NIRMALA MEMORIAL FOUNDATION COLLEGE OF COMMERCE AND SCIENCE.

- OCM DEPARTMENT

CHAP. 2 FUNCTIONS OF MANAGEMENT


DIRECTING
TRAINING
SKILLS
LEADERSHIP
TEAM
PHILOSOPHY
MISSION
DIRECTING
BUSINESS
CONDUCT
MEMBER
GOAL
TRUST
RESPECT
VISION
POWER
COMPETENCE
SUCCESS
LEADER
SOLUTION
PEOPLE
ABILITY

DIRECTING :

MEANING :

Directing is the process of instructing, guiding, communicating, inspiring, motivating and supervising the employees to achieve predetermined goals of an organization.

It is a continuous function initiated at top level and flows to the lower level through organizational hierarchy.

DEFINITION OF DIRECTING :

1) ***THEO HAIMANN*** :

“Direction consists of the process and techniques utilizing in issuing instructions and making certain that operations are carried out as planned.”

2) ***EARNEST DALE :***

“Directing is what has to be done and in what manner through dictating the procedures and policies for accomplishing performance standards.”

3) ***URWICK AND BRECH :***

“Directing is the guidance, the inspiration, the leadership of those men and women that constitute the real case of responsibilities of management.”

IMPORTANCE OF PLANNING :

1) INITIATES ACTION :

* Direction is the function which supports to activate the plans with the help of employees.
* Every action is initiated through timely direction.
* Proper instructions are given to subordinates while completing their assigned task.
* The managers direct the subordinates about what to do, how to do, when to do and also to see that their instructions are properly followed.

2) INTEGRATES EFFORTS :

*Communication is one of the elements of direction.

* It helps in integrating the efforts of all the employees and departments which results in achievement of organizational goal.

* Integration of efforts is possible through persuasive leadership and effective communication towards the accomplishment of organizational goals.

3) MEANS OF MOTIVATION :

* While directing the subordinates, their opinions are also considered.

* A manager identifies the potential and abilities of its subordinates and help them to give their best.

* He also motivates them by offering them financial and non-financial incentives to improve their performance.

* It boost the morale of subordinates.

4) PROVIDES STABILITY :

* Stability plays important role in the growth and survival of the organization.

* Effective leadership, communication, supervision and motivation develop co-operation and commitment among the employees.

* It provides stability and creates balance among various departments and groups.

5) COPING UP WITH THE CHANGES :

* Factors of business environment are always changing.

* Adapting to the environmental changes is necessary for the growth of the organization.

* With the help of motivation, proper communication and leadership, the employees can clearly understand the nature of change and also the positive outcome of adopting to the change.

* For e.g. e-filing, use of robots at workplace, etc.

6) EFFECTIVE UTILIZATION OF RESOURCES :

* Direction involves assigning duties and responsibilities to everyone.

* Proper instructions and systems are developed to avoid wastages, duplication of efforts, etc.

* Subordinates are guided to utilize the resources i.e. men, money, material and machine in the maximum possible way.

* It helps in reducing costs and increasing profit.

7) CREATES TEAM SPIRIT :

* Direction focuses on motivating the subordinates for group efforts.

* Group efforts or team spirit plays important role in success of an organization than individual efforts.

* Therefore, the role of manager as a director plays very important role in guiding and motivating the employees to achieve predetermined goals.

8) EXPLORES CAPABILITIES OF INDIVIDUAL :

* Every individual has various capabilities or potentials in addition to their formal qualifications.

* Direction helps to identify and utilize their abilities for best performance by encouraging and motivating them just like a leader.

9) INCREASES EFFICIENCY LEVEL :

* Guidance and motivation is given to subordinates to perform at their best level.

* Being a leader, team spirit is created by the manager as well as proper techniques of supervision are used.

* It works positively and results into enhancing the efficiency level of the whole organization.

10) CO-OPERATION :

* Co-operation is necessary for smooth flow of organizational activities.

* It should be created by manager i.e. director from top level to the bottom level of management.

* Healthy cooperation, team work and higher efficiency level lead to attainment of goals.

NEMONIC : MUSIC CUM TEA CAFE

- M – means of motivation.
- U – effective utilisation of resources.
- S – provides stability.
- I – increases efficiency level.
- C – explores capabilities of individuals.
- C – co-operation.
- T – creates team spirit.
- E – integrates efforts.
- A – initiates action.
- C – coping up with the changes.

THANK YOU

CH -2 FUNCTIONS OF MANAGEMENT

COORDINATING

N M F C

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CO-ORDINATING:

Meaning:

- Coordination is an essence of organizational success. It is the integration and synchronization of the efforts of a group so as to provide unity of action for organizational goals.
- It is a hidden force which binds all other functions of management. Coordination will not exist unless efforts are taken to achieve it.

CO-ORDINATING:

DEFINITIONS:

1)Henry Fayol: "To co-ordinate is to harmonize all the activities of a concern to facilitate its Working and its success."

2) Mooney and Reeley: "Co-ordination is orderly arrangement group efforts to provide unity of action in the pursuit of common goals.":

IMPORTANCE OF CO-ORDINATING

1) ENCOURAGES TEAM SPIRIT:

- In organizations, there may be existence of conflicts, disputes between individuals, departments and employer and employees regarding organizational policies, roles and responsibilities etc.
- Coordination arranges the work in such way that there is minimum conflicts are raised.
- This will increases the team spirit at work place.

IMPORTANCE OF CO-ORDINATING

2) GIVES PROPER DIRECTION:

- Coordination integrates departmental activities for achieving common goal of the organization.
- The work is arranged in a very systematic way.
- The interdependence of departments gives proper direction to the employees.

IMPORTANCE OF CO-ORDINATING

3)FACILITATES MOTIVATION:

- Coordination motivates the employees to take initiative while completing their assigned task.
- An effective co-ordination increases efficiency and results into growth and prosperity of the organization.
- This leads to job security, higher income, promotion an incentives to employees which motivates them for hard work.

IMPORTANCE OF CO-ORDINATING

4) OPTIMUM UTILIZATION OF RESOURCES:

- Managers try to integrate all the resources systematically.
- It helps in utilizing all available resources at its optimum level.
- Co-ordination also helps to minimize the wastage of resources and control the cost of work.

POOR USE OF RESOURCES

EFFICIENT USE OF RESOURCES

IMPORTANCE OF CO-ORDINATING

5)ACHIEVE ORGANIZATIONAL OBJECTIVES:

- Co-ordination leads to minimize the wastages of materials, idle time of employees, delay in completion of targets, departmental disputes etc.to a great extent.
- It ensures smooth working of the organization in the process of achieving the objectives of the organization.

IMPORTANCE OF CO-ORDINATING

6) IMPROVES RELATION:

- Co-ordination develops cordial relations between all the levels of management of an Organization.
- Every department depends on functioning of other department.
- Coordination helps the employees to build strong relations among them and achieve the given targets.
- E.g.

IMPORTANCE OF CO-ORDINATING

7) LEADS TO HIGHER EFFICIENCY:

- With the help of optimum utilization of resources and effective integration of resources,
- The organization can achieve high returns in terms of high productivity, high profitability as well as can reduce the cost.

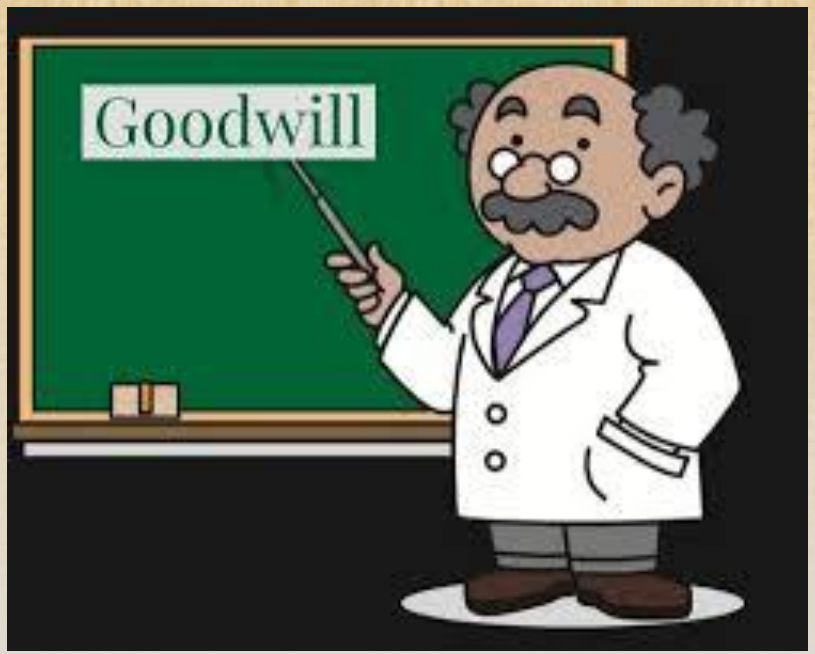
- Thus, co-ordination leads to higher efficiency.

IMPORTANCE OF CO-ORDINATING

8) IMPROVES GOODWILL:

- Higher sales and higher profitability can be achieved due to synchronized efforts of organizational people, strong human relations and lower costs.
- It directly results into creating goodwill for organization in the market.

  It also reflect of market value of share.



IMPORTANCE OF CO-ORDINATING

9) UNITY OF DIRECTION:

- Different activities are performed by different departments.
- Coordination harmonizes these activities for achieving common goal of organization.
- Thus, coordination gives proper direction to all departments of the organization.

IMPORTANCE OF CO-ORDINATING

10)SPECIALIZATION:

- All departments of the organization are headed by experts in their respective fields, It helps in taking decision.
- It leads organization towards growth and success in the competitive world of business.
- Management cannot bring together the different elements into one harmonious whole without coordination.

IMPORTANCE OF CO- ORDINATING

MNEMONIC: TOM USE A DIG

T: ENCOURAGES TEAM SPIRIT

O: OPTIMUM UTILISATION OF RESOURCES

M: FACILITATES MOTIVATION.

U: UNITY OF DIRECTION

S: SPECIALIZATION

E: LEADS TO HIGHER EFFICIENCY.

A: ACHIEVE ORGANISATION OBJECTIVE

D: GIVES PROPER DIRECTION

I: IMPROVES RELATION

G: IMPROVE GOODWILL

THANK YOU.

CH:2 FUNCTIONS OF MANAGEMENT

CONTROLLING

NMFC

OCM DEPT

CONTROLLING

MEANING:

- CONTROLLING IS THE FUNCTION OF COMPARING THE ACTUAL PERFORMANCE WITH THE PRE DETERMINED STANDARDS (PLANNING)
- IT MEASURES THE DEVIATION, IF ANY. AND GIVES CORRECTIVE MEASURES.
- THE EFFECTIVENESS OF PLANNING FUNCTION CAN BE DETERMINED WITH THE FUCTION OF CONTROLLING.

CONTROLLING

CORRECTIVE ACTION

ATTAINMENT OF STANDARDS

ANALYSING CAUSES OF DEVIATION

MEASUREMENT OF PERFORMANCE

COMPARISON AND FINDING DEVIATION

CONTROLLING

DEFINITION:

- "CONTROL IS THE PROCESS OF TAKING STEPS TO BRING ACTUAL RESULTS AND DESIRED RESULTS CLOSER TOGETHER" - PHILIP KOTLER
- " CONTROL IS THE PROCESS OF BRINGING ABOUT CONFIRMITY OF PERFORMANCE WITH PLANNED ACTION" - DALE HENNING

IMPORTANCE OF CONTROLLING

1. FULFILLING GOALS OF ORGANIZATION:

- Controlling is a function of measuring the performances at every possible stage and finds out the deviation if any.
- Further it takes the corrective actions according to planned activities.

- This way it helps in fulfilling organizational goals.

❖ Measuring performance ➡ finding deviation ➡ taking corrective measures

IMPORTANCE OF CONTROLLING

2.MAKING EFFICIENT UTILIZATION OF RESOURCES:

- manager uses various techniques to reduce wastage of material and other resources.
- He sets standards for every performance. And employees have to follow these standards.

As a result of these the resources are used to optimum.

IMPORTANCE OF CONTROLLING

3.ACCURACY OF STANDARDS:

- Controlling measures are flexible in some extent. So after reviewing them according to changing situation they can be revised.
- This helps in checking the performances of employees and judging the accuracy of standards.

IMPORTANCE OF CONTROLLING

4.MOTIVATES EMPLOYEES:

- employees are communicated about the standards in advance. Due to this employees get an idea about what to do and how to do.
- Then performances of the employees are rewarded in the form of increment, bonus, promotion etc.

- It motivates the employees to perform at their best level.

IMPORTANCE OF CONTROLLING

5. ENSURES ORDER AND DISCIPLINE:

- Controlling is the function of order and maintaining discipline.
- It helps to reduce unprofessional behavior of the employees.
- Discipline is maintained by checking performances by superiors and corrective measures are taken to minimize the gap between actual and standards.

IMPORTANCE OF CONTROLLING

6. FACILITATES COORDINATION:

- In controlling the roles and responsibilities of all departmental managers and subordinates are designed clearly.

- Coordination between them helps to find out deviation in their department and to use remedial measures.

IMPORTANCE OF CONTROLLING

7. PSYCHOLOGICAL PRESSURE:

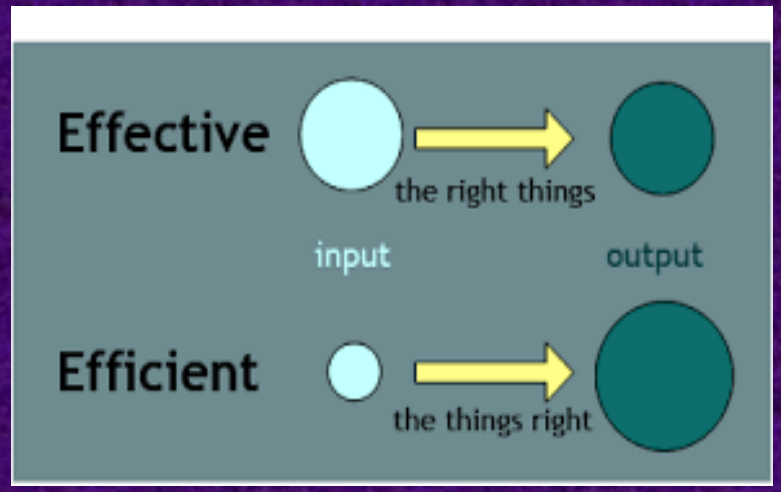
- The employees are well aware that their performance will be evaluated and they will be rewarded accordingly.

- This psychological pressure works as motivational factor for employees.

IMPORTANCE OF CONTROLLING

8.ENSURES ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS:

- controlling makes manager responsible , He motivates them for higher performance and achieving departmental coordination.
- It ensures organizational efficiency and effectiveness.



IMPORTANCE OF CONTROLLING

9.BUILDS GOOD CORPORATE IMAGE:

- Controlling improves the performance by minimizing the deviation between pre determined standards and actual performance.
- This brings good corporate image and goodwill for the organization.

IMPORTANCE OF CONTROLLING

10. ACTS AS A GUIDE:

- Controlling provides set of standard performance. Manager and staff works according to it.
- Thus controlling acts as a guide for every one.

- This also helps manager to plan future activity.

CONTROLLING

COP SEARCHING G^3E^2M

C - FACILITATES COORDINATION

O - ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

P - PSYCHOLOGICAL PRESSURE

S - ACCURACY OF STANDARDS

G - FULFILLING GOALS OF ORGANIZATION

G - GOOD CORPORATE IMAGE

G -ACTS AS GUIDE

E -ENSURES ORDER AND DISCIPLINE

E - EFFICIENT USE OF RESOURCES

M - MOTIVATES EMPLOYEE

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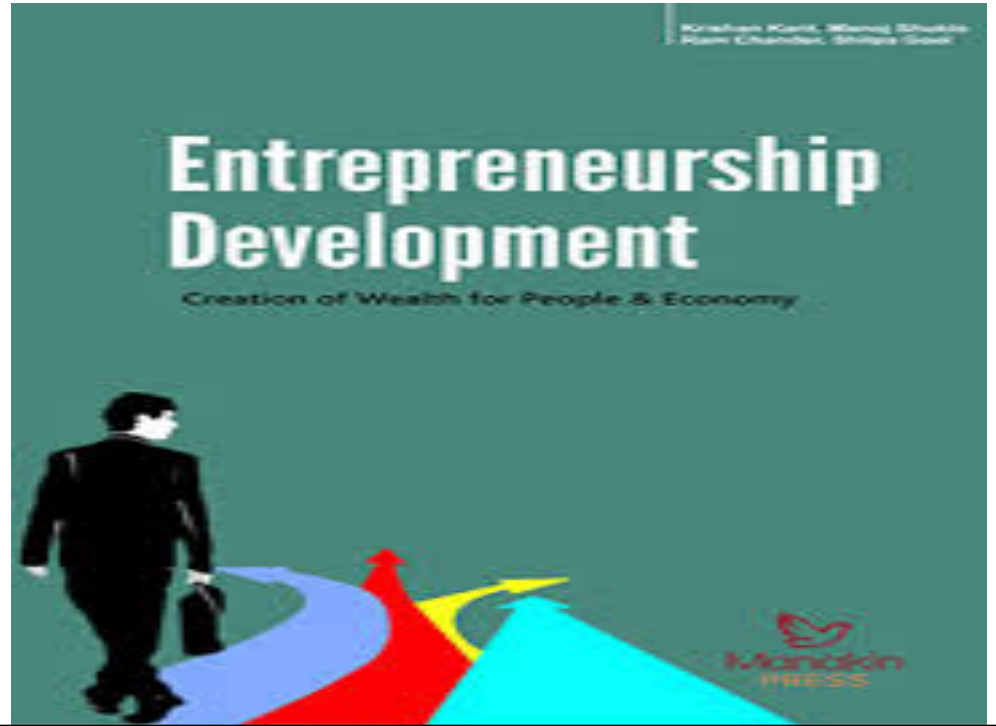
CHAPTER : 3




ENTREPRENEURSHIP
ORGANIZATION
COMPANY
STARTUP
ECONOMICS
VENTURE
NEW
ENTREPRENEUR
FUNDING
CAPITAL
INNOVATION
ENTERPRISE
BUSINESS
MANAGEMENT
FINANCE
IDEA
INVESTOR
SOCIAL
KNOWLEDGE
ACTIVITY
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INTRODUCTION AND HISTORY :

- Entrepreneurs are innovators. They are owners, producers, market creators, decision takers and risk takers.
- They are referred to as fourth ‘Factor of Production’ along with the other factors such as land, labour and capital.
- They generate employment opportunities too.

HISTORY :

- 16th century the term ‘Entrepreneur’ was used by frenchman to denote men leading in military expeditions.
- 1700 A.D. term was used in France for contractors or architects.
- 18th century the term was applied to business and economic activities by the French Economist Richard Cautillon.
- In 1848, te famous economist John Sturt Mill descried ‘Entrepreneurship’ as the founding of private entreprise.

CONCEPT :

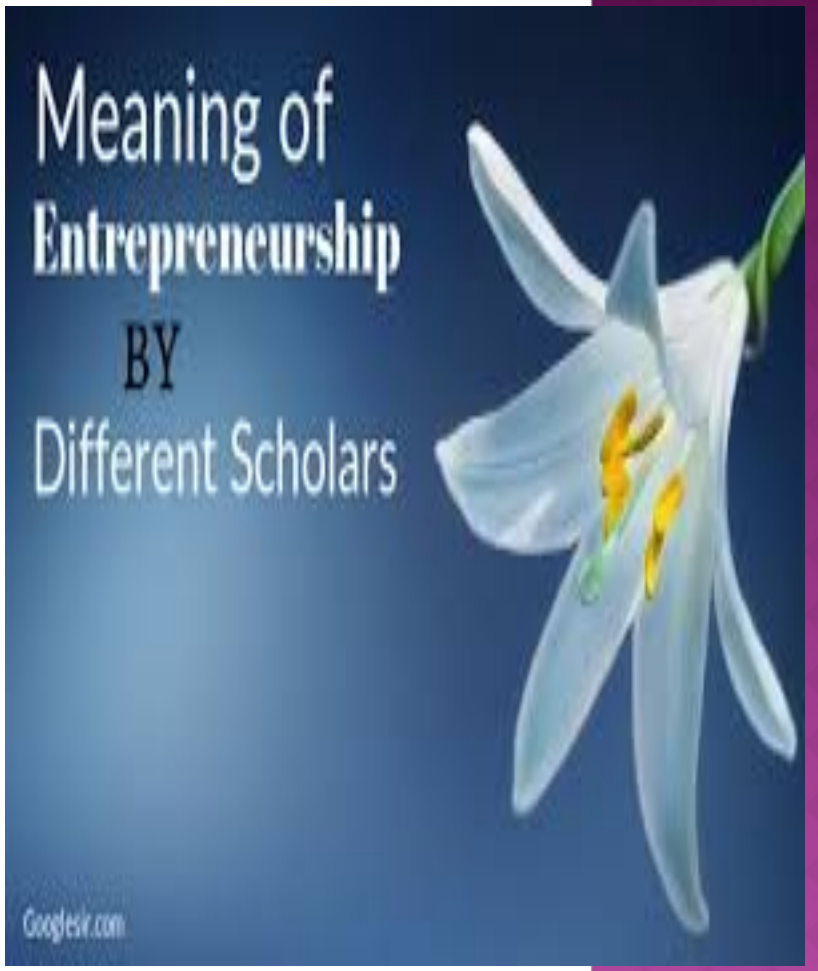
- The word “entrepreneur” comes from the French verb entreprendre, which means “to undertake”.
- An entrepreneur is “a person who starts a business and is willing to risk loss in order to make money”.
- The common keywords ‘businesses’ and ‘risk’ are interrelated. If there is no real risk, a person cannot be called as an entrepreneur.
- Entrepreneurship means the willingness of an individual to start a new business venture by taking risk and managing it in this technology enabled competitive global environment.

DEFINITION :

- **Howard Stevenson**, Professor at Harvard Business School, defines, "**Entrepreneurship** is the pursuit of opportunity beyond resources controlled".

- ***Webster*** dictionary gives a definition "An entrepreneur is a person who starts a business and is willing to risk loss in order to make money".

- **The *Oxford English Dictionary's*** defines "an entrepreneur is a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so."



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CH:2 FUNCTIONS OF MANAGEMENT

CH:2 FUNCTIONS OF MANAGEMENT
TOPIC: STAFFING

STAFFING:

INTRODUCTION:

- It is the process of attracting, recruiting, selecting, placing, appraising, remunerating, developing and retaining the best work force.
- Right person at right job with right pay is the basic principle of staffing.

STAFFING:

DEFINITION:

"The staffing function pertains to the recruitment, selection, development, training and compensation of subordinate managers". -THEO HAIMAN

"Staffing is the whole personnel function of bringing in and training the staff and maintaining favorable condition of work". - LUTHER GULLICK

IMPORTANCE OF STAFFING:

1.EFFECTIVE MANAGERIAL FUNCTION:

- The out come of all other functions depends upon the effectiveness of staffing.
- Competent workforce can work effectively in different functional areas like production, sales, finance etc.

IMPORTANCE OF STAFFING:

2. LEADS TO EFFECTIVE UTILISATION OF RESOURCES:

- Staffing leads to effective utilization of human resources.
- Proper care is taken at every stage such as recruitment, selection, placement, remuneration, training development etc.
- Excessive burden is avoided.

IMPORTANCE OF STAFFING:

3. BUILDS COORDIAL RELATIONSHIPS:

- This function is helpful in building healthy relationship among all levels of employees in the organization.
- Good relation will ensure the better communication and coordination.

IMPORTANCE OF STAFFING:

4. HELPS HUMAN RESOURCE DEVELOPMENT:

- Staffing helps to inculcate organizational culture into employees.
- It trains and develops the existing workforce.
- Skilled and experience employee is an asset of the business.
- It also ensures smooth functioning of work.

IMPORTANCE OF STAFFING:

5. HELPS IN EFFECTIVE USE OF TECHNOLOGY AND OTHER RESOURCES:

- Trained employees can use latest technology, capital, material and methods of work effectively.
- It helps in building competitive strength of the organization.
- It is also helpful in improving standard of work and productivity in terms of quality and quantity.

IMPORTANCE OF STAFFING:

6.IMPROVES EFFICIENCY:

- employees are trained for self development and organizational development, that further improves performance level of employees
- Through proper selection organization gets quality employees.

IMPORTANCE OF STAFFING:

7. LONG TERM EFFECT:

- Proper selection of employees leads the organization towards success.
- Qualified, efficient and skillful workforce gives long term positive effects on the efficiency of the organization

IMPORTANCE OF STAFFING:

8. ESSENTIAL CONTRIBUTION:

- Staffing ensures the continuity and growth of the organization through the development of employees.
- Selection is based on ability of the employees that can meet the future challenge of the organization.
- Therefore contribution of the employee is taken into account in staffing.

IMPORTANCE OF STAFFING:

9. PROVIDES JOB SATISFACTION:

- Employees can be motivated through financial and non financial incentives.
- Training and development programs, fair remuneration and job security provides job satisfaction to the employees.

IMPORTANCE OF STAFFING:

10. MAINTAINS HARMONY:

- In staffing individuals are recruited, selected and placed.
- Their performance is regularly appraised and promotions are given on the basis of merit.
- For all this , criteria is made and duly communicated with employees.
- It brings peace and harmony in organization.

IMPORTANCE OF STAFFING:

Mnemonic of staffing: HELIUM BHEJ

H : HELPS IN HUMAN RESOURCE DEVELOPMENT

E : EFFECTIVE MANAGERIAL FUNCTION

L : LONG TERM EFFECTS

I : IMPROVES EFFICIENCY

U : LEADS TO EFFECTIVE UTILISATION OF RESOURCES

M : MAINTAINS HARMONY

B : BUILDS COORDIAL RELATIONSHIP

H : HELPS IN EFFECTIVE USE OF TECHNOLOGY AND OTHER RESOURCES

E : ESSENTIAL CONTRIBUTION

J : JOB SATISFACTION


Thank
You

SHORT NOTES ANSWER IN BRIEF

04 marks each

Q. 5 Answer in brief : (04 Marks each)

1) Retained Earnings:

- A **part of profit is retained by company** in the form of reserve fund. These reserves are the retained earnings of the company.
- "The process of accumulating corporate profits and their utilization in business is called retained earnings."
- In simple words, a part of net profit, which is not distributed to shareholders as dividend is retained by company in the form of **'Reserve Fund'.**
- Company converts it's reserves into 'bonus share capital' which is called as **'capitalization of reserve' or 'ploughing back of profit' or 'self financing'.**
- **Bonus shares** are issued free of cost to the **existing equity shareholders** out of the retained earnings.
- The Management can convert retained earnings into permanent share capital by issuing bonus shares.
- It is **simple and cheapest method** of raising finance. It is used by established companies.
- It is an **internal source of finance.**

Determinants of retained earnings. :

- ***Total earnings of company :*** *If there is huge profit, company can retain some parts of profit. More the earnings, a company can save more. If the profit is less, Retained earning will be less.*

- ***Taxation Policy :*** *The taxation policy of government is also an important determinant of corporate savings. If the taxes are at high rates, company cannot save of profits as retained earning.*

- ***Dividend Policy :*** *If the Board of Directors has conservative dividend policy , retained earning will be less. But shareholders get dividend at a lower rate.*

- ***Government Control :*** *Company has to formulate it's dividend policy in accordance with the rules and regulations framed by the Government. If government rules are strict, Retained earning will be less. If government rules are liberal, co. can save more retained earnings.*

State the features of Bond.

- Bond is a debt security. It is a formal contract to repay borrowed money with interest. Bond is a loan.
- Bondholder is a creditor of the company.
- He gets fixed rate of interest.
- All bonds have maturity date and is paid in cash at certain date in future.
- According to Webster Dictionary, 'A bond is an interest bearing certificate issued by the government or business firm, promising to pay the holder a specific sum at a specified date.'

■ **Features**

1. **Nature of Finance :** It is a debt Finance. It provides long term finance. The bonds can be issued for longer period i.e. 5 years, 10 years, 25 years, 50 years.
2. **Status of bondholder :** The bondholders are creditors. They do not normal voting rights and hence no participation in the management.
3. **Return on bonds :** The bondholder gets a fixed rate of interest. It is payable at regular interval or on the maturity of bond.
4. **Repayment :** Bonds have specific maturity date on when the principal amount is repaid.

What are the schemes for disbursement of credit by Bank?

- **5) Commercial Banks**

- Commercial banks play significant role in corporate financing in India and assist corporate enterprises

1) By Granting term loans to companies.
2) By subscribing to shares and debentures of companies.
3) By underwriting the issue of securities of the Company.

- have introduced many innovative schemes for **disbursement of credit.** They are as follows :

1. **Overdraft :** A company having current account with bank is allowed overdraft facility. The borrower can withdraw funds as and when needed. He is allowed to overdraw on his current account, up to the credit limit which is sanctioned by bank. Within this stipulated limit any number of drawings are permitted. The interest is paid on the actual amount withdrawn.
2. **Cash Credit :** This form of credit is operated in same manner as overdraft facility. The borrower can withdraw amount from his cash credit account . Cash credit is given against pledge or hypothecation of goods or by providing alternative securities. Interest is charged on outstanding amount borrowed.
3. **Cash loans :** Under this, the total amount of loan is credited by bank to the borrowers

- account. Interest is payable on actual balance outstanding.

1. **Discounting bills of exchange :** The drawer of the bill i.e. (seller) can receive money from drawee (i.e. buyer) on due date or after the due date. Drawer can receive money before due date by discounting the bill with the bank. This is nothing but selling the bill to the bank. The bank gives money to drawer less than the face value of the bill.

Q. What is Trade credit?

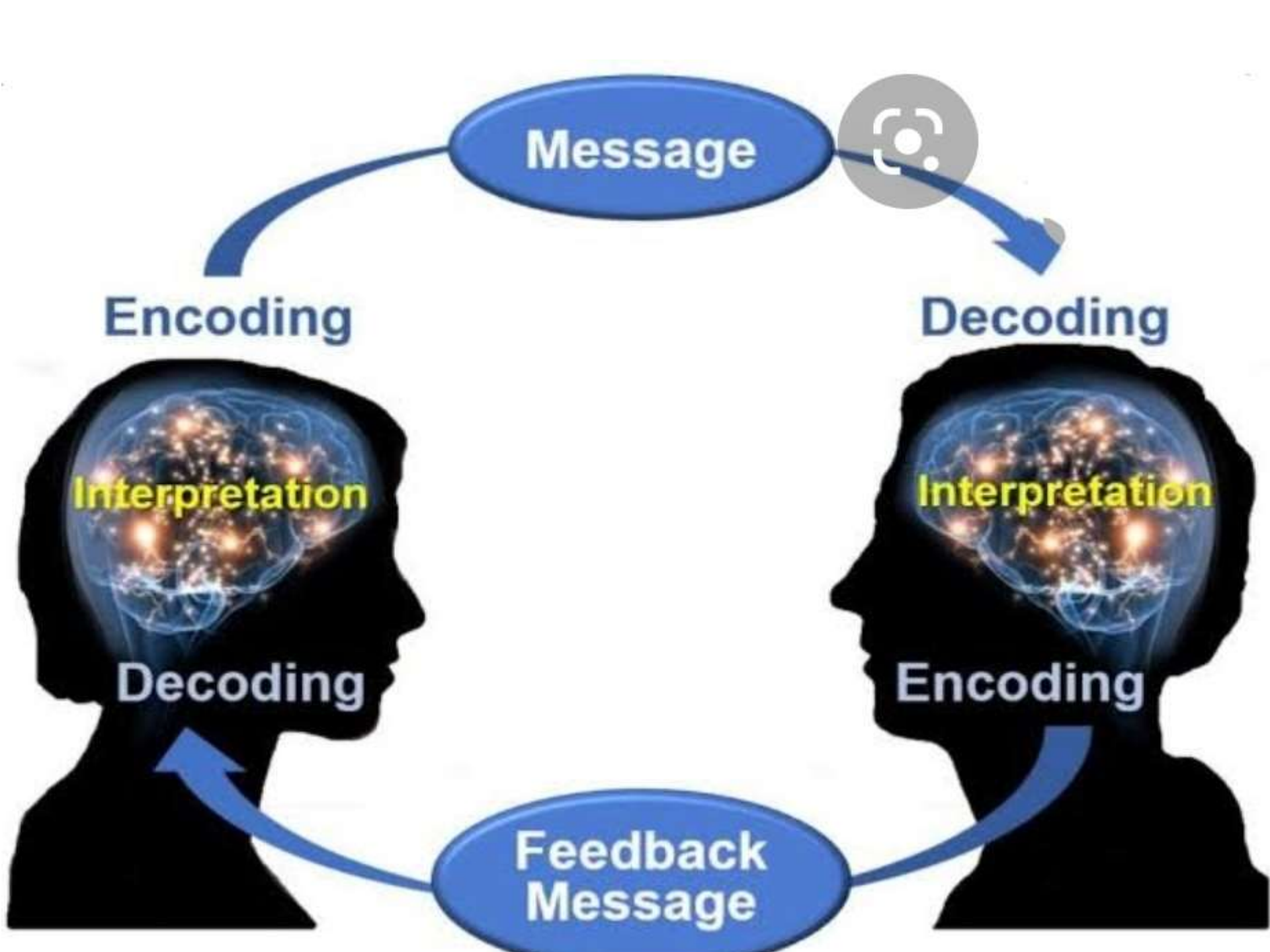
- Trade credit financing is major source of **short term financing.**
- Manufacturers, wholesalers and suppliers of goods or materials are called **‘trade creditors’**.
- Trade credit results from a **credit sale of goods / services**, which has to be paid at a future date after the sale takes place.
- In other words, when goods are delivered by supplier to a customer and the payment is made after some time, it is called as trade credit.
- In distributive trade this kind of credit has great significance. The small retailers, to large extent rely on obtaining trade credit from supplier.
- It is an easy kind of credit which can be obtained **without signing any debt instrument.**
- It is readily available and is **cheap method of financing.**
- Suppliers sell goods and willingly allow 30 days or more, for bill to be paid.
- They even offer discount, if bills are cleared within a short period such as 10 days or 15 days, etc. The terms of trade credit are not rigid.

Q. What is Global Depository Receipt?

- In India, the shares of public company are listed and traded on various stock exchanges like Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).
- some of the Indian company's shares are also listed and traded on foreign stock exchanges like New York Stock Exchange (NYSE) or National Association of Securities Dealer Automated Quotation (NASDAQ).
- To list shares on these stock exchanges, company has to comply with policies of those stock exchanges which are different from India.
- Therefore, those Indian companies which can not list their shares directly on foreign stock exchanges, get listed indirectly using ADR and GDR.
- **If the Depository Receipt is traded in USA, it is called American Depository Receipts (ADR)**
- **If Depository Receipt is traded in a country other than USA is called Global Depository Receipts (GDR).**
- Indian Company issues shares to an intermediary called 'Depository'. Ex. Bank of New York, Citigroup etc. act as foreign Depository Bank.
- The ADR / GDR represent fixed number of shares. These ADR / GDR are then sold to people in foreign country.
- Non-Resident Indians (NRI) and Foreign nationals can invest their money in India by purchasing ADR and GDR.
- The company pays dividend in home currency to the depository bank and the depository bank converts it into the currency of investor and pays dividend.
- The exchanges on which GDR is traded are as follows :

1) London stock exchange.
2) Luxembourg Stock exchange.
3) NASDAQ Dubai.
4) Singapore Stock exchange.
5) Hongkong Stock exchange.


Writing Skills
Drafting A Virtual Message


Message
Encoding
Decoding
Interpretation
Interpretation
Decoding
Encoding
Feedback
Message

A Message is an informal means ofcommunication

Communication means exchange of ideas, thoughts and information from one person to another.

Various forms of communication:

Oral **written** **Virtual**

Most often the input for a message comes in the form of a telephonic conversation between two people. The virtual conversation conveyed in the conversation is to be converted into a message for a third person. Whereas, sometimes, standard instructions contain the necessary information for the message. Such messages are written on small pieces of papers called memo-slips. Basically such messages contain the following:

FORMAT

- **Date**
- **Time**
- **Name of a person whom the message is directed**
- **Body of the message**
- **Name of the writer/ sender**

Four Types of Messages:

Positive Message:.

Convey good feelings.
Good thoughts,
Thanks , Appreciation,
Extended help etc....

Neutral Message

Dry message,
No feeling,No emotions.
Neither joy nor sorrow. etc....

Negative Message.

Convey disappointment.
Disapproval, Refusal,.
Denial etc...

Persuasive Message

Persuasive
Convincing etc....

Points to remember :

While writing the body of the message, the following points have to be kept in mind.

- Only the most important details should be written.
- No new information should be added.
- Grammatically correct sentences should be used.
- Indirect or reported speech should be used.
- The message should be written in simple language and without any abbreviations.
- Check your message before you submit and send it.
- Be friendly and polite.
- Avoid pun/ambiguity/witticism, in short words that would create confusion or a chaotic situation.

Example:

You receive a telephone call from your mother's office when she is not at home. You have the following conversation with the speaker. But you have to go for your tuition class. So you leave a message for your mother. Write the message within 50 words using the information given below. Do not add any new information.

Ambuj : Hello!

Mr Rastogi : Hello! May I speak to Ms Dixit, please? I am Naresh Rastogi from the office.

Ambuj : Mom's not at home right now.

Mr Rastogi : In that case can you give her a message? It is urgent. Please tell her that the meeting fixed for tomorrow has been rescheduled. Ask her to check her mail as soon as possible for the details. Please don't forget to inform her.

Ambuj : Don't worry. I will tell her as soon as she returns. 14 Feb 3:30 pm

Message

Mom

Mr Rastogi from the office called up to say that the meeting fixed for tomorrow has been rescheduled. He wants you to check your mail as soon as possible for the details. He said it was urgent.

Ambuj

(A1) (i) In pairs, enact the given conversation between Rakesh and Mrs Sarkar.

Rakesh : Hello, may I speak to Dr Sarkar?

Mrs Sarkar : He has gone to the hospital to attend the OPD. May I know who is speaking?

Rakesh : Yes. I am Rakesh Sood. My wife has been having a severe headache since yesterday. Since this morning she has also developed a high temperature. I would be very grateful if the doctor could come over to our place to examine her.

Mrs Sarkar : Of course. Please let me note down your address.

Rakesh : It is B-49, New Colony.

Mrs Sarkar : I will give him your message as soon as he returns.

Rakesh : Thank you.

Mrs Sarkar had to leave for the school where she teaches. So she wrote a message for her husband. Draft the message in not more than 50 words.


THANK YOU

Nirmala Memorial Foundation Junior College Of Commerce and Science

ENGLISH ONLINE LECTURE

Mast. Jenold Misquitta

GROUP DISCUSSION

Group Discussion

- The term suggests a discussion among a group of persons.
- The group will have 8 & 12 members who will express their views freely, frankly in a friendly manner, on a topic of current issue.
- Within a time limit of 20 to 30 minutes,the abilities of the members of the group is measured.

Prerequisites of a Group Discussion

- Topics given by panelists
- Planning and preparation
- Knowledge with self-confidence
- Communication skills/ power of speech
- Presentation
- Body Language and personal appearance
- Being calm and cool

HOW TO FACE GD

- Communication Skills
- Knowledge and ideas regarding a given subject
- Capability to co-ordinate and lead
- Exchange of thoughts
- Addressing the group as a whole
- Thorough preparations

DO'S

- Speak pleasantly and politely to the group.
- Respect the contribution of every speaker.
- Remember that a discussion is not an argument. Learn to disagree politely.
- Think about your contribution before you speak.
- Try to stick to the discussion topic. Don't introduce irrelevant information.
- Be aware of your body language when you are speaking.
- Agree with and acknowledge what you find interesting.

DONT'S

- Lose your temper. A discussion is not an argument.
- Shout. Use a moderate tone and medium pitch.
- Use too many gestures when you speak. Gestures like finger pointing and table thumping can appear aggressive.
- Dominate the discussion. Confident speakers should allow quieter students a chance to contribute.
- Draw too much on personal experience or anecdote. Although some tutors encourage students to reflect on their own experience, remember not to generalise too much.
- Interrupt. Wait for a speaker to finish what they are saying before you speak.

Benefits in Group discussion

- Stimulation of thinking in a new way.
- Expansion of knowledge
- Understanding of your strength and weakness.
- Your true personality is revealed and qualities of leadership crystallize

GD Phrases

Ask	Agree	Disagree
What do you think?	I agree	I disagree
How about you?	I feel the same way.	I have a different idea. I think...
How do you feel about it?	I have the same opinion as...	I don't think so.
Could you tell me ...?	That's what I think too.	Really?
I'd like to ask (you) about...	Same here.	No. I think ...
I'd like to know...	Me too.	That doesn't make any sense.

Get in	Get more	Get through
Pardon, but...	Could you repeat that	The main reason is...
May I say something here?	I missed the end of that.1	...because...
Excuse me for interrupting, but...	Sorry, I missed something there.	That's why...
Can we go back to what (name) just said?	Hmm? What was that?	And then...
Wait a minute!	I didn't get that.	And there's another reason...
Sorry, but...	Could you go over that again?	The really important thing is...
Can we slow down a minute?	Huh?	That's like...

Sample Questions

(i) An economically deprived girl student in your class who has received admission in a reputed college abroad needs monetary help to pursue further studies there. Have a group discussion amongst your friends to seek solutions to help her. Write four/five views in the form of dialogues.

(ii) There is an inter-school cricket match and your school is losing. As you are the captain, have a group discussion with your teammates in the tea-break about the strategy to be followed to save your school from losing the match. Give at least four/five suggestions.

(iii) Form four groups in your class and have a group discussion on the following topics.

(a) Role of ICT in education

(b) Clean India

Thank you

ADVANCED WEB DESIGNING

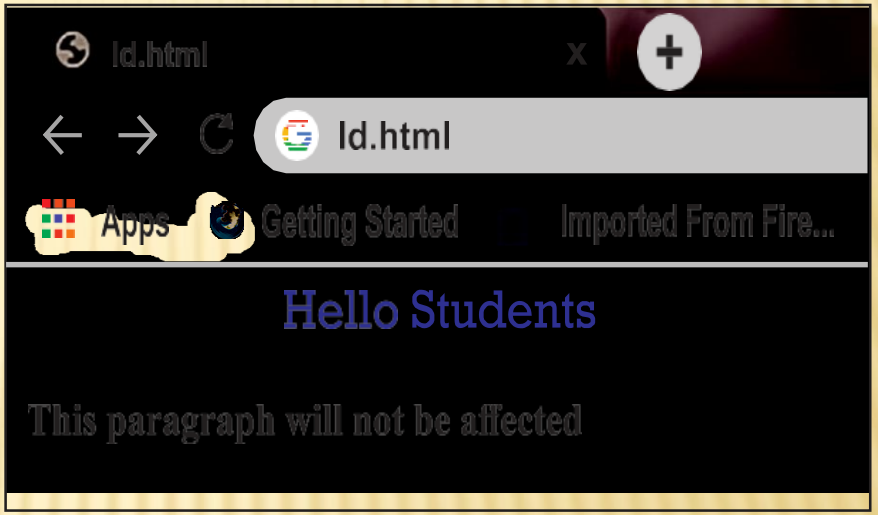
SELECTOR

- Id Selector
- Class Selector
- Universal Selector
- Group Selector

CSS ID SELECTOR

- **The Id selector selects the id attribute of an HTML element to select a specific element.**
- An id is always unique within the page so it is unique element.
- It is written with the hash character(#), followed by the id name.

- <!DOCTYPE html>
- <html>
- <head>
- <style>
- #para1{text-align: center; color: blue}
- </style>
- </head>
- <body>
- Hello Students
- This paragraph will not be affected.
- </body>
- </html>



CSS CLASS SELECTOR

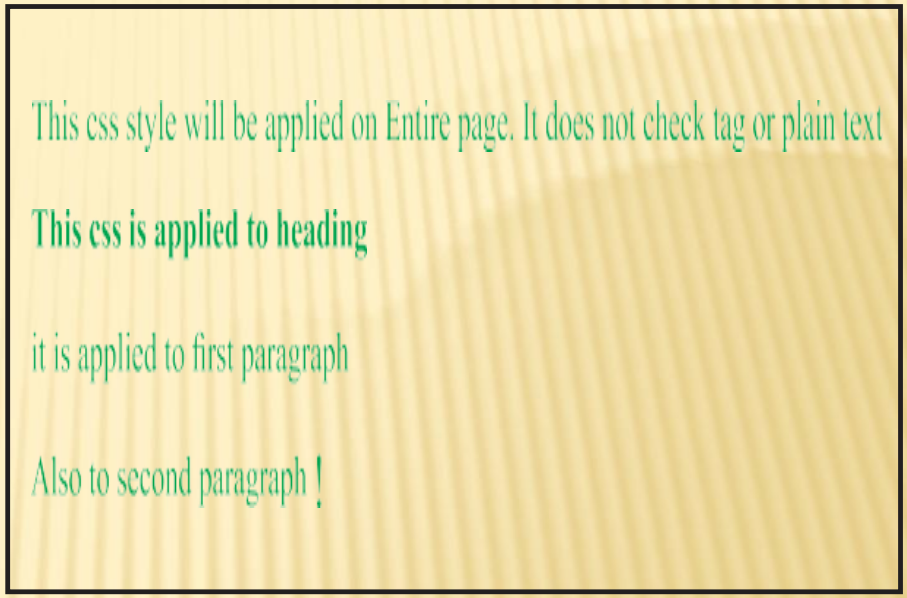
- The class selector selects HTML elements with a specific class attribute.
- **It is used with a period character '.'**
- (full stop symbol) followed by the class name.
- **The Class selector is used when you want to change a group of elements within your HTML page.**
- The class name should not start with number.

```
<!DOCTYPE html>
<html>
<head>
<style>
.intro{text-align:center;color:blue}
</style></head>
<body>
<h1 class="intro">This heading is blue and center-aligned.</h1>
<p  class="intro">This paragraph  is blue and center-aligned.</p>
</body>
</html>
```

UNIVERSAL SELECTOR

- The universal selector is used as a wildcard character.
- It selects all the elements on the Webpages.

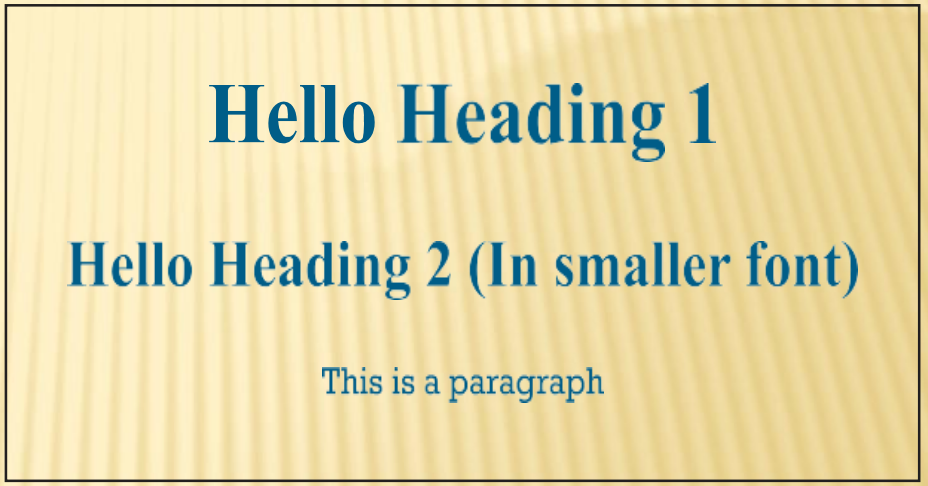
```
<!DOCTYPE html>
<html><head><style>
* { color: green; font-size: 20px;}
</style></head>
<body>
This css style will be applied on Entire page.It does not check tag or plain text<br>
<h2>This css is applied to heading
</h2>
<p id="para1">it is applied to first paragaraph</p>
<p>Also to second paragraph !</p>
</body>
</html>
```



GROUP SELECTOR

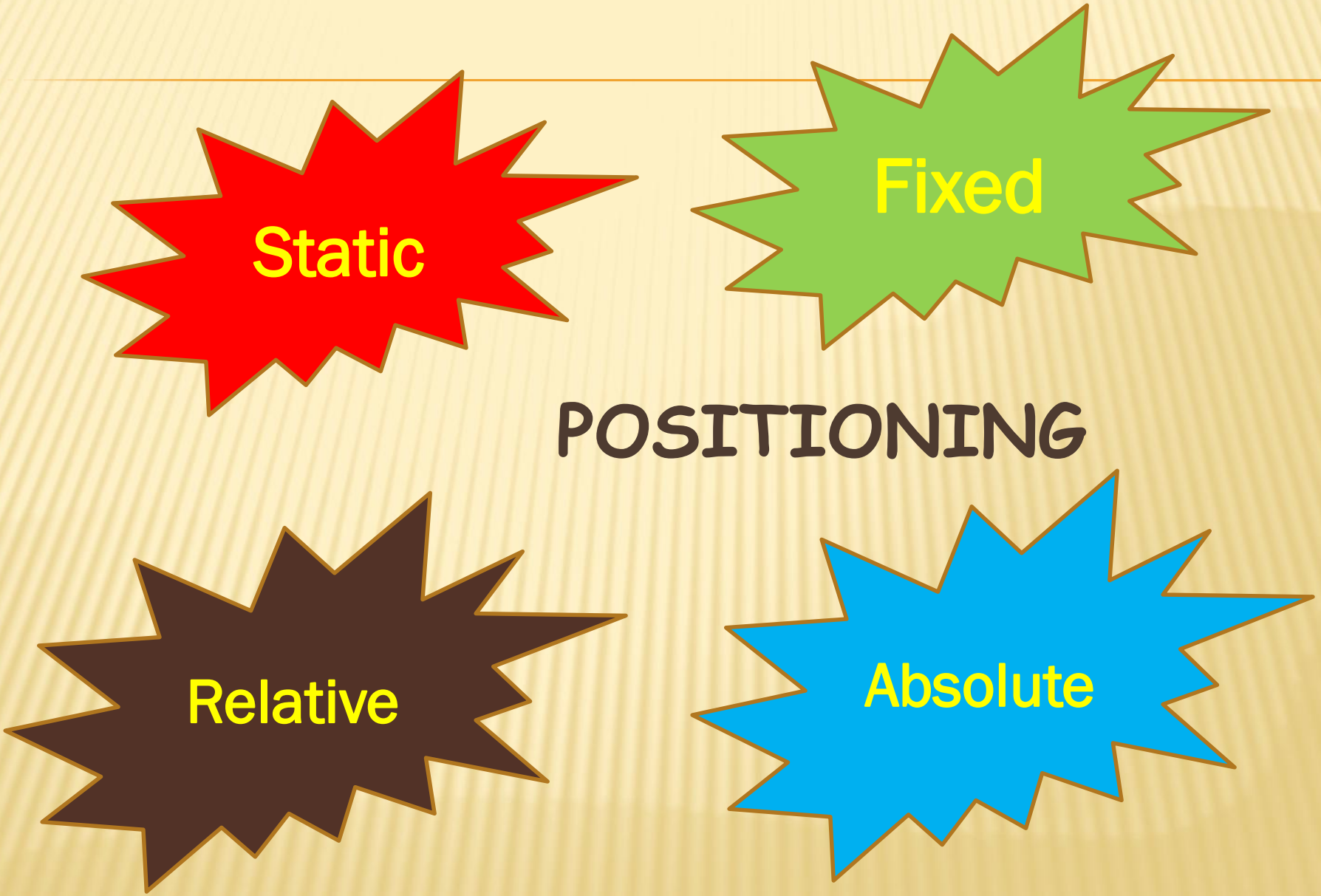
- The grouping selector is used to select all the elements with the same style definitions.
- It is used to minimize the code.
- Commas are used to separate each selector in grouping.
- *h1{ text-align:center;color:blue}*
- *h2{ text-align:center;color:blue}*
- *p {text-align:center;color:blue}*
- It can be grouped as-
- *h1,h2,p{ text-align:center;color:blue}*

```
<!DOCTYPE html>
<html>
<head>
<style>
h1,h2,p{text-align: center;
color: blue}
</style>
</head>
<body>
<h1>Hello Heading 1</h1>
<h2>Hello Heading2
(In   smaller font)</h2>
<p>This is a paragraph.</p>
</body>
</html>
```



POSITIONING IN CSS

- The position property is used to set position for an element.
- The element can be positioned using the top, bottom, left and right properties.
- **Syntax :** *Selector{position:value;top:value; left:value:bottom:value;right:value}*
- Where values in positions are fixed, absolute, relative and values of top, bottom, left, right are in pixels


Static
Fixed
POSITIONING
Relative
Absolute

STATIC POSITIONING

- This is a by- default position for HTML elements. It is not affected by the top, bottom, left and right properties.

FIXED POSITIONING

- The FIXED property forces an element into a fixed position relative to the browser window.
- Eg:
- p.fixed{position: fixed; top: 50px; right: 5px; color: blue}

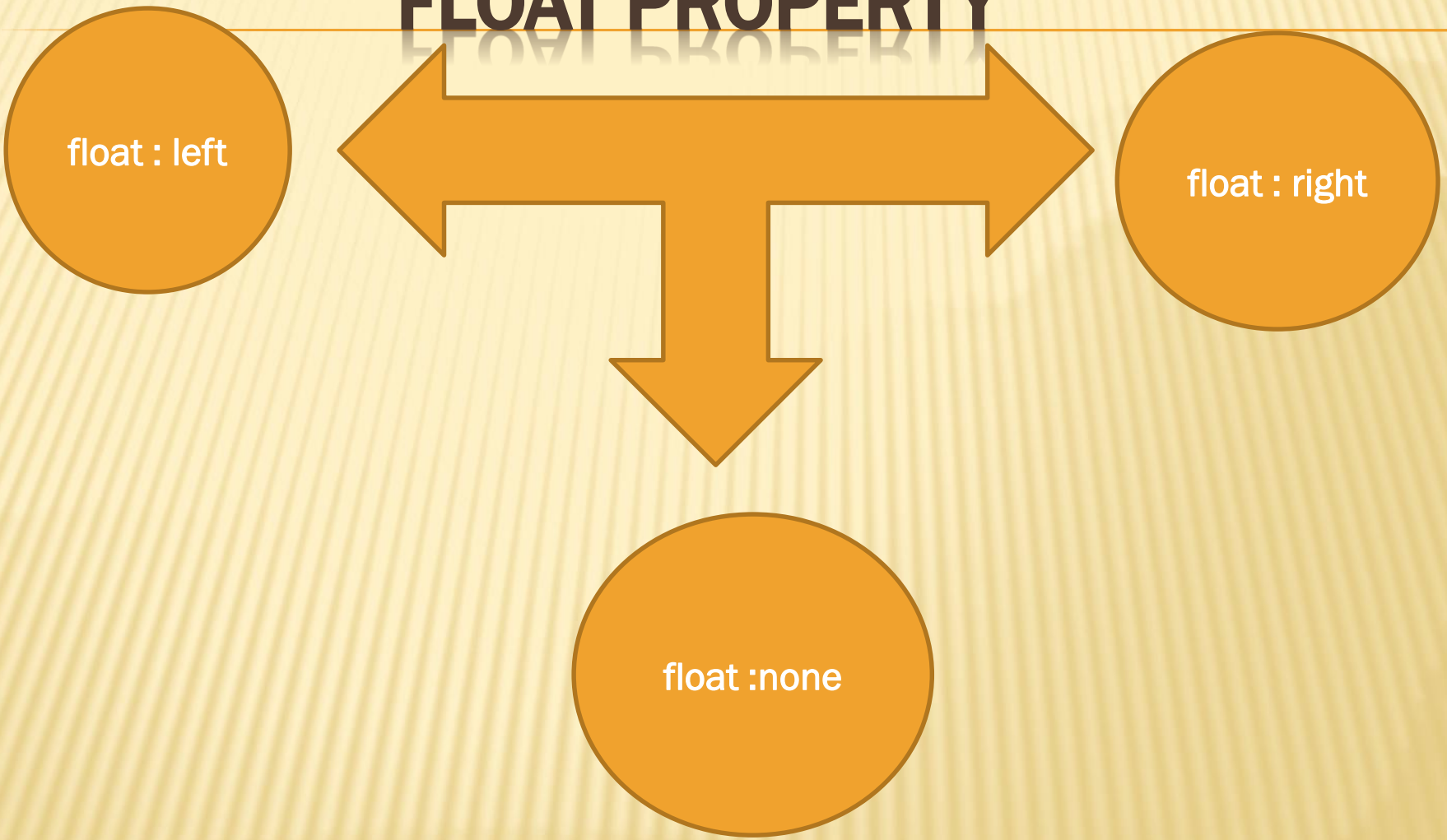
RELATIVE POSITIONING

- The relative positioning property is used to set the element relative to its normal position.
- Eg:
- .first{position: relative;top: -10px; right: -10px;}

ABSOLUTE POSITIONING

- This property sets an element in a specific location and it is not affected by the flow of the page.
- This property positions the element at the specified coordinates relative to your screen top-left corner.

FLOAT PROPERTY



FLOAT PROPERTY

- The float property defines the flow of content.
- **float : left :** This keeps the element float on left side of the container
- **float : right :** This keeps the element float on right side of container
- **float : none :** This is default property
- i.e. this shows the element as it is.

- Eg:
- .float-left{float:left;font- size:20px;background-color:gold}
- .float-right{float: right;
- font-size:20px;background-color:gold}

DISPLAY PROPERTY

- The Display property in CSS defines how the components (div, hyperlink, heading, etc) are going to be placed on the web page.
- It specifies how the element is displayed.
- **Syntax :**
- *Display : value;*

TYPES OF VALUES

- **Inline :** It is used to display an element as an inline element.
- **Block :** It is used to display an element as an block element. It starts on a new line, and takes up the whole width of the browser window.
- **Block-inline :** This value is very similar to inline element but the difference is that you are able to set the width and height.
- **None :** The element is completely removed.

```
<!DOCTYPE html>
<html>
<head>
<style>
p {
display: inline;
}
</style>
</head>
<body>
<p>welcome to balbharti</p>
 <p>Javascript</p>
<p>HTML5</p>
 <p>CSS</p>
</body></html>
```

ORDERED LIST OR NUMBERED LIST

- The <ol> tag defines an ordered list. An ordered list can be numerical or alphabetical.

List of Topics

1. Basics of IT
2. HTML 5
3. PostgreSQL

List of Topics start with series 50

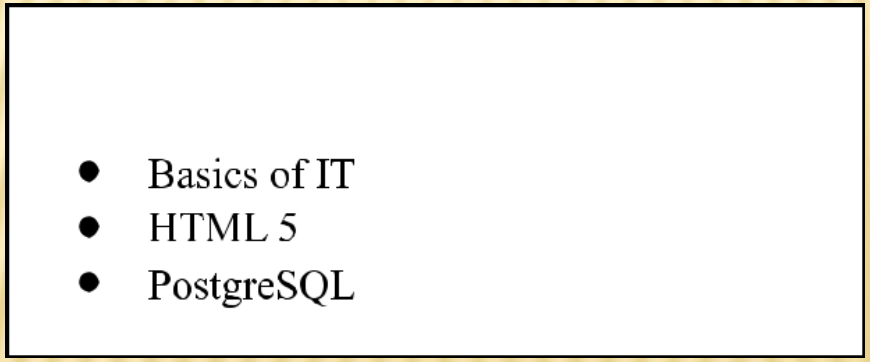
50. Basics of IT
51. HTML 5
52. PostgreSQL

ATTRIBUTES OF <OL> TAG-

Attribute	Values	Description
Type	"1“/"a"/"I"/"i"	1 is default value and other values specify the numbering type for the used items.
Reversed	Reversed	This attribute specifies that the items of the list are specified in the reverse order.
Start	Number	Specifies the starting number of the first item in an ordered list.

UNORDERED LIST OR BULLETED LIST

- An unordered list created using the <ul> tag, and each list item starts with the <li> tag.
- The list items in unordered lists are marked with bullets (small black circles), by default.



Attribute	Values	Description
Type = disc/ circle/square (use style (css) instead of type attribute in HTML5. Type attribute is supported by previous versions of HTML)	Style="list-style-type:disc“ style="list-style-type:circle" style="list-style-type:square" style="list-style-type:none" 	Sets the list item marker to a bullet (default) Sets the list item marker to a circle Sets the list item marker to a square The list items will not be marked

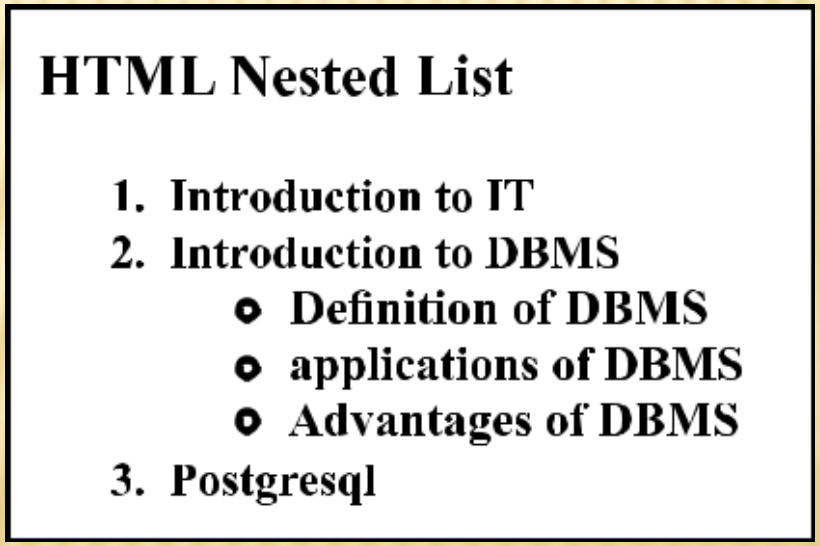
DEFINITION LIST

- To define a definition list <dl> tag is used.
- You can create items in definition list with the <dt> and <dd> tags.
- The <dt> tag is used to define the term whereas the <dd>tag is used to define the term's definition.

```
<!DOCTYPE html>
<html>
<head>
<title>definition List</title> </head><body>
<h3>Example of HTML definition

List</h3>
<dl>

<dt><b>Web</b></dt>

<dd>The part of the Internet that contains websites and web pages</dd> <dt><b>HTML</b></dt>

<dd>A markup language for creatingweb pages</dd>

<dt><b>CSS</b></dt>
<dd>A technology to make HTML lookbetter</dd>


</dl>

</body>

</html>
```

NESTED LIST

List within another list either order list or unordered list is called nested list.



COMMISSION, BROKERAGE & DISCOUNT

- **Salesmans:** When transactions like sale, purchase, auction etc. are done through some middlemen, such middlemen are called Salesmans.
- **Principal:** Principal refers to an individual party or parties participating in a transaction.
- **Commission:** The charges paid to an Salesman for doing the work on behalf of principal is called commission.
- **Commission Salesmans:** A commission Salesman is a person who buys or sells goods on behalf of his principal and gets commission for his service.
- **Broker:** A broker is an Salesman who brings together the buyer and the seller for the purpose of purchase or sale. This commission is called brokerage and is charged to both the parties.
- **Auctioneer:** An auctioneer is an Salesman who sells goods by auction. He sells goods to the highest bidder. Many a time name of the principal is not disclosed in the transaction.
- **Factor:** A factor is an Salesman who is given the possession of goods and enters a contract for sale in his/her own name.
- **Del Credere Salesman:** A del credere Salesman gives guarantee to his principal that the party to whom he/she sells the goods will pay the sale price of goods.
- Salesman gets additional commission other than the usual commission for this. This is known as **delcredere** commission.

COMMISSION, BROKERAGE & DISCOUNT

- **Discount** is the reduction in the price of an article, allowed by the seller to the purchaser.
- There are two types of Discounts
- **Trade discount:** Trade discount is allowed by one trader to another. It is given on the catalogue price, list price or market price of the goods.
- **Cash discount:** Cash discount is allowed in consideration of ready cash payment.
- The buyer may be allowed both of these discounts.
- In such a case the trade discount is first calculated on the catalogue (list) price. The cash discount is then calculated on the price obtained after deducting the trade discount from the list price.
- **Invoice price = List price (Catalogue price) – Trade discount.**
- **Selling Price / Net Selling Price = Invoice price – Cash discount**
- **Profit = Net selling price – Cost price**
- **Loss = Cost price – Net selling price**

EXERCISE 1.1

1) An Salesman charges 12% commission on the sales. What does he earn if the total sale amounts to Rs. 48,000? What does the seller get?

Sol: Rate of commission$= 12\%$

Total sale $= Rs. 48{,}000$

Salesman Commission $= \frac{12}{100} \times 48000 = 12 \times 480$

Salesman Commission $= \boldsymbol{Rs. 5760}$

Amount Recived by Seller $=$ Total Sale $-$ Salesman's Commission

$= 48000 - 5760$

Amount Recived by Seller$= \boldsymbol{Rs. 42,240}$

EXERCISE 1.1

2) A salesman receives 3% commission on the sales up to Rs. 50,000 and 4% commission on the sales over Rs. 50,000. Find his total income on the sale of Rs. 2, 00,000.

Sol: Total sale $= Rs.\,2{,}00{,}000$

Rate of commission$=$ 3% on the sales upto Rs. 50, 000

Salesman Commission $= \frac{3}{100} \times 50000 = 3 \times 500$

Salesman Commission $= \boldsymbol{Rs.\,1500}$

Remaining Amount $= 2{,}00{,}000 - 50{,}000 = Rs.\,1{,}50{,}000$

4% commission on the sales over Rs. 50,000

Salesman Commission $= \frac{4}{100} \times 1{,}50{,}000 = 4 \times 1500$

Salesman Commission $= \boldsymbol{Rs.\,6{,}000}$

Total Commission $= 1500 + 6000$

Total Commission $= \boldsymbol{Rs.\,7{,}500}$

EXERCISE 1.1

3) Ms. Saraswati was paid Rs. 88,000 as commission on the sale of computers at the rate of 12.5%. If the price of each computer was Rs. 32,000, how many computers did she sell?

Sol: Rate of commission$= 12.5\%$

Total Commission Paid $= Rs.\,88{,}000$

Let the total sale $= Rs.\,x$

Commission $= \frac{12.5}{100} \times x = \frac{125\,x}{1000} = \frac{x}{8}$

$\therefore\ 88{,}000 = \frac{x}{8} \Longrightarrow x = 8 \times 88{,}000 = 7{,}04{,}000$

$\therefore$ **Total sale $= \boldsymbol{Rs.\,7,04,000}$**

Price per computer $= Rs.\,32{,}000$

$\therefore$ No. of computer Sold $= \frac{Total\ sale}{Price\ per\ computer} = \frac{7{,}40{,}000}{32{,}000}$

$\therefore$ **No. of computer Sold $=22$**

EXERCISE 1.1

4) Anita is allowed 6.5% commission on the total sales made by her, plus a bonus of $\frac{1}{2}$% on the sale over Rs.20, 000. If her total commission amount to Rs. 3400. Find the sales made by her.

Sol: Rate of commission= 6.5%, Rate of Bonus = $\frac{1}{2}$ % on the sale over Rs. 20,000

Total Commission Paid = $Rs.3{,}400$

Let the total sale = $Rs.x$

Commission = $\frac{6.5}{100} \times x = \frac{65\,x}{1000} = \frac{13x}{200}$

Qualifying amount for getting bonus = $x - 20{,}000$

$\therefore Bonus = \frac{\frac{1}{2}}{100} \times (x - 20{,}000) = \frac{x - 20{,}000}{200}$

$\therefore$ Total Commission = Commission + Bonus = $\frac{13x}{200} + \frac{x - 20{,}000}{200} = \frac{14x - 20{,}000}{200}$

$\therefore \frac{14x - 20{,}000}{200} = 3{,}400 \Longrightarrow 14x - 20{,}000 = 6{,}80{,}000 \Longrightarrow 14x = 6{,}80{,}000 + 20{,}000$

$\therefore 14x = 7{,}00{,}000 \Longrightarrow x = \frac{7{,}00{,}000}{14} = 50{,}000$

$\therefore$ **Total sale = $Rs.50{,}000$**

EXERCISE 1.1

5) Priya gets salary of Rs. 15,000 per month and commission at 8% on the sales over Rs.50,000. If she gets Rs. 17,400 in a certain month, find the sales made by her in that month.

Sol: Rate of commission$=$ 8% on the sale over Rs.50,000, Salary $= Rs.\,15{,}000$ per month

Total Salary $= Rs.\,17{,}400$

Total Salary $=$ Salary $+$ Commission

$\Longrightarrow$ Commission $=$ Total Salary $-$ Salary $= 17400 - 15000$

$\Longrightarrow$ Commission $= Rs.\,2400$

Let the total sale $= Rs.\,x$

Qualifying amount for getting Commission $= x\ - 50{,}000$

Commission $= \frac{8}{100}\ \times (x\ - 50{,}000)$

$2{,}400 = \frac{8x - 4{,}00{,}000}{100} \Longrightarrow 2{,}40{,}000 = 8x - 4{,}00{,}000 \Longrightarrow 8x = 6{,}40{,}000$

$\therefore 8x = 6{,}40{,}000 \Longrightarrow x = \frac{6{,}40{,}000}{8} = 80{,}000$

$\therefore$ **Total sale** $= \boldsymbol{Rs.\,80{,}000}$

EXERCISE 1.1

6) The income of a broker remains unchanged though the rate of commission is increased from 4% to 5%. Find the percentage reduction in the value of the business.

Sol : let the initial value of business br Rs. 100

Orignal income at he broker at the rate of $4\% = \frac{4}{100} \times 100 = 4$

Now, let the new value of business $= x$

New income at he broker at the rate of $5\% = \frac{5}{100} \times x = \frac{x}{20}$

But, income of the broker unchanged

$4 = \frac{x}{20} \Longrightarrow x = 4 \times 20 = 80$

the new value of business $= 80$

There is 20% reduction in the value of business.

EXERCISE 1.1

7) Mr. Pavan is paid a fixed weekly salary plus commission based on percentage of sales made by him. If on the sale of Rs.68, 000 and Rs. 73,000 in 2 successive weeks, he received in all Rs.9, 880 and Rs.10, 180, find his weekly salary and the rate of commission paid to him.

Sol : let the fixed salry of Mr. Pawan = Rs. x

Total Salary = Fixed Salary + Commission …… (1)

On the sale of Rs. 68,000 his income Rs. 9,880

9,880 = x + Commission …… (2)

On the sale of Rs. 73,000 his income Rs. 10,180

10,180 = x + Commission …… (3)

Subtracting (2) from (3)

300 = commission on 5,000

Commission on Rs. 100 = $\frac{100 \times 300}{5000} = 6$

Rate of Commission = 6%

Commission on Rs. 73,000 = $\frac{73{,}000 \times 6}{100} = 4{,}380$

Substituting in Equation (3)

10,180 = x + 4380 $\Longrightarrow x = 10{,}180 - 4380 = 5{,}800$

Mr. Pravin Weekly Salary = Rs. 5,800 and Rate of commission = 6%

EXERCISE 1.1

8) Deepak's salary was increased from Rs.4, 000 to Rs. 5,000. The sales being the same, due to reduction in the rate of commission from 3% to 2%, his income remained unchanged. Find his sale.

Sol: Let The Sales of Mr. Deepak $= Rs.x$

Income = Salary + Commission on Sale …… (1)

When his salary is Rs. 4,000, the rate of commission is 3%

$$\text{Income} = 4000 + \frac{3}{100} \times x = 4000 + \frac{3x}{100} = \frac{4{,}00{,}000+3x}{100} \ldots\ldots\ldots\ldots (2)$$

When his salary is Rs. 5,000, the rate of commission is 2%

$$\text{Income} = 5000 + \frac{2}{100} \times x = 5000 + \frac{2x}{100} = \frac{5{,}00{,}000+2x}{100} \ldots\ldots\ldots\ldots (3)$$

But, his income remain unchanged.

$$\frac{4{,}00{,}000+3x}{100} = \frac{5{,}00{,}000+2x}{100}$$ from (2) and (3)

$$4{,}00{,}000 + 3x = 5{,}00{,}000 + 2x$$

$$3x - 2x = 5{,}00{,}000 - 4{,}00{,}000$$

$$\boldsymbol{x = 1{,}00{,}000}$$

EXERCISE 1.1

9) An Salesman is paid a commission of 7% on cash sales and 5% on credit sales made by him. If on the sale of Rs.1, 02,000 the Salesman claims a total commission of Rs.6, 420, find his cash sales and credit sales.

Sol: Commission on Cash sale = 7%

Commission on Credit Sale $= 5\%$

Let the Cash Sale $= Rs.x$

Credit sale $= (Rs.1{,}02{,}000 - x\ )$

Commission on Cash Sale $= \frac{7}{100} \times x = \frac{7x}{100}$

Commission on Credit Sale $= \frac{5}{100} \times (1{,}02{,}000 - x) = \frac{5{,}10{,}000-5x}{100}$

Total Commission = Commission on Cash Sale + Commission on credit Sale

$6{,}420 = \frac{7x}{100} + \frac{5{,}10{,}000\ -5x}{100} = \frac{2x+5{,}10{,}000}{100}$

$6{,}42{,}000 = 2x + 5{,}10{,}000$

$6{,}42{,}000 - 5{,}10{,}000 = 2x$

$2x = 1{,}32{,}000$

$x = 66{,}000$

Cash Sale $= Rs.66{,}000$

Credit Sale $= 1{,}02{,}000 - 66{,}000 = Rs.36{,}000$

EXERCISE 1.1

10) Three cars were sold through an Salesman for Rs.2, 40,000, Rs.2, 22,000 and Rs.2, 25,000 respectively. The rates of commission were 17.5% on the first, 12.5% on the second. If the Salesman overall received 14% commission on the total sales, find the rate of commission paid on the third car.

Sol : let the Commission Paid on Third car be x

Car	I	II	III	Total
S . P.	2,40,000	2,22,000	2,25,000	6,87,000
% Commission	17.5 %	12.5 %	x %	14 %
Commission	$= \frac{17.5}{100} \times 2{,}40{,}000$ $= 42{,}000$	$= \frac{12.5}{100} \times 2{,}22{,}000$ $= 27{,}750$	$= \frac{x}{100} \times 2{,}25{,}000$ $= 2{,}250x$	$= \frac{14}{100} \times 6{,}87{,}000$ $= 96{,}180$

$42{,}000 + 27750 + 2250x = 96180$

$69750 + 2250x = 96180 \Longrightarrow 2250x = 96180 - 69750 = 26430$

$x = \frac{26430}{2250} = 11.746 = 11.75\%$

Rate of Commission paid on third car $= 11.75$ %

EXERCISE 1.1

11) Swatantra Distributers allows 15% discount on the list price of washing machine. Further 5% discount is given for cash payment. Find the list price of the washing machine if it was sold for the net amount of Rs. 38356.25.

Sol : Let the List price (Marked Price) $= Rs.x$

Rate of Discount $= 15\%$

Discount $= \frac{\mathbf{15}}{\mathbf{100}} \times \boldsymbol{x} = \frac{\mathbf{3}\boldsymbol{x}}{\mathbf{20}}$

Invoice Price $= Mark\ Price\ - Discount = x - \frac{3x}{20} = \frac{17x}{20}$

Rate of Cash Discount $= \mathbf{5}\%$

Cash Discount $= \frac{\mathbf{5}}{\mathbf{100}} \times \frac{\mathbf{17}\boldsymbol{x}}{\mathbf{20}} = \frac{\mathbf{1}}{\mathbf{20}} \times \frac{\mathbf{17}\boldsymbol{x}}{\mathbf{20}} = \frac{\mathbf{17}\boldsymbol{x}}{\mathbf{400}}$

Net Price $= Invoice\ Price\ - Cash\ Discount = \frac{17x}{20} - \frac{17x}{400} = \frac{17x}{20}\left(1 - \frac{1}{20}\right)$

$\mathbf{38356.25} = \frac{\mathbf{17}\boldsymbol{x}}{\mathbf{20}} \times \frac{\mathbf{19}}{\mathbf{20}}$

$\boldsymbol{x} = \frac{\mathbf{38356.25} \times \mathbf{400}}{\mathbf{17} \times \mathbf{19}} = \frac{\mathbf{1{,}53{,}42{,}500}}{\mathbf{323}} = \mathbf{47,500}$

The list Price of Washing Machine is Rs. 47,500

EXERCISE 1.1

12) A bookseller received Rs.1,530 as 15% commission on list price. Find list price of the books.

Sol: Rate of commission$= 15\%$

Let the List Price $=$ Rs. x

Commission $= \frac{15}{100} \times x = \frac{3x}{20}$

Amount received by Books seller $= Rs.1{,}530$

Amount received by Books seller $=$ List Price $-$ Commission

$\therefore 1{,}530 = x - \frac{3x}{20} \Longrightarrow \frac{17x}{20} = 1{,}530 \Longrightarrow 17x = 1{,}530 \times 20 = 30600$

$\Longrightarrow x = \frac{30600}{17} = 1{,}800$

List price of the book = Rs. 1,800

13) A retailer sold a suit for Rs.8, 832 after allowing 8% discount on marked price and further 4% cash discount. If he made 38% profit, find the cost price and the marked price of the suit.

Sol: Rate of discount $= 8\%$

Rate of Cash Discount $= 4\%$

Net Selling Price $= Rs.8.832$

Let the Marked Price $= Rs.x$

Discount $= \frac{8}{100} \times x = \frac{8x}{100}$

Invoice Price $= Mark\ Price\ - Discount = x - \frac{8x}{100}$

Invoice Price $= \boldsymbol{Rs.\frac{92x}{100}}$

Cash Discount $= \frac{4}{100} \times \frac{92x}{100} = \frac{1}{25} \times \frac{92x}{100}$

Cash Discount $= \boldsymbol{Rs.\frac{92x}{2500}}$

Net Price $= Invoice\ Price\ - Cash\ Discount = \frac{92x}{100} - \frac{92x}{2500} = \frac{92x}{100}\left(1 - \frac{1}{25}\right) = \frac{92x}{100} \times \frac{24}{25}$

Net Price $= \boldsymbol{\frac{2208x}{2500}}$

Since, Net Selling Price $= Rs. 8.832$

$$8832 = \frac{2208x}{2500}$$

$$\frac{8832 \times 2500}{2208} = x$$

$$x = 10,000$$

Marked price of suit = List price of Suit $= Rs. 10,000$

Retailer made 38% profit

Let the C.P. $= Rs. y$

Profit = S.P. − C.P. $= 8832 - y$

$$\%profit = \frac{profit}{C.P.} \times 100$$

$$38 = \frac{8832 - y}{y} \times 100$$

$$38y = 883200 - 100y$$

$$100y + 38y = 883200$$

$$138y = 883200$$

$$y = \frac{883200}{138}$$

$$y = 6400$$

Cost price of Suit $= Rs. 6,400.$

EXERCISE 1.1

14) An Salesman charges 10% commission plus 2% delcreder. If he sells goods worth Rs.37, 200, find his total earnings.

Sol: Rate of commission$= 10\%$

Rate of delcreder$= 2\%$

Total sale $= Rs.\,37{,}200$

Salesman Commission $= \frac{10}{100} \times 37{,}200 = 10 \times 372$

Salesman Commission $= \boldsymbol{Rs.\,3,720}$

Amount of del creder $= \frac{2}{100} \times 37{,}200 = 2 \times 372$

Amount of del creder $=$ Rs. 744

Total Earning $=$ Commission $+$ Amount of del creder $= 3720 + 744$

Total Earning $=$ Rs. 4,464

EXERCISE 1.1

15) A whole seller allows 25% trade discount and 5% cash discount. What will be the net price of an article marked at Rs. 1600?

Sol: Rate of Trade discount $= 25\%$, Rate of Cash discount $= 5\%$

Marked Price $= Rs. 1600$

Trade Discount $= \frac{25}{100} \times 1600 = 25 \times 16$

Trade Discount $= \boldsymbol{Rs. 400}$

Invoice Price $= Mark\ Price - Trade\ Discount = 1600 - 400$

Invoice Price $= \boldsymbol{Rs. 1200}$

Cash Discount $= \frac{5}{100} \times 1200 = 5 \times 12$

Cash Discount $= \boldsymbol{Rs. 60}$

Net Price $= Invoice\ Price - Cash\ Discount = 1200 - 60$

Net Price $= \boldsymbol{Rs. 1140}$

COMMISSION, BROKERAGE & DISCOUNT

- **True discount :** The true discount is the interest on the present worth at the given rate of interest for the given period.
- **Drawer:** A person who draws the bill is called drawer.
- **Drawee:** A person on whom the bill is drawn is called as Drawee.
- **Date of Bill:** The date on which the bill is drawn is called as **'Date of bill'**.
- **Face Value:** The amount for which the bill is drawn is called **Face value (F.V.) of the Bill**.
- **Period of the bill** is the time after completion of which the drawee receives the payment.
- **Nominal Due Date:** The date on which the period of bill expires is called the **nominal due date**.
- **Days of Grace:** the buyer is allowed to pay the amount even 3 days later. These 3 days are called the **days of grace**.
- **Legal Due Date:** The date obtained after adding 3 days of grace to the nominal due date is known as the legal due date.

COMMISSION, BROKERAGE & DISCOUNT

- **Discounting a Bill:** If the drawee of the bill wants money before the legal due date, then there is a facility available at the bank or with an Salesman who can discount a bill and pay the amount to the drawer (after deducting some amount from face value of the bill).This is called discounting the bill.
- **Banker's Discount(B.D):** When a bill is discounted in a bank, the banker will deduct the amount from the face value of the bill at the given rate of interest for the period from the date of discounting to the legal due date and pay the balance to the drawer. This amount is known as Banker's Discount(B.D).
- The amount paid to the holder of the bill after deducting banker's discount is known as **Cash Value (C.V)** of the bill paid on the date of discounting.
- The banker's discount is called **commercial discount**.
- Thus, true discount is calculated on present worth and the banker's discount is calculated on the face value. Hence the banker's discount is always higher than the true discount.
- The difference between the banker's discount and the true discount is called **Banker's Gain (B.G)**. It is equal to the interest on true discount

COMMISSION, BROKERAGE & DISCOUNT

List of formulae:

1) $S.D. = P.W. + T.D.$

2) $T.D. = \frac{P.W. \times n \times r}{100}$

3) $B.D. = \frac{S.D. \times n \times r}{100}$

4) $B.G. = B.D. - T.D.$

5) $B.G. = \frac{T.D. \times n \times r}{100}$

6) $C.V = S.D. - B.D.$

Abbreviations :

Present worth	: P.W.
Sum Due	: S.D.
Face Value	: F.V.
True Discount	: T.D.
Banker's Gain	: B.G.
Banker's Discount	: B.D.
Cash Value	: C.V.

Notation

Period (in years) : n

Rate of Interest(p.a.): r

EXERCISE 1.2

1) What is the present worth of a sum of Rs.10,920 due six months hence at 8% p.a. simple interest?

Sol: Sum Due $= 10{,}920$, $n = 6\ months = \frac{1}{2} years$, $r = 8\%\ p.a.$

$$S.D. = P.W + T.D = P.W. + \frac{P.W. \times n \times r}{100} = P.W. \left(1 + \frac{n \times r}{100}\right)$$

$$10{,}920 = P.W \times \left(1 + \frac{\frac{1}{2} \times 8}{100}\right)$$

$$10{,}920 = P.W. \times \left(1 + \frac{4}{100}\right)$$

$$10{,}920 = P.W. \times \left(1 + \frac{1}{25}\right)$$

$$10{,}920 = P.W. \times \frac{26}{25}$$

$$10{,}920 \times \frac{25}{26} = P.W.$$

$$\boldsymbol{P.W = 420 \times 25 = Rs.10{,}500}$$

EXERCISE 1.2

2) What is sum due of Rs.8,000 due 4 months hence at 12.5% simple interest?

Sol: $P.W = 8000, n = 4\ months = \frac{4}{12} years = \frac{1}{3} years, r = 12.5\%\ p.a.$

$$S.D. = P.W + T.D = P.W. + \frac{P.W. \times n \times r}{100} = P.W. \left(1 + \frac{n \times r}{100}\right)$$

$$= 8{,}000 \times \left(1 + \frac{\frac{1}{3} \times 12.5}{100}\right)$$

$$= 8{,}000 \times \left(1 + \frac{125}{3000}\right)$$

$$= 8{,}000 \times \left(1 + \frac{1}{24}\right)$$

$$= 8{,}000 \times \frac{25}{24} = 333.33 \times 25$$

$$\boldsymbol{S.D. = Rs.8{,}333.33}$$

EXERCISE 1.2

3) True discount on the sum due 8 months hence at 12% p.a. is Rs.560. Find the sum due and present worth of the bill.

Sol: T.D.$= 560, n = 8\, months = \frac{8}{12} years = \frac{2}{3} years, r = 12\%\, p.a.$

$$T.D = \frac{P.W.\times n \times r}{100}$$

$$560 = \frac{P.W.\times \frac{2}{3} \times 12}{100}$$

$$560 \times 100 = P.W.\times 2 \times 3$$

$$\frac{56000}{6} = P.W.$$

$$\boldsymbol{P.W. = Rs.7,000}$$

$$S.D. = P.W + T.D = 7000 + 560$$

$$\boldsymbol{S.D. = Rs.7,560}$$

EXERCISE 1.2

4) The true discount on a sum is $\frac{3}{8}$ of the sum due at 12 % p.a. Find the period of the bill.

Sol: $T.D. = \frac{3}{8}\ S.D.,\ r = 12\ \%$ p.a.

Let S.D = x

$\boldsymbol{S.D. = P.W + T.D} = P.W. + \frac{3}{8}\ S.D.$

$x = P.W. + \frac{3x}{8}$

$P.W. = x - \frac{3x}{8} = \frac{8x-3x}{8} = \frac{5x}{8}$

$T.D = \frac{P.W. \times n \times r}{100}$

$\frac{3}{8}\ S.D. = \frac{\frac{5x}{8} \times n \times 12}{100}$

$\frac{3x}{8} = \frac{\frac{5x}{8} \times n \times 12}{100}$

$\frac{3x}{8} \times \frac{8}{5x} \times \frac{100}{12} = n$

$n = 5$

Period of the bill $= 5\ years$

5) 20 copies of a book can be purchased for a certain sum payable at the end of 6 months and 21 copies for the same sum in ready cash. Find the rate of interest.

Sol: $n = 6\ months$

$$= \frac{6}{12}\ years = \frac{1}{2}\ year$$

Let the sum payable $= Rs.x$

Let the rate of interest $= r\ \%$

Present worth of 1 book $= \frac{x}{21}$

Sum due of 1 book $= \frac{x}{20}$

$\boldsymbol{S.D.=P.W+T.D}$

$$= P.W. + \frac{P.W.\times n \times r}{100}$$

$$\therefore \text{S.D.}=P.W.\left(1 + \frac{n \times r}{100}\right)$$

$$\therefore \frac{x}{20} = \frac{x}{21}\left(1 + \frac{\frac{1}{2}\times r}{100}\right)$$

$$\therefore \frac{1}{20} = \frac{1}{21}\left(1 + \frac{r}{200}\right)$$

$$\therefore \frac{21}{20} = \frac{200+r}{200}$$

$$\therefore \frac{200 \times 21}{20} = 200 + r$$

$$\therefore 200 + r = 10 \times 21$$

$$\therefore r = 210 - 200$$

$$\therefore \boldsymbol{r = 10\ \%}$$

EXERCISE 1.2

6) Find the true discount, Banker's discount and Banker's gain on a bill of Rs.4,240 due 6 months hence at 9% p.a.

Sol : S.D. = Rs. 4240, $n = 6\ months = \frac{6}{12} = \frac{1}{2}\ year, r = 9\%\ p.a.$

B.D $= \frac{\boldsymbol{S.D.\times n \times r}}{\mathbf{100}} = \frac{4240 \times \frac{1}{2} \times 9}{100} = \frac{212 \times 9}{10} = \frac{1908}{10} = 190.8$

B.D $= \mathbf{190.8}$

Let T.D. $= x$

B.D. = T.D. + Interest on T.D.

$190.8 = x + \frac{x \times \frac{1}{2} \times 9}{100}$

$190.8 = x + \frac{9x}{200}$

$190.8 = \frac{200x + 9x}{200}$

$190.8 \times 200 = 209x$

$x = \frac{38160}{209} = 182.583 = 182.60$

T.D. $= \mathbf{182.6}$

B.G. = B.D. − T.D.= 190.8 − 182.6

B.G. $= \boldsymbol{Rs.8.2}$

EXERCISE 1.2

7) True discount on a bill is Rs.2,200 and bankers discount is Rs.2,310. If the bill is due 10 months, hence, find the rate of interest.

Sol : T.D. = Rs. 2200, B.D. = Rs. 2310, $n = 10\ months = \frac{10}{12} = \frac{5}{6}\ year$

Let T.D. $= x$

B.D. = T.D. + Interest on T.D.

$$2310 = 2200 + \frac{2200 \times \frac{5}{6} \times r}{100}$$

$$2310 - 2200 = \frac{22 \times 5 \times r}{6}$$

$$110 = \frac{110r}{6}$$

$$110 \times \frac{6}{110} = r$$

$$r = 6\%$$

The rate of interest = 6 %

EXERCISE 1.2

8) A bill of Rs.6,395 drawn on 19th January 2015 for 8 months was discounted on 28th February 2015 at 8% p.a. interest. What is the banker's discount? What is the cash value of the bill?

Sol : F.V. = Rs. 6,395

Date of Drawn = 19th January 2015

Period of Bill = 8 months

Nominal Due Date =19th September 2015

Legal Due Date = 22nd September 2015

Date of Discounting = 28th February 2015

No. of days from the date of discounting to legal date (Unexpired Period) = 206 days

Feb	March	April	May	June	July	August	Sep	Total
0	31	30	31	30	31	31	22	206

Rate of Interest (r) = 8% p.a.

C.V. = ?

Period $(n) = 206\ days = \frac{206}{365}$ year

$\because$ B.D. = Interest on F.V.

$$B.D. = \frac{6395 \times \frac{206}{365} \times 8}{100}$$

$$\therefore B.D. = \frac{17.52 \times 206 \times 8}{100}$$

$$\therefore B.D. = \frac{28{,}872.96}{100}$$

$$\therefore \boldsymbol{B.D. = Rs.288.73}$$

$$\because\ C.V = F.V. - B.D.$$

$$\therefore\ C.V = 6395 - 288.73$$

$$\therefore\ \boldsymbol{C.V = Rs.6106.27}$$

EXERCISE 1.2

9) A bill of Rs.8,000 drawn on 5th January 1998 for 8 months was discounted for Rs.7,680 on a certain date. Find the date on which it was discounted at 10% p.a.

Sol : F.V. = Rs. 8000

Date of Drawn = 5^{th} January 1998

Period of Bill = 8 months

Nominal Due Date = 5^{th} September 1998

Legal Due Date = 8^{th} September 1988

Date of Discounting = ?

C.V. = Rs. 7680

Rate of Interest (r) = 10% p.a.

$\because\ C.V = F.V. - B.D.$

$\therefore B.D. = F.V. - C.V.$

$\therefore B.D. = 8000 - 7680$

$\therefore \boldsymbol{B.D. = Rs.320}$

$\because$ B.D. = Interest on F.V.

$\therefore 320 = \frac{8000 \times n \times 10}{100}$

$\therefore 320 = 800\, n$

$\therefore n = \frac{320}{800}$

$\therefore \boldsymbol{n = \frac{2}{5}\ years = \frac{2}{5} \times 365 = 2 \times 73 = 146\ days}$

Hence, the date of discounting is 146 days before to legal due date.

Sep	Aug	July	June	May	April	Total
8	31	31	30	31	15	146

Date of discounting of bill = $(30 - 15)th\ april$ 1998

Hence, Date of discounting of bill = 15th April 1998.

EXERCISE 1.2

10) A bill drawn on 5th June for 6 months was discounted at the rate of 5% p.a. on 19th October. If the cash value of the bill is Rs 43,500, find face value of the bill.

Sol : F.V. = Rs. x

Date of Drawn = 5^{th} June

Period of Bill = 6 months

Nominal Due Date = 5^{th} December

Legal Due Date = 8^{th} December

Date of Discounting = 19^{th} October

No. of days from the date of discounting to legal date (Unexpired Period) = 50 days

October	November	December	Total
12	30	8	50

C.V. = Rs. 43,500

Rate of Interest (r) = 5% p.a

Perriod of bill $= \frac{50}{365}\ year = \frac{10}{73}\ year$

$\because\ C.V = F.V. - B.D.$

$\therefore B.D. = F.V. - C.V.$

$\therefore \boldsymbol{B.D. = x - 43,500}$

$\because$ B.D. = Interest on F.V.

$\therefore x\ - 43{,}500 = \frac{x \times \frac{10}{73} \times 5}{100}$

$\therefore x\ - 43{,}500 = \frac{x}{73 \times 2} = \frac{x}{146}$

$\therefore 146(x\ - 43{,}500) = x$

$\therefore 146x - 146 \times 43500 = x$

$\therefore 146x - x = 146 \times 43500$

$\therefore 145x = 146 \times 43500$

$\therefore x = \frac{146 \times 43500}{145} = 146 \times 300$

$\therefore x = 43{,}800$

Hence, Face value of bill = $\boldsymbol{43,800}$

EXERCISE 1.2

11) A bill was drawn on 14th April for Rs.7,000 and was discounted on 6th July at 5% p.a. The Banker paid Rs.6,930 for the bill. Find period of the bill.

Sol : F.V. = Rs. 7000

Date of Drawn = 14^{th} April

Date of Discounting = 6^{th} July

C.V. = Rs. 6930

Rate of Interest (r) = 5% p.a.

$\because \ C.V = F.V. - B.D.$

$\therefore B.D. = 7000 - 6930$

$\therefore \boldsymbol{B.D. = Rs.70}$

$\because$ B.D. = Interest on F.V.

$\therefore 70 = \frac{7000 \times n \times 5}{100}$

$\therefore 70 = 350n$

$\therefore n = \frac{70}{350}$

$\therefore n = \frac{1}{5}$ yrs$= \frac{1}{5} \times 365 = 73$ days

Thus, the unexpired period is 73 days from the date of discounting i.e. 6th July.

July	Aug	Sep	Total
25	31	17	73 days

Legal Due Date $=$ **17th September**

Nominal Due Date $=$ 14th September

Period of Bill $=$ 14th September -14th April = 5 months

EXERCISE 1.2

12) If difference between true discount and banker's discount on a sum due 4 months hence is Rs 20. Find true discount, banker's discount and amount of bill, the rate of simple interest charged being 5% p.a.

Sol : B.D.−T.D.= Rs. 20

$n = 4\ months = \frac{4}{12} = \frac{1}{3}$ year

$r = 5\%$ p.a.

We know that, B.G. = B.D. − T.D.

∴ B.G.= 20

Also, B.G. = Interest on T.D.

Let T.D. = Rs. x

$\therefore$B.G.$= \frac{x \times \frac{1}{3} \times 5}{100}$.$= \frac{5x}{3 \times 100} = \frac{x}{3 \times 20} = \frac{x}{60}$

$\because 20 = \frac{x}{60}$

$\therefore x = 1200$

T.D. $=$ Rs. 1,200

$\because$ B.G. $=$ B.D. $-$ T.D.

$\therefore$B.D. $=$ B.G. $+$ T.D. $= 20 + 1200$

$\therefore$**B.D.** $= \boldsymbol{Rs.1220}$

Let F.V. $=$ Rs. y

$\because$ B.D. $=$ Interest on F.V. $= \frac{y \times \frac{1}{3} \times 5}{100} = \frac{y}{60}$

$\therefore 1220 = \frac{y}{60}$

$y = 60 \times 1220 =$ Rs. 73,200

$\therefore$**Face value of Bill $=$ Rs. 73,200**

EXERCISE 1.2

13) A bill of Rs.51,000 was drawn on 18th February 2010 for 9 months. It was encashed on 28th June 2010 at 5% p.a. Calculate the banker's gain and true discount.

Sol : F.V. = Rs. Rs. 51,000

Date of Drawn = 18th Feb, 2010

Period of Bill = 9 months

Nominal Due Date = 18th Nov, 2010

Legal Due Date = 21st Nov, 2010

Date of Discounting = 28th June, 2010

No. of days from the date of discounting to legal date

June	July	August	Sep	Oct	Nov	Total
2	31	30	30	31	21	146

$n = 146\ days = \frac{146}{365} = \frac{2}{5}\ years$, Rate of Interest (r) = 5%

$\because$ B.D. $=$ Interest on F.V.

$\therefore$ B.D. $= \frac{51{,}000 \times 5 \times \frac{2}{5}}{100}$

$\therefore$ **B.D. $=$ Rs. 1020**

T.D. $=$ Rs. x

$\therefore$B.D. $=$ T.D. + Interest on T.D.

$\therefore$B.D. $= x + \frac{x \times 5 \times \frac{2}{5}}{100}$

$\therefore$ $1020 = x + \frac{x}{50} = \frac{51x}{50}$

$\therefore$ $x = \frac{1020 \times 50}{51}$

$\therefore$ $x = 1000$

$\therefore$ **T.D. $=$ Rs. $1,000$**

$\because$ B.G. $=$ B.D. $-$ T.D.

$= 1020 - 1000$

$\therefore$ **B.G. $= Rs. 20$**

EXERCISE 1.2

14) A certain sum due 3 months hence is $\frac{21}{20}$ of the present worth, what is the rate of interest?

Sol: Sum Due $= \frac{21}{20}$ P.W., $n = 3\ months = \frac{1}{4} years$, $r =$?

$\because S.D. = P.W + T.D$

$\therefore \frac{21}{20} P.W. = P.W + T.D$

$\therefore \frac{21}{20} P.W. - P.W = T.D$

$\therefore T.D = \frac{1}{20} P.W.$

$\because T.D. = \frac{P.W. \times n \times r}{100}$

$\therefore \frac{1}{20} P.W. = \frac{P.W. \times \frac{1}{4} \times r}{100}$

$\therefore \frac{100 \times 4}{20} = r$

$\therefore \boldsymbol{r = 20\%}$

EXERCISE 1.2

15) A bill of a certain sum drawn on 28th February 2007 for 8 months was encashed on 26th March 2007 for Rs.10,992 at 14% p.a. Find the face value of the bill.

Sol : let F.V. = Rs. x

Date of Drawn = 28th Feb, 2007

Period of Bill = 8 months

Nominal Due Date = 28th Oct, 2007

Legal Due Date = 31st Oct, 2007

Date of Discounting = 26th March, 2007

No. of days from the date of discounting to legal date

March	April	May	June	July	Aug	Sep	Oct	Total
5	30	31	30	31	31	30	31	219

$n = 219\ day = \frac{219}{365} = \frac{3}{5}\ years$ C.V. = Rs. 10,992

Rate of Interest (r) = 14%

EXERCISE 1.2

$\because\ C.V = F.V. - B.D.$

$\therefore B.D. = x - 10{,}992$ .....(i)

$\because$ B.D. = Interest on F.V.

$\therefore$ B.D. $= \frac{x \times \frac{3}{5} \times 14}{100} = \frac{42x}{500}$

$\therefore$ **B.D. = Rs.** $\frac{42x}{100}$ .....(ii)

$\therefore x - 10992 = \frac{42x}{500}$ ..... From (i) and (ii)

$\therefore 500(x - 10{,}992) = 42x$

$\therefore 500x - 54{,}96{,}000 = 42x$

$\therefore 500x - 42x = 54{,}96{,}000 \quad \Longrightarrow 458x = 5496000$

$\therefore x = 12000$

$\therefore$ **F.V.** $= \boldsymbol{Rs.12000}$

$$\frac{1,800}{100} \times \frac{3}{12} = ₹\ 450$$

Interest on Govt Bonds @ 12% for 3 months is ₹ 450

6. From the following Trial Balance of Shreyas and Mrunal and adjustments you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date:

Trial Balance as on 31st March, 2019 Particulars

Particulars	Debit ₹	Credit ₹
Capital Accounts :		
Sheyas		35,000
Mrunal		20,000
Purchases	37,800	
Sales		66,700
Bills Receivable	8,000	
Bills Payable		6,500
Commission	2,400	
Salaries	6,000	
Insurance (9 months)	9,000	
Prepaid Rent	3,000	
Sundry Creditors		48,900
Sundry Debtors	25,000	
Postage	1,700	
Freehold Premises	17,300	
Furniture	20,000	
Bad debts	500	
Cash in Hand	4,500	
Cash at Bank	16,000	
Carriage Inward	800	
Carriage Outward	1,700	
Stock (1/4/2018)	22,500	
Returns	1,200	1800
Wages	3,100	
Outstanding Wages		1600
Total	**1,80,500**	**1,80,500**

Adjustments :

(1) Closing Stock ₹ 30.000

(2) Outstanding Expenses - Salary ₹ 1200 and Commission ₹ 400.

(3) Depreciate Furniture @ 10%

(4) Provide for further Bad debts i ₹ 1200.

(5) Goods of ₹ 5000 destroyed by fire and insurance company admited a claim of ₹ 2000 only.

(6) Shreyas and Mrunal are sharing profits and losses in the ratio 2:1

8. Nene and Kane are Partners, sharing Profits and Losses in the ratio 6:4. From the following Trial Balance and adjustments given below, Prepare, Trading and Profit and Loss Account for the year ending and Balance Sheet as on that date.

Trial Balance as on 31st March, 2019

Particulars	Debit Amount ₹	Credit Amount ₹
Capital :		
Nene		15,00,000
Kane		10,00,000
Sundry Debtors	4,50,000	
Sundry Creditors		3,00,000
Rent (10 months)	10,000	
Stock (1/4/2018)	5,35,500	
Premises	8,50,000	
Salaries	50,000	
Discount	800	950
Motor Vehicle	3,70,000	
Sales		8,40,500
Purchases	6,40,500	
Wages	10,000	
Office Expenses	20,000	
Bank Overdraft		1,50,000
Returns	5,500	3,500
Providend Fund Investment	8,00,000	
Cash in Hand	40,000	
Providend Fund Contribution	1,00,000	
Providend Fund		2,80,000
Cash at Bank	2,00,000	
Interest on P.F. Investment		42,000
Drawings :		
Nene	20,000	
Kane	15,000	
Bad-debts	3,350	
R.D.D.		3,700
Total	**41,20,650**	**41,20,650**

Adjustments :

1) Closing Stock ₹ 3,60,000.
2) Outstanding Wages ₹ 3,000 and Salaries ₹ 2000.
3) Depreciate Motor Vehicle @ 5% p.a.
4) Write of Bad-debts of ₹ 5,000 and provide for R.D.D at 5% Sundry Debtors.
5) Kane withdrew Goods of ₹ 6,000 for his personal use.

10. From the following Trial Balance of Riddhi and Siddhi, you are required to prepare Trading and Profit and loss Account for the year ended 31st March 2019 and Balance Sheet as on that date after considering the additional information given below.

Trial Balance as on 31st March, 2019

Particulars	Debit (₹)	Credit (₹)
Stock (1/4/2018)	48,000	
Capital - Riddhi		50,000
Siddhi		30,000
Purchases	22,500	
Wages	800	
Carriage Inward	1,000	
Sundry Creditors		27,600
Bills Payable		20,000
Cash in hand	2,850	
Insurance	1,200	
Sundry Debtors	32,000	
Bank Overdraft		18,000
Carriage outward	900	
Land and Building	42,500	
Furniture	38,700	
Sales		47,000
Purchase Return		500
Sales Return	400	
Rent		1800
Bad-debts	300	
R.D.D		350
Discount	700	1000
Travelling Expenses	250	
Advertisements	4,150	
	1,96,250	**1,96,250**

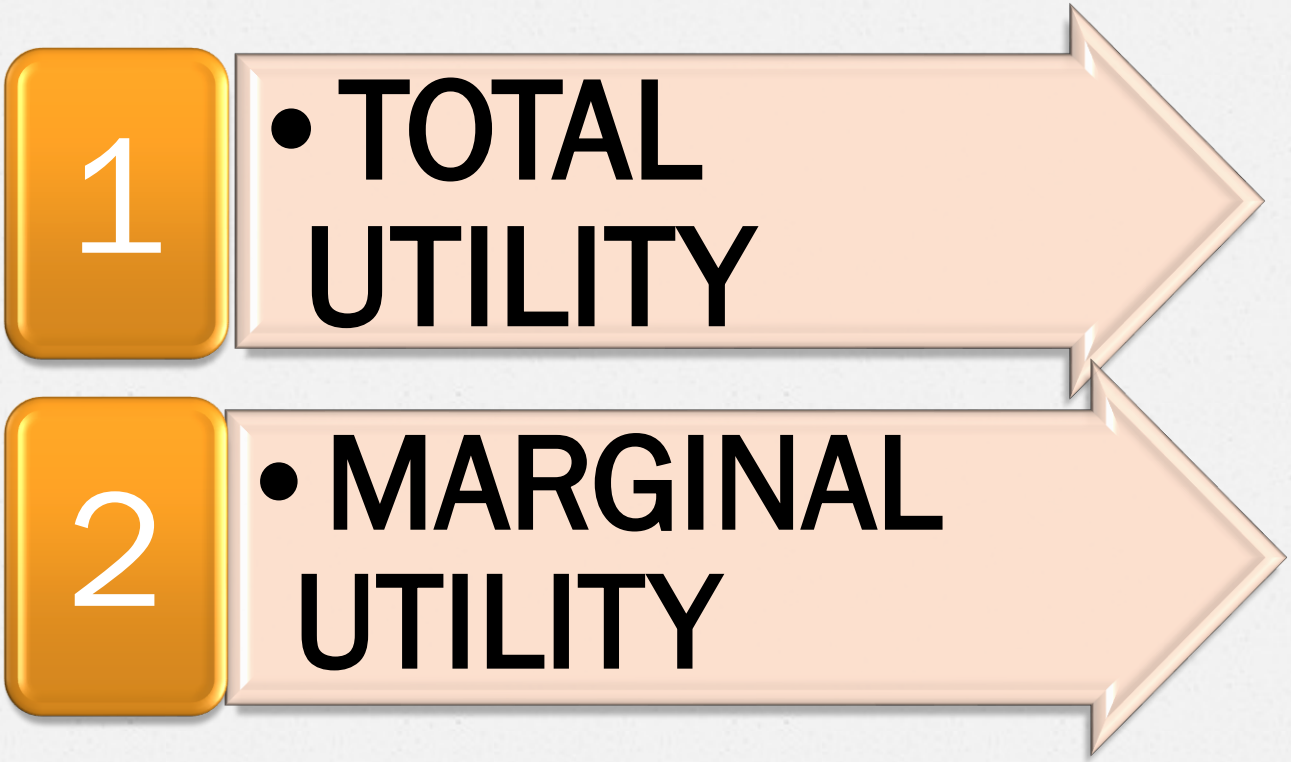
Adjustments :

1) Closing stock ₹ 48,700.
2) Outstanding Expenses - Wages ₹ 700 and Travelling Expenses ₹ 200.
3) Depreciate Land and Building by 10% and Furniture by 5%.
4) Insurance paid in advance ₹ 300.
5) Goods of ₹ 3000 destroyed by fire and Insurance company rejected the claim fully.

CONCEPTS OF UTILITY

CONCEPTS OF UTILITY

- The two main concepts of utility are:



TOTAL UTILITY(TU)

- **Total utility refers to the aggregate of utility derived by the consumer from all units of a commodity consumed.**
- **It is an aggregate of utilities from all successive units of a commodity consumed.**
- **FORMULA:-**

$$TU = \sum MU \text{ or}$$
$$TU = MU1 + MU2 + MU3 + \text{-------} + MUn$$

Where:- TU = Total Utility

MU = Marginal Utility

MARGINAL UTILITY(MU)

- **Marginal utility refers to the additional utility derived by a consumer from an additional unit of a commodity consumed.**
- **In other words, it is the addition made by the last unit of a commodity consumed.**
- **FORMULA:-** $MU_n = TU_n - TU_{(n-1)}$

Where:- MU_n **= Marginal Utility of nth unit.**

TU_n **= Total Utility at nth level.**

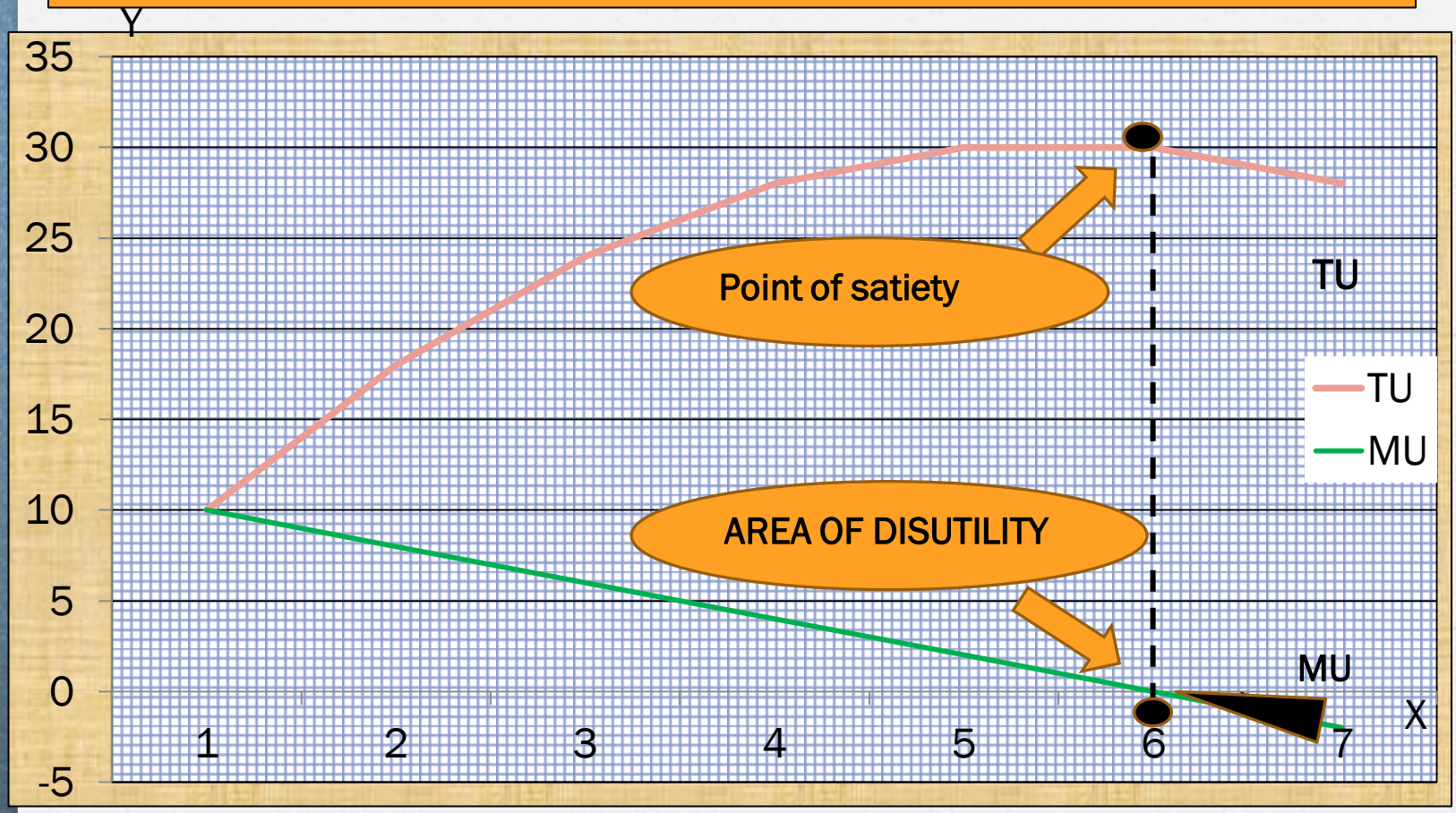
$TU_{(n-1)}$ **= Total Utility at previous level.**

Relationship between Total Utility and Marginal Utility

UTILITY SCHEDULE

Units of x	Total utility	Marginal utility
1	10	10
2	18	8
3	24	6
4	28	4
5	30	2
6	30	0
7	28	-2

DIAGRAMATIC REPRESENTATION
Relationship between
Total Utility and Marginal Utility



TOTAL AND MARGINAL UTILITY

UNITS OFCOMMODITY X

Relationship between Total Utility and Marginal Utility

- **Total utility and marginal utility of the very first unit of x consumed, are the same.**

TU=MU

- **As the consumer consumes further units of x, the total utility increases at a diminishing rate and marginal utility goes on diminishing.**

(TU ↑ , MU ↓)

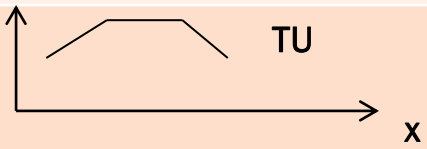
Relationship between Total Utility and Marginal Utility

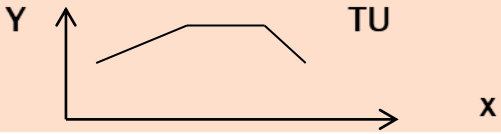
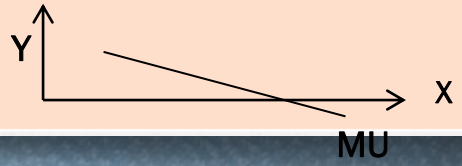
- At a particular stage, total utility reaches to its maximum and remains constant where as marginal utility becomes zero. This is called the point of satiety.

(TU highest, MU = 0)

- After this point, any additional unit consumed further results in a decline in the total utility, while marginal utility becomes negative.

(TU ⇩ MU negative)

Total Utility	Marginal Utility
1) Total utility is the sum total of the individual utilities derived from the consumption of a single unit of good.	1) Marginal utility is the addition made to the total utility from every additional unit consumed.
2) Total utility increases at a diminishing rate.	2)
3)	3) At the point of satiety MU = 0
4) Total utility declines if consumption continues.	4)
5) Total utility deter- mines value in use of a commodity.	5)
6)	6) Marginal utility can be positive, negative, zero.
7) Y  TU x	7)

Total Utility	Marginal Utility
1) Total utility is the sum total of the individual utilities derived from the consumption of a single unit of good.	1) Marginal utility is the addition made to the total utility from every additional unit consumed.
2) Total utility increases at a diminishing rate.	2) Marginal utility goes on diminishing.
3) At point of satiety TU reaches to its maximum and remains constant.	3) At the point of satiety MU = 0
4) Total utility declines if consumption continues.	4) Marginal utility becomes negative.
5) Total utility deter- mines value in use of a commodity.	5) Marginal utility determines value in exchange of a commodity
6) Total utility is always positive.	6) Marginal utility can be positive, negative, zero.
7) 	7) 

ASSIGNMENT

- EXPLAIN THE RELATIONSHIP BETWEEN TOTAL UTILITY AND MARGINAL UTILITY.
- DISTINGUISH BETWEEN TOTAL UTILITY AND MARGINAL UTILITY.

THANK YOU

TYPES OF UTILITY

TYPES OF UTILITY

1. FORM UTILITY
2. PLACE UTILITY
3. SERVICE UTILITY
4. KNOWLEDGE UTILITY
5. POSSESSION UTILITY
6. TIME UTILITY

1) FORM UTILITY

- When utility is created due to a change in the shape or structure of an existing material, it is called form utility.

For eg :- furniture from wood

For eg :- toys made of clay

2) PLACE UTILITY

- When utility of a commodity increases due to a change in its place, it is called place utility.
- For example :- woollen clothes have more utility at cold places than at warm places. Transport creates place utility.

3) SERVICE UTILITY.

- Service utility arises when personal services are rendered by various professionals.
- For example:- services of doctors, teachers, lawyers etc.

4) KNOWLEDGE UTILITY

- When a consumer acquires knowledge about a particular product, it is called knowledge utility.
- For eg :- Utility of a mobile phone or a computer increases when a person knows about its various functions.

5) POSSESSION UTILITY

- Possession utility arises when the ownership of goods is transferred from one person to another.
- For example :- transfer of goods from the sellers to the buyers.

6) TIME UTILITY

- When the utility of a commodity increases with a change in it's time of utilization , it is called time utility.
- Time utility also refers to storing of goods and using at the time of need or scarcity.

TEXT BOOKS HAVE MORE UTILITY DURING EXAM TIME.

BLOOD BANK

ASSIGNMENT

QA) Identify and explain the concepts from the given illustrations:

1) Salma purchased sweater for her father in winter season.
2) Nilesh purchased ornaments for his sister.

QB) Distinguish between:

1) Place utility and Time utility

LAW OF DIMINISHING MARGINAL UTILITY

LAW OF DIMINISHING MARGINAL UTILITY (STEPS)

1. • INTRODUCTION
2. • STATEMENT OF THE LAW
3. • SCHEDULE AND EXPLANATION
4. • DIAGRAM AND EXPLANATION
5. • ASSUMPTION

1) INTRODUCTION OF LAW OF DMU

- This law was first proposed by Prof.Gossen but was discussed in detail by Prof. Alfred Marshall in his book ‘Principles of Economics’ published in 1890.
- It is based on the common consumer behaviour that utility derived diminishes with the reduction in the intensity of a want.

2) STATEMENT OF LAW OF DMU

- According to Prof. Alfred Marshall, “Other things remaining constant, the additional benefit which a person derives from a given increase in his stock of a thing, diminishes with every increase in the stock that he already has.”
- In other words, marginal utility that any consumer derives from successive units of a particular commodity goes on diminishing as his or her total consumption of that commodity increases.

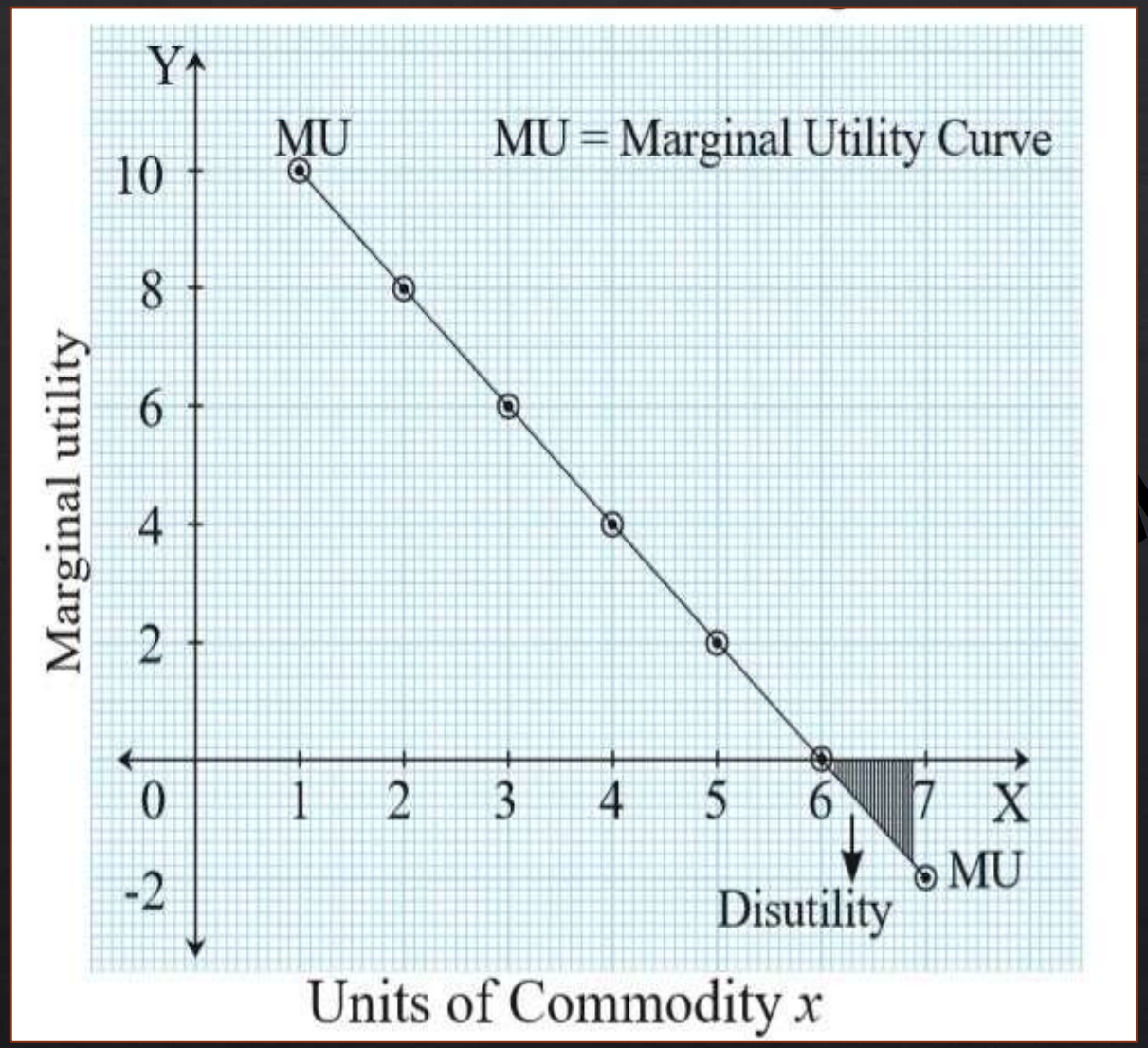
3) MARGINAL UTILITY SCHEDULE

Units of x	Marginal Utility (MU)
1	10
2	8
3	6
4	4
5	2
6	0
7	–2

M F C

- The table shows that marginal utility keeps on diminishing with increase in consumption, further it becomes zero and then negative

4) MARGINAL UTILITY CURVE



- In the above diagram, units of commodity *x* are measured on X axis and marginal utility is measured on Y axis. Various points of MU are plotted on the graph as per the given schedule. When the locus of all the points is joined, MU curve is derived.
- MU curve slopes downwards from left to right which shows that MU goes on diminishing with every successive increase in the consumption of a commodity.
- When MU becomes zero, MU curve intercepts the X axis. Further consumption of a commodity brings disutility (negative utility) which is shown by the shaded portion in the diagram.

5) ASSUMPTIONS OF THE LAW OF DMU

1. RATIONALITY
2. CARDINAL MEASUREMENT
3. HOMOGENEITY
4. CONTINUITY
5. REASONABILITY
6. DIVISIBILITY
7. SINGLE WANT

ASSIGNMENT

Q.1) State and explain the law of diminishing marginal utility.

N M F C

THANK YOU