| (ii)   | Liquidity   |   |
| (iii)  | Investment avenue   |   |
| (iv)   | Ready market  |   |
| (v)    | Transfer of funds   |   |
| (vi)   | Stability   |   |
| (vii)  | Availability of Capital   |   |
| (viii) | Capital formation   |   |
| (ix)   | Balance between demand and supply.  | <i>(Any two functions with explanation)</i> |

(b)	<p><b>Objectives of Industrial Relations</b></p> <ul style="list-style-type: none"> <li>(i) Harmonious relations between management and workers.</li> <li>(ii) Safeguarding interests of the workers and the management.</li> <li>(iii) Aims to establish Industrial Democracy.</li> <li>(iv) Avoiding conflicts through discussions.</li> <li>(v) Increasing productivity.</li> <li>(vi) Efforts to create mutual understanding among both.</li> <li>(vii) Protection of workers job security by bringing Government control.</li> </ul> <p style="text-align: right;"><i>(Any five objectives with explanation)</i></p>
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## Question 8

- (a) Explain the 'Clearing House Function' of the Central Bank. [5]
- (b) Explain *any five* disadvantages of Air Transport. [5]

### Comments of Examiners

- (a) Many candidates wrote five functions of the Central bank but excluded its Clearing House Function.
- (b) Most candidates answered it well. However, a few candidates wrote the advantages of air transport instead of its disadvantages.

### Suggestions for teachers

- Explain clearly the Clearing House Function of the Central Bank.
- Train students to read the question carefully and understand its requirement before answering it.

## MARKING SCHEME

### Question 8

(a)	<p>Clearing House functions of the RBI means the claims of different commercial banks on one another and settled by the RBI through book entries and only net claims are actually paid or received. The daily balances between the Commercial banks can easily be adjusted by means of debit and credit entries in respective accounts with the Central Bank. e.g. the Bank of Baroda has to pay an amount of ₹ 20 lakhs to the PNB. To settle its due the Bank of Baroda will issue a cheque of ₹ 20 lakhs to the PNB. The RBI will debit the account of the 'Bank of Baroda by ₹ 20 lakhs and credit the account of the PNB by the same amount.</p>
(b)	<p><b>Disadvantages of Air Transport</b></p> <ul style="list-style-type: none"> <li>(i) Very expensive.</li> <li>(ii) High operational costs.</li> <li>(iii) Unsuitable for shorter distances.</li> <li>(iv) Not suitable for carrying bulky and heavy goods.</li> </ul>



	(v) Unreliable due to adverse weather conditions. (vi) Non-availability of trained and skilled persons. (vii) Fails to provide according to individual needs. (viii) Greater risk.	(Any five disadvantages of air transport with explanation)
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## Question 9

- (a) Explain the following Principles of Insurance: [5]
- (i) Doctrine of Subrogation
- (ii) Mitigation of Loss
- (b) Explain briefly *any five* functions of 'Central Pollution Control Board'. [5]

### Comments of Examiners

- (a)(i) Majority of candidates wrote principles of insurance other than the Doctrine of Subrogation.
- (ii) Many candidates wrote principles of insurance other than Mitigation of Loss.
- (b) Many candidates, instead of writing five specific functions of Central Pollution Control Board, wrote general self-made points, while some candidates wrote the features of EPA.

### Suggestions for teachers

- Explain in simple terms and with relevant examples, the Principles of Insurance to the students.
- Discuss *Mitigation or Minimisation of Loss* with reference to the responsibility of the insured person.
- Clarify the functions of Central Pollution Control Board in relation to everyday environment problems.

## MARKING SCHEME

### Question 9

(a)	<p><b>Subrogation:</b> It states that the insurer becomes entitled to all the rights and remedies relating to the property insured after indemnifying the insured for his loss. His rights, however, is only to the extent of the sum insured. This principle is applicable to all contracts of insurance except life insurance.</p> <p><b>Mitigation of loss:</b> It is the duty of the insured to take all possible steps to minimise the loss or damage in case of a mishap. He should not be careless and should behave like a rational person making reasonable efforts to save the insured property.</p>
(b)	<p>(i) Air quality / Pollution</p> <p>(ii) Water quality / Pollution</p> <p>(iii) Urban area programs</p> <p>(iv) Municipal solid waste rules</p> <p>(v) Noise pollution / Rules</p> <p>(vi) Environmental Data Statistics.</p> <p>(Any five functions of CPCB with brief explanation)</p>

## Question 10

The following is the Trial Balance of ABC Industries as on 31<sup>st</sup> December 2015.

[10]

### **Trial Balance of ABC Industries**

**as on 31.12.2015**

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)
Salaries	4,000.00	Sales	83,000.00
Cash Balance	2,000.00	Rent Received	2,000.00
Bank Balance	3,000.00	Purchases Returns	1,000.00
Wages	1,500.00	Creditors	7,000.00
Insurance	500.00	Capital Account	25,000.00
Trade Expenses	7,000.00		
Discount Allowed	750.00		
Opening Stock (1/1/2015)	5,000.00		
Buildings	40,000.00		
Furniture	15,000.00		
Sales Returns	250.00		
Drawings	1,000.00		
Debtors	5,000.00		
Purchases	30,000.00		
Legal Charges	1,000.00		
Advertisement Expenses	2,000.00		
Total	1,18,000.00		1,18,000.00

The closing stock was valued at ₹ 9,000.

You are required to prepare a Trading Account and a Profit and Loss Account for the year ending 31<sup>st</sup> December 2015 and a Balance Sheet as on 31<sup>st</sup> December, 2015.

## Comments of Examiners

Most candidates were unable to make the correct format of Trading Account and Profit and Loss Account. Several candidates interchanged the columns of assets and liabilities in the format of the Balance Sheet.

Common anomalies were observed in the following entries:

- Sales return and purchases returns were interchanged in the Trading A/c.
- Trade expenses were posted in the Trading A/c.
- Closing stock was not recorded in the Balance Sheet.

### *Suggestions for teachers*

- Explain direct expenses, indirect expenses, capital and revenue expenditure, various common assets and liabilities, with relevant examples.
- Spell out the logic behind entering direct expenses and indirect expenses in the Trading A/c and Profit & Loss A/c and assets & liabilities in the Balance Sheet.
- Teach the students the effect of purchases returns and sales returns on purchases and sales respectively.
- Advise with examples the students that closing stock, being an asset, has to be shown in the Balance Sheet.
- Explain how to calculate Gross Profit and Net Profit.
- Stress on the correct format of the Trading A/c and Profit & Loss A/c and the Balance Sheet with *To* and *By* on the debit and credit side of the Trading A/c and Profit & Loss A/c.
- Give adequate practice to the students in preparing final accounts.

## MARKING SCHEME

### Question 10

Particulars	Adj.	Amount	Particulars	Adj.	Amount
To Opening Stock		5,000	By Sales	83,000	
To Purchases	30,000		(-) Sales Returns	(250)	82,750
(-) Purchases Returns	(1,000)	29,000	By Closing Stock		9,000
To Wages		1,500			
To Gross Profit		56,250			
		91,750			91,750
To Salaries		4,000	By Gross Profit		56,250
To Insurance		500	By Rent Received		2,000
To Trade Expenses		7,000			
To Discount Allowed		750			
To Legal Charges		1,000			
To Advertisement Expenses		2,000			
To Net Profit		43,000			
		58,250			58,250

Balance Sheet of ABC Industries as on 31<sup>st</sup> December, 2015

Liabilities	Adj.	Amount	Assests	Adj.	Amount
Creditors		7,000	Cash Balance		2,000
Capital	25,000		Bank Balance		3,000
(-) Drawings	(1,000)		Buildings		40,000
(+) Net Profit	43,000	67,000	Furniture		15,000
Debtors		5,000	Closing Stock		9,000
		74,000			74,000

# GENERAL COMMENTS

## Topics found difficult/ confusing by candidates

- Market and Marketing.
- Debit Card and Credit Card.
- Shares and Debentures.
- Price and Pricing.
- Advertising and Advertising agency.
- Discounting of bills of exchange.
- Capital Market and Normal Market.
- Semi-variable Cost.
- NEFT and RTGS.
- Health Insurance and Life Insurance.
- Employees and Employers.
- Industrial relations.
- Clearing house function of Central Bank.
- Principles of Insurance.
- Central Pollution Control Board & Environment (Protection) Act.

## Suggestions for candidates

- Understand keywords/basic concepts and terms and then learn.
- Learn concepts with examples for better understanding.
- Utilize the 15 minutes reading time judiciously.
- Give to the point and precise answers in Section A.
- In Section B, state the heading and explain the point as per the heading.
- Write differences in a tabular form with the basis of distinction.
- Always give examples to support your answers.
- Pay attention in class and get all doubts clarified.
- Revise the concepts regularly.
- Solve ICSE question papers of previous years.
- Write answers neatly as presentation matters.
- Number the questions properly.
- Answer all sub parts of a question together.
- Write long answers with sub-headings explained in points.