

ICSE BOARD PAPER - 2025
COMMERCIAL APPLICATIONS
Class-10th
(Solved)

Maximum Marks: 100

Time Allotted: Two Hours

Instructions to Candidates:

1. Answers to this Paper must be written on the paper provided separately.
2. You will **not** be allowed to write during the first 15 minutes.
3. This time is to be spent in reading the question paper.
4. The time given at the head of this Paper is the time allowed for writing the answers.
5. Attempt all questions from Section A and any four questions from Section B.
6. The intended marks for questions or parts of questions are given in brackets [].

SECTION A (40 Marks)
(Attempt all questions from this Section.)

Question 1

[20]

Choose the correct answers to the questions from the given options.
(Do not copy the question, write the correct answers only.)

- (i) Which movement began as a protest against the construction of dams?
(a) Narmada Bachao Andolan (b) Van Mahotsav
(c) Anandalya Movement (d) National Awareness Movement
- (ii) Identify which products are purchased after a comparative analysis of quality, price, warranty of competitive brands.
(a) Convenience products (b) Industrial products
(c) Speciality products (d) Shopping products
- (iii) 'T-Group Training' is also known as _____.
(a) Internship Training (b) Vestibule Training
(c) Sensitivity Training (d) Refresher Training
- (iv) Identify which of the following is **NOT** a direct cost in a cotton textile unit.
(a) Rent of the factory where production is being carried out.
(b) Expense incurred on advertisement to promote the sale of the finished product.
(c) Colours used for dyeing the cotton fabric.
(d) Wages paid to the operators of sewing and spinning machines.
- (v) With reference to the Dual Aspect Principle identify the correct option:
(a) Assets = Capital – Liabilities (b) Liabilities = Assets + Capital
(c) Capital = Assets + Liabilities (d) Capital = Assets – Liabilities
- (vi) _____ records all cash transactions whether they belong to the current year, previous year or future year.
(a) Profit & Loss Account (b) Income & Expenditure Account
(c) Receipts & Payments Account (d) Personal Account
- (vii) Which of the following statement best describes *Selection*?
(a) It is a positive process. (b) It is the first stage of hiring.
(c) It succeeds recruitment. (d) It encourages people to apply for the job.
- (viii) Direct selling, as a channel of distribution, has become popular due to the _____.
(a) Availability of expert services of middlemen (b) Concentrated markets
(c) Relief from the problem of distribution (d) Increasing cost of distribution
- (ix) The process of _____ comes to an end with the delivery of product to the customers.
(a) Advertising (b) Marketing
(c) Selling (d) Public relations
- (x) With reference to the 'Cost Plus Pricing', which statement(s) is/are correct?
 1. Selling price of the product must cover full cost.
 2. Selling price must cover full cost and yield a reasonable margin of profit.

3. Selling price should be high to get more profit.
 4. Selling price should be low, so cost could be covered.
 (a) 1 & 3 are correct (b) 2 & 3 are correct
 (c) 1 & 4 are correct (d) Only 2 is correct
- (xi) With reference to Savings Deposit Account, which statement is correct?
 (a) Depositors need to deposit a specific amount every month.
 (b) There are restrictions on number of withdrawals in a week.
 (c) Overdraft facility is available.
 (d) There are restrictions on the number of deposits that can be made in a week.
- (xii) _____ is the only weapon of reasoning and understanding in a civilised society.
 (a) Dialogue (b) Human Relation
 (c) Persuasion (d) Empathy
- (xiii) Production-Oriented-Stage was characterised by:
 (a) The focus on Sales Promotion. (b) Product improvement.
 (c) Supply creating its own demand. (d) Profits through customer satisfaction.
- (xiv) Under which Right of Consumer Protection Act 1986, fair settlement and genuine grievances of customers were addressed?
 (a) Right to Safety (b) Right to be Heard
 (c) Right to Seek Redressal (d) Right to Consumer Education
- (xv) *India's foreign exchange reserves climbed to a record of \$651.5 billion by the end of last week demonstrating resilience despite uncertain geopolitics.*

Source: The Economic Times, Kolkata, dated 6th June 2024

With reference to the above, name the institution that is authorised to monitor such reserves in our country.

- (a) Central Bank of India (b) State Bank of India
 (c) Citi Bank (d) Indian Bank
- (xvi) _____ is a method of training, used in technical trades and crafts, in which a long period is required to become proficient.
 (a) Under study (b) Job rotation
 (c) Mentoring (d) Apprenticeship
- (xvii) **Assertion (A):** Parity Pricing is the most logical strategy when it is very difficult to calculate the cost of the products.
Reason (R): When price leadership is well established, setting price according to the competitors is the safest policy.
 (a) (A) is true and (R) is false.
 (b) Both (A) and (R) are true and (R) is the correct explanation of (A).
 (c) Both (A) and (R) are true but (R) is not the correct explanation of (A).
 (d) Both (A) and (R) are false.
- (xviii) Mr. Ajay, an executive of an organisation, should undergo which of the following methods of training to learn from the board of directors, how they take decisions, interact with each other and develop problem solving skills?
 (a) Job rotation (b) Under study
 (c) Committee Membership (d) Apprenticeship Training
- (xix) Companies like Amul and Colgate have well established markets in India. Their advertisement is still a regular feature in multiple newspapers and television channels. Such advertisements can be classified as:
 1. Concept advertisement 2. Reminder advertisement
 3. Institutional advertisement 4. Product advertisement
 (a) 1 and 2 (b) 2 and 3
 (c) 3 and 4 (d) 2 and 4
- (xx) Comprehensive function of Human Resource Management is not concerned with managing all types of people at each level.
 (a) True (b) False

Question 2

[10]

Answer the following questions:

- (i) Distinguish between:
- Skimming pricing and Penetrating pricing
 - Overdraft and Cash Credit
- (ii) Justify the following sentences **For** or **Against** and give a reason:
- Walk-in interview is a direct method of recruitment.
 - There are certain costs which are neither totally fixed nor fully variable.
 - Newspapers and tea are purchased with special efforts.

Question 3

[10]

Answer the following questions:

- What is meant by Human Resource Management?
- Explain the concept of The Matching Principle.
- Discuss *any two* R's with respect to environmental values and ethics.
- List *any four* elements of Promotion Mix.
- Name and explain the method used for selling standardised goods.

SECTION B (60 Marks)*(Attempt any four questions from this Section.)***Question 4**

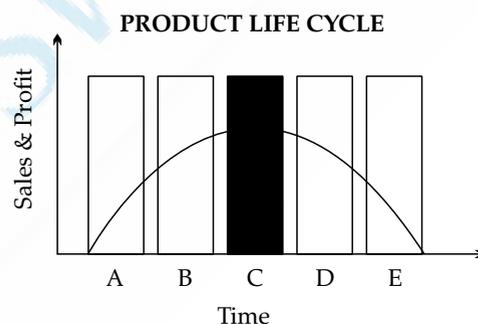
- What is *direct selling*? Discuss its latest method. [5]
- Discuss *any two* agency functions of Commercial Banks. [5]
- Ms. Asha started a cosmetic business and tried to develop a positive image of her brand product towards her customers. With reference to this, explain any two methods of Brand Promotion implemented by Ms. Asha to increase brand loyalty among her customers. [5]

Question 5

- Public Relations help to inform, educate and persuade media. Write any five points to explain the scope of Public Relations. [5]
- Explain the uses of Income and Expenditure Account. [5]
- Study the pictures given below and describe the movement. [5]

**Question 6**

- Identify the highlighted 'C' stage of the Product Life Cycle given in the image below and specify its *any four* features. [5]



- On what basis of distinction is *Fixed cost* differentiated from *Variable cost*? [5]
- What is meant by Compensation Function of Human Resource Management? Explain its activities. [5]

Question 7

- (i) Discuss *any two* types of Interviews. [5]
- (ii) Explain *any five* features of Personal Selling. [5]
- (iii) Write short notes on: [5]
- (a) The Business Entity Concept
- (b) The Going Concern Concept

Question 8

- (i) *Acid rain is essentially an outcome of aggressive industrialisation in the developed countries.* [5]
In view of the above statement explain any two impacts of Acid Rain on the environment.
- (ii) Give *any five* differences between *Cheque* and *Bank Draft*. [5]
- (iii) Write short notes on: [5]
- (a) Informative Advertising
- (b) Automated Teller Machine

Question 9**CASE STUDY**

With the advancement in technology and the goal to scale its business. JK Tyre & Industries has been working on a two-pronged strategy to add 'significant relevance to its overall business. Along with the mainstream tyres, the Delhi based company is also running a fleet operating management business and a mobility business vertical.

"In the fleet management business, from selling a tyre as a commodity, it becomes a kind of service. We have tied up with 1300 of the 1800 large fleets across India. We provide all the services and the customer pays for the tyre's upfront cost." Anuj Kathuria, India President, JK Tyres, said. Any fleet of 100 trucks/buses, or more, is considered a 'large fleet

An initiative like the fleet management service also contributes to sustained relationship with customers, leading to repeat purchases of tyres by them. The customer base of 1300 fleet operators hasn't come easily for JK Tyres, an early mover with such a business intervention in the industry. The customer base has been built over the past two decades.

Under the fleet management business, JK Tyres is also offering tyre-as-a-service. It has about 250 pit stops, and close to 100 truck wheel centres, where its services are provided.

The company, which has also developed a tyre with 80% biodegradable materials, says that the 'green tyre is close to a market launch. The tyre major has a target to achieve net zero emissions by 2050.

— *auto.economicstimes.indiatimes.com, February 9, 2024.*

With reference to the above case study answer the following questions:

- (i) Analyse the above case study and give *any five* differences between *Product* and *Service*. [5]
- (ii) Explain how 'Industrialisation' and 'Transport' cause ecological damage. [5]
- (iii) (a) Mention *any three* steps taken by the President of JK Tyres to contribute sustained relationship with customer. [5]
- (b) Describe *any two* steps taken by JK Tyres to develop as a part of fleet management business.



Answers

SECTION A

Answer 1.

(i) Option (a) is correct.

Explanation: The Narmada Bachao Andolan (NBA) is a social movement in India that protests the construction of large dams on the Narmada River, especially the Sardar Sarovar Dam. The movement began in the 1980s and was led by activists like Medha Patkar. It focuses on issues such as the displacement of tribal people, environmental degradation and lack of proper rehabilitation for affected communities.

(ii) Option (d) is correct.

Explanation: Shopping products are goods for which consumers spend more time and effort comparing different brands or models based on factors such as quality, price, features, warranty, etc., before making a purchase decision. Examples include clothes, electronics and furniture.

(iii) Option (c) is correct.

Explanation: T-Group Training (Training Group) is a form of Sensitivity Training aimed at improving interpersonal relationships, communication and group dynamics. It helps individuals become more aware of their behaviour, attitudes and emotional reactions in group situations. It is often used in organisational settings for leadership development and team-building.

(iv) Option (b) is correct.

Explanation: Factory rent, advertising expenses, dyed cotton fabric and wages for sewing and spinning machine operators are all indirect costs related to production. Factory rent is considered a manufacturing overhead, while advertising expenses are related to selling the finished product after production.

(v) Option (d) is correct.

Explanation: The Dual Aspect Principle in accounting states that every transaction has two effects, ensuring that the accounting equation remains balanced. The fundamental equation based on this principle is **Assets = Capital + Liabilities**, which represents the financial position of a business. By rearranging this equation, we get **Capital = Assets - Liabilities**, meaning that the owner's equity or capital in the business is determined by subtracting liabilities from total assets. This principle ensures accuracy in financial statements and maintains consistency in accounting records.

(vi) Option (c) is correct.

Explanation: Receipts & Payments Account records all cash inflows and outflows, regardless of period.

(vii) Option (c) is correct.

Explanation: Selection is the process of choosing the most suitable candidate from a pool of applicants

after recruitment. It is a **negative process**, as it involves rejecting unsuitable candidates and selecting the best fit for the job. Since recruitment aims to attract applicants, selection follows it by filtering and finalising candidates. Hence, **selection succeeds recruitment** in the hiring process.

(viii) Option (c) is correct.

Explanation: Direct selling eliminates the need for middlemen (wholesalers, retailers, agents) by allowing manufacturers or producers to sell directly to consumers. This provides relief from the complexities and costs involved in traditional distribution channels. It simplifies the process and gives better control over sales and customer relationships.

(ix) Option (c) is correct.

Explanation: Selling refers to the act of transferring goods or services to the customer in exchange for money. This process is complete when the product is delivered to the customer.

(x) Option (b) is correct.

Explanation: Cost Plus Pricing ensures that the selling price covers the full cost and includes a reasonable profit margin. Higher price → more profit aligns with the intention to maximise profit (although pricing must still consider market demand).

(xi) Option (b) is correct.

Explanation: Savings accounts generally have restrictions on the number of withdrawals to encourage savings, but there is no requirement to deposit a specific amount monthly, and overdraft facilities are typically not available on savings accounts.

(xii) Option (a) is correct.

Explanation: Dialogue is a purposeful conversation between two individuals, fostering reasoning and understanding. It involves each person presenting facts and views, and considering others' perspectives, which enhances the relationship with the client and promotes greater understanding.

(xiii) Option (c) is correct.

Explanation: In the production-oriented stage, businesses believed that if products were produced in large quantities, demand would naturally follow. The focus was on producing more, rather than addressing customer needs or preferences.

(xiv) Option (c) is correct.

Explanation: Under the Consumer Protection Act of 1986, the Right to Seek Redressal ensures that consumers have the right to a fair settlement of their

genuine grievances. This includes compensation for any loss or injury suffered due to unfair trade practices or defective goods/services.

(xv) **Option (a) is correct.**

Explanation: The Reserve Bank of India (RBI), which is the central bank of India, is authorised to monitor and manage the country's foreign exchange reserves. The RBI Act empowers the RBI to act as the custodian of India's foreign exchange reserves. It formulates policies and takes action to maintain the stability of the Indian Rupee and manage the reserves effectively.

(xvi) **Option (d) is correct.**

Explanation: Apprenticeship is a training method where individuals learn a skilled trade or craft through hands-on experience under the guidance of a skilled professional over a significant period. This method is commonly used in technical trades and crafts where proficiency requires extensive practical training and experience.

(xvii) **Option (c) is correct.**

Explanation: Parity pricing is a logical strategy when it is difficult to calculate the cost of products, as businesses set their prices based on competitors rather than determining their own cost structure. This approach ensures that the company remains competitive in the market without relying on complex cost estimations. Additionally, when price leadership is well established, businesses often follow the pricing set by competitors, as it is considered the safest policy to maintain market stability. However, while both statements are true, the reason does not directly explain the assertion,

as parity pricing is primarily used when cost determination is challenging, not solely due to price leadership.

(xviii) **Option (c) is correct.**

Explanation: Committee Membership allows an executive like Mr. Ajay to participate in discussions, observe how the board of directors makes decisions, interact with them and understand their decision-making and problem-solving processes. This method exposes the trainee to real organisational issues, leadership styles and collaborative decision-making.

(xix) **Option (d) is correct.**

Explanation: Reminder advertising is used to keep established brands top-of-mind for consumers, while product advertising focuses on promoting specific products and their features. Amul and Colgate are well-established brands, and their continued advertising serves to remind consumers of their products and maintain brand awareness. Product advertisements primarily focus on promoting the specific products offered by Amul and Colgate, highlighting their features and benefits.

(xx) **Option (b) is correct.**

Explanation: Human Resource Management (HRM) is a comprehensive function that is concerned with managing all types of people at each level within an organisation. HRM encompasses all aspects of employee management, from recruitment and training to compensation and performance management, across all levels of the organisational hierarchy.

Answer 2.

(i) (a) **Difference between Skimming Price and Penetrating Price:**

Sl. No.	Basis	Skimming Price	Penetrating Price
1.	Meaning	Charging a high price initially, then reducing it over time.	Charging a low price initially to attract customers.
2.	Objective	To maximise profits from early adopters willing to pay more.	To capture market share quickly by offering low prices.
3.	Example	Smartphones, gaming consoles.	FMCG products like soaps and detergents.

(Any two)

(b) **Difference between Overdraft and Cash Credit:**

Sl. No.	Basis	Overdraft	Cash Credit
1.	Meaning	Facility allowing withdrawal of more than the balance in the current account.	Short-term loan facility up to a limit against security like inventory.
2.	Purpose	To meet short-term liquidity needs.	To meet the working capital requirements of businesses.
3.	Example	Individuals/businesses need funds temporarily.	Traders and manufacturers need funds for inventory purchases.

(ii) (a) **For**

Explanation: Walk-in interviews involve candidates approaching the organisation directly without a prior appointment. There is no third-party

involvement (like consultants), making it a direct recruitment method. Employers assess and select candidates on the spot.

(b) For

Explanation: Such costs are called semi-variable or mixed costs. They consist of both fixed and variable components. Example: Electricity bill—a fixed minimum charge plus variable cost based on usage.

(c) Against

Explanation: Newspapers and tea are convenience goods. They are purchased frequently, require minimal effort and are readily available. There is no special effort or planning required.

Answer 3.

(i) Human Resource Management is the process of recruiting, selecting, developing, motivating and managing employees to achieve the organisation's objectives effectively and efficiently. It involves functions such as manpower planning, training, performance appraisal and employee welfare.

(ii) The **Matching Principle** is an accounting rule stating that **expenses should be recorded in the same accounting period as the revenues they help to generate**. It ensures the accurate measurement of profit by matching costs with associated revenues. For example,

If a company sells goods worth ₹5,00,000 in December and incurs a production cost of ₹3,00,000, along with ₹50,000 in sales commission (paid in January), both expenses must be recorded in December. This aligns costs with revenues, reflecting true profitability.

(b) R's with respect to environmental values and ethics:

- 1. Reduce:** Minimising the usage of natural resources and cutting down waste production. For example, reducing electricity consumption by using energy-efficient appliances.
- 2. Recycle:** Reprocessing used materials into new products, reducing environmental impact. For example, recycling paper, plastic, or glass to avoid waste.

(iv) The following are the four elements of promotion mix::

- 1. Advertising:** Paid, non-personal communication to promote products (e.g., TV, online ads).
- 2. Sales Promotion:** Short-term incentives to boost sales (e.g., discounts, coupons).
- 3. Personal Selling:** Direct interaction between salespeople and customers to persuade.
- 4. Public Relations (PR):** Maintaining a favourable image of the company via media and events.

(v) Self-service method.

Explanation: In this method, standardised goods like groceries or packaged items are displayed, and customers pick items themselves without needing salesperson assistance. Common in supermarkets or large retail stores, it reduces operational costs and offers convenience to customers.

Answer 4.

(i) Direct selling is a sales method where products are sold directly from the manufacturer or company to

the consumers, without involving intermediaries such as wholesalers, agents, or retailers. This approach allows companies to establish a personal connection with customers, offer customised services and get direct feedback. It also helps reduce the cost of the product by eliminating middlemen.

Below mentioned is the latest method of direct selling:

Online Direct Selling/E-commerce:

- Companies use websites, social media, mobile apps and virtual meeting tools for direct customer interaction.
- Sales representatives conduct product demonstrations, share promotional content and process orders digitally.
- This method expands direct selling reach and offers convenience, especially in the post-pandemic era.
- Customers can browse products, make payments and receive deliveries from home.

(ii) The following are the two agency functions of commercial banks:

1. Collection and Payment of Cheques, Bills, and Dividends:

Banks collect cheques, drafts, bills of exchange, and dividends on behalf of their customers. Once these instruments are cleared, the amount is credited to the customer's account. Similarly, banks make payments on behalf of customers for rent, insurance premiums, and utility bills, ensuring smooth financial transactions.

2. Acting as Executors and Trustees:

Banks act as executors of wills and trustees for managing assets of individuals and businesses. They ensure that wealth is distributed according to legal instructions and safeguard the financial interests of clients. This service is particularly useful for individuals who want to secure their assets for future generations.

(iii) Ms. Asha can implement the following two methods of brand promotion to develop a positive image of her cosmetic brand and increase brand loyalty among customers:

1. Advertising: Advertising is a powerful tool for promoting products to a large audience. Ms. Asha can use various advertising media such as newspapers, television, social media platforms, beauty magazines and websites to create awareness about her cosmetic products. Effective advertising highlights the unique features, quality and benefits of her products, helping to build a strong and positive image in the minds of customers. This repeated exposure fosters trust and loyalty among customers.

2. Sales Promotion: Sales promotion involves offering short-term incentives to encourage customers to purchase the product. Ms. Asha can provide discounts, free samples, buy-one-get-one-free offers, loyalty programmes, or gift vouchers to attract new customers and

retain existing ones. Such incentives not only stimulate immediate sales but also enhance customer satisfaction, leading to long-term brand loyalty.

Answer 5.

(i) **The following are the five points for the scope of Public Relations:**

- Media Relations:** Building and maintaining positive relationships with newspapers, TV channels, magazines, etc., to get favourable media coverage.
- Corporate Communication:** Communicating effectively with internal stakeholders like employees, shareholders and management to ensure organisational harmony.
- Crisis Management:** Managing communication during crises to maintain the company's image and control damage.
- Brand Image Building:** Shaping the public perception of the company or its products through positive publicity and social initiatives.
- Community Relations:** Developing goodwill by engaging in social welfare programs, environmental activities, or sponsoring community events.

(ii) **The following are the uses of Income and Expenditure Account:**

- Determines Surplus or Deficit:** Shows whether the non-profit organisation has a surplus (excess income) or deficit (excess expenditure).
- Assists in Budgeting:** Helps management to prepare budgets for future periods based on past income and expenditure patterns.
- Monitors Financial Performance:** Acts as a tool to analyse the organisation's financial performance over time.

(ii) **Difference between Fixed Cost and Variable Cost:**

Sl. No.	Basis	Fixed Cost	Variable Cost
1.	Definition	Costs that remain constant irrespective of production levels.	Costs that change directly with the level of production/output.
2.	Nature	Fixed in total, does not vary with output.	Variable in total increases or decreases with production.
3.	Per Unit Behaviour	Per unit cost decreases as production increases.	Per unit cost remains constant at all levels of production.
4.	Examples	Rent, salaries, insurance, depreciation.	Raw materials, direct labour, packaging costs, sales commission.
5.	Time Period	Fixed over a short period, may change in the long term.	Changes even in the short period are based on output levels.
6.	Control	Difficult to control in the short run.	Easier to control as they are incurred only when production happens.

(Any Five)

(iii) The Compensation Function of HRM involves designing and administering the total rewards employees receive for their work, including wages,

4. **Transparency and Accountability:** Ensures transparency and accountability to donors, government and stakeholders by presenting financial health.

5. **Helps in Decision Making:** Assists in making decisions about fund allocation, cost control and resource utilisation.

(iii) **The pictures depict the Chipko Movement.**

- The Chipko Movement was a forest conservation movement in India during the 1970s.
- Villagers, especially women, hugged trees to prevent them from being cut down by contractors. It highlighted the role of local communities in protecting natural resources.
- It originated in Uttarakhand (then part of Uttar Pradesh) to protect trees and promote environmental conservation.
- The movement emphasised sustainable use of forests and ecological balance.

Answer 6.

(i) The highlighted 'C' stage in the Product Life Cycle is the Maturity Stage.

The following are the four features of the Maturity Stage:

- Peak Sales:** Sales volume reaches its highest point due to widespread acceptance in the market.
- Market Saturation:** Most potential customers already own the product, and competition is intense.
- Price Competition:** Companies may reduce prices or offer discounts to retain market share.
- Profit Stabilisation or Decline:** Profits may stabilise or start to decline due to high promotional expenses and price wars.

salaries, incentives and benefits. Its goal is to attract, retain and motivate employees.

Activities under Compensation Function:

1. **Job Evaluation and Wage Structure:** Creating a pay scale that reflects job complexity, responsibilities and required skills.
2. **Salary Administration:** Maintaining internal equity (similar jobs within the company) and external equity (competitiveness in the market).
3. **Incentive and Bonus Plans:** Designing performance-based rewards (e.g., bonuses, commissions, profit-sharing).
4. **Employee Benefits and Perquisites:** Offering additional perks (e.g., company car, subsidised meals) to enhance job satisfaction.

Answer 7.

(i) The following are the two types of interview:

1. **Structured Interview:** A Structured Interview is a formal type of interview where a set of predetermined questions is prepared in advance by the interviewer. These questions are asked to all candidates in the same order, ensuring consistency and fairness in the selection process. The primary focus is to evaluate the knowledge, skills and abilities of the candidates based on specific criteria. It helps in making objective comparisons between candidates. Structured interviews are particularly useful when the organisation wants to fill positions that require specific qualifications or technical expertise.
2. **Unstructured Interview:** An Unstructured Interview is a flexible and informal type of interview where no fixed set of questions is followed. The interviewer asks questions spontaneously, depending on the candidate's responses. This type of interview allows for a free-flowing conversation, giving the interviewer the opportunity to assess the candidate's personality, communication skills, creativity and attitude. It is especially useful for roles where interpersonal skills and innovative thinking are important. The informal nature helps candidates feel relaxed, leading to a more natural exchange of information.

(ii) Features of Personal Selling:

1. **Personal Interaction:** Personal selling involves direct, face-to-face interaction between the salesperson and the prospective buyer. This helps in building a personal relationship and understanding the specific needs of the customer.
2. **Two-Way Communication:** It allows for two-way communication. The salesperson presents the product, and the customer can ask questions, raise objections and seek clarifications, making the process interactive and effective.
3. **Customised Approach:** In personal selling, the sales message can be tailored according to

the individual needs and preferences of the customer. This customisation increases the chances of successful sales.

4. **Immediate Feedback:** Since the salesperson and the buyer are in direct contact, immediate feedback is available. The salesperson can quickly assess the customer's reaction and modify their approach if necessary.
5. **Relationship Building:** Personal selling emphasises long-term relationships with customers. A good salesperson not only focuses on immediate sales but also works towards building customer loyalty and trust for future business.

(iii) (a) **The Business Entity Concept:** The Business Entity Concept is a fundamental accounting principle which states that the business and its owner are two separate entities. According to this concept, all financial transactions are recorded from the business's point of view, not the owner's. The personal assets and liabilities of the owner are kept separate from those of the business. This concept helps in accurately assessing the financial position and profitability of the business without mixing the owner's finances.

(b) **The Going Concern Concept:** The Going Concern Concept assumes that a business will continue to operate indefinitely and is not expected to be closed or liquidated shortly. This principle allows businesses to defer the recognition of certain expenses and revenues until future periods. It provides stability in financial reporting and ensures that assets are valued based on their long-term use rather than their immediate sale value. It forms the basis for preparing financial statements under the assumption of continuity.

Answer 8.

(i) Impacts of Acid Rain on the Environment:

1. **Damage to Aquatic Life:** Acid rain increases the acidity of water bodies like rivers, lakes and ponds. As the pH level of water decreases, it becomes harmful to aquatic life. Fish, amphibians and other aquatic organisms find it difficult to survive in such acidic conditions, leading to a decline in biodiversity and disruption of aquatic ecosystems.
2. **Harm to Vegetation and Soil:** Acid rain adversely affects plant life by leaching essential nutrients from the soil, such as calcium and magnesium, which are crucial for plant growth. It also damages the leaves and bark of trees, making them more vulnerable to diseases, extreme weather and pests. This leads to poor agricultural yields and degradation of forests over time.

(iii) Differences between Cheque and Bank Draft:

Sl. No.	Basis	Cheque	Bank Draft
1.	Drawer	Drawn by the account holder (customer).	Drawn by the bank itself.
2.	Guarantee of Payment	Payment is not guaranteed; may bounce if insufficient balance.	Payment is guaranteed by the bank.
3.	Issuer	Issued by the customer.	Issued by the bank on the customer's request.
4.	Payment Mode	Payment is made from the customer's account only if funds are available.	Payment is made by the bank's funds; the customer prepays the amount.
5.	Charges	Usually no extra charges for issuing a cheque.	The bank charges a service fee for issuing the draft.
6.	Risk Factor	Higher risk of dishonour or bouncing.	No risk of dishonour as payment is assured by the bank.

[Any Five]

(iii) (a) Informative Advertising: Informative advertising is a form of advertising used primarily to introduce a new product, service, or idea to the market, providing important information about its features, uses and benefits. Its main objective is to create awareness among potential customers and educate them about the product. This type of advertisement is commonly used when a product is new or significantly improved. It highlights the price, quality, usage instructions, ingredients and any special offers associated with the product. Informative advertising plays a crucial role in reducing customer uncertainty and helps in the decision-making process. It is often seen in newspapers, brochures, television and online platforms, especially for products like medicines, electronics and new technologies.

(b) Automated Teller Machine (ATM): An Automated Teller Machine (ATM) is an electronic banking machine that allows customers to perform basic financial transactions without the need for a human teller. ATMs provide a convenient way for customers to withdraw cash, check account balances, transfer funds and deposit money at any time, 24/7. It requires the use of an ATM card and a personal identification number (PIN) for security. ATMs have significantly enhanced the efficiency of banking operations by reducing the workload on bank staff and providing quick service to customers. They are installed at various locations such as bank branches, shopping malls, airports and other public places, making banking services more accessible and user-friendly.

Answer 9.**(i) Differences between Product and Service:**

Sl. No.	Basis	Product	Service
1.	Tangibility	Products are tangible; they can be touched and seen.	Services are intangible; they cannot be touched.
2.	Ownership	Ownership of a product is transferred to the buyer.	No ownership is transferred in services.
3.	Production & Consumption	Production and consumption are separate.	Production and consumption occur simultaneously.
4.	Storage	Products can be stored for future use.	Services cannot be stored.
5.	Return/Exchange	Products can be returned or exchanged.	Services cannot be returned once delivered.

(b) 1. Industrialisation: Industrialisation leads to the establishment of factories, which release harmful pollutants such as carbon dioxide, sulphur dioxide and other toxic gases into the atmosphere, causing air pollution. It also results in the discharge of untreated industrial waste into rivers and oceans, leading to water pollution and harming aquatic life. Furthermore, deforestation to set up industries contributes to the loss of biodiversity and increased carbon levels, thereby worsening global warming.

2. Transport: Excessive use of transport vehicles increases the emission of greenhouse gases like carbon dioxide (CO₂) and nitrogen oxide (NO_x), contributing to air pollution and climate change. Noise pollution is caused by the constant movement of transport vehicles. Over-reliance on fossil fuels leads to depletion of natural resources and oil spills, affecting soil and water quality.

(iii) (a) The three steps that were taken by the President of JK Tyres to contribute to sustained relationships with customers are:

1. **Fleet Management Service:** JK Tyres tied up with large fleet operators, providing tyre services based on the fleet size, ensuring long-term business relationships.
2. **Cost-Bearing Model:** JK Tyres bear the upfront cost of tyres while the customer pays as per usage, making it convenient and affordable for fleet operators.
3. **Widespread Network:** The company developed a large customer base and strong service network with pit stops and truck wheel

centres, ensuring repeat business and customer loyalty.

(b) The two steps taken by JK Tyres to develop as a part of the fleet management business are:

1. **Tie-ups with Fleet Operators:** JK Tyres collaborated with 1300 out of 1800 large fleet operators across India, providing tyres-as-a-service, contributing to steady demand.
2. **Development of Pit Stops and Wheel Centres:** JK Tyres established about 250 pit stops and 100 truck wheel centres across the country, providing continuous service to the fleet operators and enhancing customer convenience.

OSWAAL

