

There will be two papers in the subject:

Paper I - Theory: 3 hours80 marks

Paper II- Project Work20 marks

PAPER - I (THEORY) – 80 Marks

1. Nature and Purpose of Business

- (i) Classification of human activities - economic and non-economic.

Classification of human activities - economic and non-economic. Types of economic activities.

Distinction between business, profession and employment.

- (ii) Definition and concept of business; classification of business activities.

Definition of business. Characteristics of business. Classification of business activities:

- a) *Industry: types of industries on the basis of activity (primary and secondary) and on the basis of size (micro, small, medium and large). Role of small businesses in India.*
b) *Commerce: branches of Commerce.*

Commerce - its nature and functions; importance of Commerce. Branches of Commerce - trade and aids to trade. Relationship between commerce, trade and industry.

- (iii) Business objectives.

Business objectives: economic; social; human and national. Role of Profit in business.

2. Forms of Business Organisations

- (i) Introduction to business organizations.

Meaning, characteristics, types (private sector, public sector, Public Private Partnership (PPPs) /Joint Sector). Comparison between different types of organizations.

- (ii) Sole trader- objectives; formation; merits and demerits.

Meaning and definition of sole trader; characteristics and objectives of sole trader; merits and demerits.

- (iii) Partnership

- (a) Meaning, features; types of partners and partnership firms.

Meaning and definition of partnership; features of partnership firms; types of partners and partnerships.

- (b) Registration of Partnership firms.

Formation, meaning and contents of partnership deed; registration and consequences of non-registration.

- (c) Evaluation of partnership; merits and demerits.

Self-explanatory.

(d) Comparison of sole proprietorship and partnership.

Self-explanatory.

(iv) Corporate Organisations.

(a) *Joint Stock Company: meaning, features, merits, demerits and objectives.*

(b) *Stages of Formation of a Company.*

(c) *Promotion, meaning, role and types of promoters.*

(d) *Incorporation of a company -Meaning and steps of incorporation (including filing of documents), certificate of incorporation.*

(e) *Memorandum of Association and Articles of Association (excluding alterations) and distinction between the two documents.*

Meaning and contents of MOA and AOA. Distinction between the MOA and AOA.

(f) *Commencement of business.*

Steps, Certificate of Commencement.

(g) *Prospectus and statement in lieu of prospectus – meaning and contents only.*

(h) *Types of companies- Classification of companies on the basis of mode of incorporation, liability of members, public interest, ownership, control and nationality.*

Public and private companies and their comparative studies, privileges of private companies.

(i) *Global enterprises – Meaning, characteristics, merits and demerits of Global Enterprises.*

(v) Public Sector Undertakings.

(a) *Meaning; characteristics, objectives, role and forms of Public Sector Undertakings (Departmental Undertakings, Public Corporations and Government Companies).*

Public Sector Undertakings – meaning; characteristics, objectives and role. Forms of Public Sector Undertakings (Departmental undertakings; Public Corporations and Government companies – definitions, features, merits and demerits).

(b) *Public Private Partnerships.*

Meaning and features of PPPs.

(vi) Co-operative organisations - meaning; characteristics and types.

Co-operative organizations - meaning; characteristics, advantages and disadvantages; Types of cooperative organizations, distinction between joint stock companies and cooperative organizations.

3. Social Responsibility of Business and Business Ethics

Concept and need for social responsibility.

Responsibility towards owners, investors, consumers, employees, government and community; Responsibility of business towards protection of environment; Meaning of Business ethics.

4. Emerging Modes of Business

(i) E-business.

Scope and benefits, Resources required for successful e-business implementation, online transactions, payment mechanisms, security and safety of business transactions.

(ii) Outsourcing.

Concept, need and scope of BPO and KPO. Smart Cards.

(iii) Smart Cards.

Meaning and utility.

5. Stock Exchange

(i) Meaning and importance.

(ii) Functions and services.

(iii) Major Stock Exchanges in India (BSE, NSE, DSE, ASE) – types and locations.

(iv) Types of operators – Brokers, Jobbers, Bulls and Bears.

(v) Terms used in Stock Exchange - exdividend, cum dividend, spot delivery, forward delivery.

(vi) SEBI – functions and objectives.

Self-explanatory

6. Trade

(i) Wholesalers.

Meaning and services of wholesaler to retailer, customer and producer.

(ii) (a) Retail trade – Meaning and characteristics.

Retail trade - meaning, characteristics of retail trade. Distinction between wholesale and retail trade.

(b) Types of retail trade - Itinerant and small scale fixed shops: departmental store, chain store, mail order houses, tele shopping, franchise, consumer cooperative stores, hypermarkets and automatic vending machines.

Meaning and features, merits and demerits to be covered.

(c) Documents used in home trade.

Documents and procedure used in home trade – inquiry; quotation; catalogues; order; invoice; debit note; credit note.

Price quotations - cash discount and trade discount.

(iii) Role of Chambers of Commerce and Industry and Trade Associations.

Meaning and functions of Chambers of Commerce and trade associations.

7. Foreign Trade

(i) Meaning, difference between internal trade and external trade.

Meaning and characteristics of international trade; problems of international trade; advantages and disadvantages of international trade.

(ii) Export trade – Meaning, objectives and procedure of export trade.

Self-explanatory.

(iii) Import trade – Meaning objectives purpose and procedure.

Meaning and functions of import trade; objectives, purpose and procedure.

(iv) Documents involved in international trade.

Documents involved in export trade, such as: indent, letter of credit, shipping order, shipping bill, mate's receipt, bill of lading, certificate of origin, consular invoice, documentary bill of exchange (DA/DP), all need to be explained.

Documents involved in import trade, such as: import license, indent, letter of credit, documentary bill of exchange, bill of entry, bill of sight, port trust dues receipt, application to import, advice note, bill of lading, all need to be explained.

(v) World Trade Organisation.

WTO-meaning and objectives.

8. Insurance

(i) Insurance – Meaning, objectives and purpose.

Meaning, objectives and purpose of insurance; Concept of re-insurance and double insurance.

(ii) Risks in business - insurable and non-insurable.

Risks in business - insurable and non-insurable - meaning and examples of both. Characteristics of insurable risks.

(iii) Principles of insurance.

Fundamental principles to be explained: utmost good faith; insurable interest; indemnity; contribution; doctrine of subrogation; causa proxima. mitigation of loss.

(iv) Types of insurance: life and non-life.

*Types of insurance – life, health, fire, marine, motor, social and fidelity insurance
(Meaning and importance only).*

PAPER II – PROJECT WORK – 20 Marks

Candidates will be expected to have completed two projects from any topic covered in Theory.

