

**Qn 1. (a)** Write an essay of about 300 words on any one of the following :

- (i) Arrival of foreign universities in India
- (ii) Food price inflation
- (iii) Global economic crisis : All is well !

(10 marks)

**Ans. 1.(a)(i)**

#### **ARRIVAL OF FOREIGN UNIVERSITIES IN INDIA**

March 2010, the Union Cabinet gave its nod to the HRD Minister's proposal to allow foreign universities to set up operations in India. The Foreign Educational Institutions bill has now been submitted to parliament for its approval. Even though there's a lot of excitement in the air about this proposed bill, this clearly is the case of misplaced priorities by the government.

It is a fact that each year, thousands of students leave the Indian shore for pursuing higher education, thereby yearly \$4 billion being drained out of the country. It is also a fact that barring the IITs and IIMs, there are hardly any institutes of international standard in India. The status of higher education in the country is pathetic. But to invite foreign universities to clear up the mess is hardly the solution.

Firstly the gap between demand and supply of intake capacity for higher education is so large that even if some foreign universities set up their shops, this gap is unlikely to be filled. Secondly, the impression is being created that, as soon as the bill gets through, the foreign universities will line up in front of Kapil Sibal with initial investment of 50 Crores (as required in the provisions of bill). It will certainly be not so. In all probability, world's top institutes like Oxford and Yale will keep away. Instead, a plethora of B-grade universities may just flood the market to make easy money!

There's a mad craze about education abroad especially amongst the neo-affluent section of the society. So, even if the foreign universities do set up their branches here, this section of students, attracted more by the western lifestyle than by the quality of education, will still look westwards. What is more, the Indian branches of these universities will offer courses at much more higher fees than their Indian counterparts, that will make these institutes out of reach of common man!

**Ans. 1.(a)(ii)**

#### **FOOD PRICE INFLATION**

India's food price inflation slowed to a four-month low as bigger winter crops boosted supplies of sugar and wheat. The decline in farm prices coincides with an increase in manufactured-product costs, driving the benchmark wholesale price inflation rate to a 16-month high in February. Wholesale price inflation rate rose to 9.89%. India's industrial production rose 16.7%, Ahluwalia, deputy chairman of the Planning Commission said that growth is picking up, to balance between controlling inflation and protecting growth is an issue for people responsible for short-term monetary management. Stocks were little changed after the report as investors weighed expectations that policy makers will take steps to curb inflation against the outlook for earnings growth. Reserve Bank governor D. Subbarao has kept the central bank's benchmark reverse repurchase rate unchanged at 3.25%, awaiting further evidence of a strengthening economy. In the last policy statement he opted to order banks to hold more assets in reserves, raising the cash reserve ratio to 5.75%. Finance minister Pranab Mukherjee announced plans to start withdrawing the fiscal stimulus as consumer demand recovers, increasing the excise duty on most products to 10% from 8%. Companies including Indian Oil Corp. Ltd and ITC Ltd raised prices after tax was raised. Even so, agriculture prices are falling as production increases. Sugar output in India, the world's biggest buyer of the commodity, would be higher than forecast as cane yields improved. The wheat harvest would also reach a record this year as said by agriculture minister Sharad Pawar. It has become a tremendous curse for the country, government should look after it and provide subsidy to the farmers. So that the production of food grains will improve which will help curb inflation of food grains in the country.

**Ans. 1. (a) (iii) GLOBAL ECONOMIC CRISIS**

The global financial crisis, brewing for a while, really started to show its effects in the middle of 2007 and into 2008. Around the world stock markets have fallen, large financial institutions have collapsed or been bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems. On the one hand many people are concerned that those responsible for the financial problems are the ones being bailed out, while on the other hand, a global financial meltdown will affect the livelihoods of almost everyone in an increasingly inter-connected world. The problem could have been avoided, if ideologues supporting the current economics models weren't so vocal, influential and inconsiderate of others viewpoints and concerns. This article provides an overview of the crisis with links for further, more detailed, coverage at the end.

The current financial turmoil is rooted to the sub prime crisis. During boom years, mortgage brokers enticed by the lure of big commissions, talked buyers with poor credit into accepting housing mortgages with little or no down



payment and without credit checks. Banks and financial institutions often repackaged these debts with other high-risk debts and sold them to world-wide investors creating financial instruments called CDOs or collateralized debt obligations.

Federal Reserve Bank and European Central Bank dumped \$100-billion in liquidity into the system that calmed the market down for a short period. However the sub prime crisis continued to be solid as long as the housing market continued to escalate and interest rates didn't go up. Lehman Brothers Lehman's slow collapse began as the mortgage market crisis unfolded during the summer of 2007. The fears were based on the fact that the firm was a major player in the market for sub prime and prime mortgages. Lehman managed to avoid the fate of Bear Stearns, the other of Wall Street's small fries, which was bought by JP Morgan Chase" at a bargain basement price under the threat of bankruptcy. Lehman and Bear Stearns had a number of similarities. Both had relatively small balance sheets, they were heavily dependent on the mortgage market, and they relied heavily on the "repo" or repurchase market, most often used as a short-term financing tool.

IT Cos: With nearly half of their revenues coming from banking and financial services segments, India's top software exporters are closely monitoring the financial crisis spreading across markets.

Banks: The government is worried the ongoing crisis would have an adverse impact on Indian banks. Lehman Brothers and Merrill Lynch had invested substantially in the stocks of Indian banks. The banks, in turn, have invested in derivatives, which might have exposure to these investment bankers.

**Qn. 1 (b)** Make a precis of the following passage in about one-third of its length and suggest a suitable title (*Use precis-sheet given at the end of the answer book*) :

Accounting is defined as 'the language of business' as it is the medium to record business activities resulting into profit or loss and financial position. The financial statements prepared are a medium of communication with the shareholders. Accounting processes document all aspects of financial performance of the business, from costs (capital or revenue) to revenue and owners equity.

An understanding of the financial data contained in accounting documents is regarded as essential to reaching an accurate picture of a business's true financial well being. Armed with such knowledge, businesses can make appropriate financial and strategic decisions about their future; conversely, incomplete or inaccurate accounting data can cripple a company, no matter its size or orientation. The importance of accounting as a barometer of business health – past, present, and future – and tool of business navigation is known to one and all. An accounting system contains information relevant to a wide range of people, its stakeholders.

Commerce education at the undergraduate level is highly general. The emphasis is more on theory and very little practical knowledge, whereas whatever accountants do is all practical. The accountants who are working with small enterprises are deficient in understanding and interpretation of legal requirements of accounting and business. They feel stranger to newer forms and returns, and increasing e-filing. "Even the present day accountants being employed by large organisations find difficulties in understanding the ever increasing legal provisions and compliances.

Worldwide accounting is done through computers, the IT education has not reached to a large mass of employable youth in India. Due to lack of knowledge and skills, the Chartered Accountants have to devote more time on making them understand as to what is to be done and how it is to be done. The businesses have to pay higher fees to Chartered Accountants as their services are time-rated. India has a large pool of 10+2 pass outs in search of gainful employment, but without necessary vocational education, thus not employable. The role of banks has increased considerably in conducting business. Traditional accountants often feel uncomfortable with banking transactions. Due to globalisation, the organizations are having greater exposure to international transactions, but accountants have difficulty to deal with them.

**Ans. 1(b)**

### **Accountancy : A Boom to Indian Economy**

As we all know accounting is defined as "the language of business" as it is being called the medium to record business activities resulting into profit or loss and financial position of any organisation.

The importance of accountancy comes to clear picture when incomplete or inaccurate accounting data can cripple a company no matter its size or orientation.

Now a days worldwide accounting is being done through computers due to which large amount of accounting employees lacks knowledge and skill of proper e-filing, IT accounting and legal requirements of accounting and business. For which chartered accountants are being globally recognized for devoting more time on making them understanding the importance of accountancy.

**2. (a)** Attempt the following as directed against each :

(i) Raman gets up early every morning and brews coffee for his wife. His wife leaves for work. \_\_\_\_\_ (Than/Then) Raman \_\_\_\_\_ (lays/lies) down for a nap. (Choose the correct words to fill-in the blank spaces.)



- (ii) She is that rare politician \_\_\_\_\_ (who / whom) has strong ethical \_\_\_\_\_ (principals/ principles), *(Choose the correct words to fill-in the blank spaces.)*
- (iii) The science of numbers and their operations is known as \_\_\_\_\_. *(Fill-in the blank space choosing the correct word -mathematics / mathamatics - to convey the correct meaning.)*
- (iv) Tsunami was a disastrous event. Who can forget the \_\_\_\_\_, *(Fill-in the blank space choosing the correct word -tragedy / tragedy - to convey the correct meaning.)*
- (v) You always pass failure *on* way to \_\_\_\_\_. *(Fill- in the blank space with antonym of the underlined word.)*
- (vi) The dreams were really disturbing, and I told my husband that I must have a guilty conscious. *(Change the underlined adjective to noun.)*
- (vii) "Breaking news from Toy Fair : Barbie and Kin have broken up ! After 43 years of dating, its all over for the prince and princess of plastic." *{Change the possessive pronoun to contraction.}*
- (viii) The overnight rise \_\_\_\_ Dalai Street was not maintainable, *(Write appropriate preposition in the blank space.)*
- (ix) We cannot have negative thoughts about the manager\* *(Change into positive sentence.)*
- (x) Blueline bus kills 60-year old man alive. *[Avoid unnecessary word(s).]*

**Ans. 2(a)** (i) then, lies

(ii) Who, Principles

(iii) Mathematics

(iv) Tragedy

(v) Success

(vi) The dreams were really disturbing, and I told my husband that I was unconscious.

(vii) After 43 years of dating Barbie and ken broke up. Its over for prince and princess of plastic.

(viii) for

(ix) we must not have negative thoughts about the manager.

(x) Blueline bus kills 60 year old man.

**Qn. 2 (b)** Choose the most appropriate answer from the given options In respect of the following :

- (i) The term secretarius' conveys the meaning —  
 (a) Officer of the highest cadre  
 (b) Confidential officer to whom confidential matters can be entrusted!  
 (c) Officer in default  
 (d) None of the above.
- (ii) Having no hair on the head is called —  
 (a) Bald (b) Dumb (c) Deaf (d) Bold.
- (iii) A 'sleeping partner' in a partnership firm refers to that partner —  
 (a) Who sleeps all the time  
 (b) Who becomes partner without any investment  
 (c) Who invests money in the firm but does not take active part in running it  
 (d) Who is a partner in many firms.
- (iv) The term 'mainland' means —  
 (a) The capital city of a country  
 (b) The largest province of a country  
 (c) The main area of land of a country not including islands and separate territories  
 (d) The area which is the most prosperous in a country.
- (v) The prefix 'poly' in the word 'polygon' denotes —  
 (a) Huge (b) Small (c) Many (d) Single,

**Ans. 2 (b)** (i) (b)

(ii) (a)

(iii) (c)

(iv) (c)

(v) (c)

**Qn. 3. (a)** Make sentence of your own using the following pair of words to bring out their meanings :

(i) Buy - Bye

(ii) Assure - Ensure

(iii) Sign out - Sign in

(iv) Beat - Beet

(v) Pole - Poll.

- Ans. 3(a)** (i) Buy – I don't think they had buy it.  
Bye – She waved bye and got into the car.  
(ii) Assure – I know you think I did it deliberately, but I assure you that I did not.  
Ensure - please ensure that all lights are switched off.  
(iii) Sign out – you must sign guests out when they leave.  
Sign in – All visitors must sign in on arrival.  
(iv) Beat – He beat me at chess.  
Beat – Beet is a good vegetable for health.  
(v) Pole – Their opinions were at opposite poles of the debate.  
Poll – The final result of the poll will be known tomorrow.

**Qn. 3 (b)** Words have different meanings in different contexts/situations, Make sentences of your own using the following words to bring out their two different meanings :

- (i) Bail            (ii) Drawings            (iii) Fat            (iv) Nuclear            (v) Trial.

- Ans. 3 (b)** (i) Bail – a) Bail was set at \$1 million.  
b) The boat will strike unless we bail out.  
(ii) Drawings –a) M.F. Hussain is famous for his drawings.  
(b) For drawing cash, one needs to fill up a withdrawal form.  
(iii) Fat – (a) He gave me a nice fat cheque.  
(b) Cook the meat in shallow fat.  
(iv) Nuclear- (a) The percentage of nuclear family is increasing in India.  
(b) Nuclear power energy leads to self destruction.  
(v) Trial – (a) The men were arrested but not brought to trial.  
(b) She agreed to employ me for a trial period.

- Qn. 4. (a)** State, with reasons in brief, whether the following statements are correct or incorrect, Attempt any **five** :
- (i) The two mistakes most organisations make during difficult times are — not communicating enough and not communicating well enough,
  - (ii) The two words — 'please' and 'thank you' have been used too much and in future they should be used sparingly.
  - (iii) Words can hurt, - .
  - (iv) All the channels through which message is sent across have the same strengths and weaknesses.
  - (v) Formality kills conversation.
  - (vi) Gossip at work is always unwelcome,
  - (vii) To communicate ideas, they are often given various forms,

- Ans. 4) a)** (i) Correct : The two common mistakes most organisations make during difficult times are – not communicating enough and not communicating well enough in both due cases the organisation loses.  
(ii) Correct : Since repetitive usage of words reduces the interest of the listener and there is great probability of mis-interpretation of fact.  
(iii) Correct : Improper use of words may have an negative impact on the mind of listener and may have negative future prospects.  
(iv) Incorrect : Strengths and weakness of a channel depends on in its nature and hence every channel has its own strengths and weakness.  
(v) Incorrect : Conversation can be effective either in a formal or informal way.  
(vi) Correct : Gossip at workplace leads to many problems and hence it is always unwelcomed at workplace.  
(vii) Correct : Ideas can be communicated either in verbal or non-verbal form.

**Qn 4. (b)** How 'does a 'proforma invoice' differ from an Invoice'? If an importer has asked you (an exporter) for a proforma invoice, what details will you mention in it?

**Or**

You are a banker, One of your business customers has asked you for a term loan against certain securities. The securities so offered are not sufficient. Draft a reply advising the customer to offer more securities so as to grant the loan immediately.

**Ans. 4 (b)****Invoice**

It is a document giving full details of goods being shipped, prepared by the exporter and sent to the importer.

An Invoice may serve many purposes:

- It gives an accurate description of goods being sent and the prices to enable the buyer to check them.
- It states the total amount payable for the convenience of the buyer.
- The regular customers enter it in their account books and pay at the end of the credit period.
- It transfers the ownership of goods and helps in calculation of duties and taxes payable on them.
- An Invoice is a valid legal document in case of a dispute regarding payment.

**Pro forma Invoice**

A Pro forma invoice is different insofar as it is for form's sake only. It is neither entered into books nor charged to the account of the recipients. It may be used for several purposes including:

- as a Quotation.
- as a demand for payment when dealing with a new customer or one with whom we do not have any credit arrangement.
- to give details and prices of goods being sent on approval.
- to enable calculation of taxes and duties payable.

Or

**4.(b)**

Dear sir,

**TERM LOAN**

We regret that we cannot sanction your term loan due to some procedural defects the securities provided for the sanction of term loan are insufficient so kindly offer some more securities in order to avoid suspension of your term loan.

Yours faithfully,

**Qn. 5.** Attempt any three of the following :

- (i) The Institute of Nuclear Medicine and Allied Sciences (INMAS), Timarpur, Delhi - 110054 of the Defence Research and Development Organisation (DRDO) requests for registration from reputed book suppliers in India for the supply of current science & technology and medical books for a maximum period the years. Draft a tender notice for the same.
- (ii) What are the practical requirements of drafting a letter of enquiry?
- (iii) What points must be kept in mind while drafting charge sheet ?
- (iv) It has often been observed that people fail to write a **telegram** properly. What errors are generally committed in writing a telegram?

**5(i) Ans.**

**DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION  
NOTICE INVITING TENDERS**

Sealed Tenders are invited by the Executive officer, The Institute of Nuclear medicine and Allied Sciences (INMAS) Timarpur, Delhi – 110054 from approved book suppliers only for the supply of current Science & technology and medical books for a maximum period of three years from the date of award of contract. Tender forms the date of award of contract. Tender forms may be bought from the office of the undersigned on cash payment of Rs. 500 only, on any working day. Defence Research and development organisation reserves the right to reject any or all bids without assigning any reason.

Sd/-  
XEN  
Defence Research and  
Development organisation

**5(ii) Ans.** Practical requirements of drafting a letter of enquiry

The following general hints should be remembered while writing a letter of enquiry.

- (1) The kind and quantity of goods required should be mentioned very clearly, besides requirements as to packing, etc. must be given in full.
- (2) In order to make the response undoubtedly sure and specific, samples, specifications, etc., should preferably be sent alongwith the letter.
- (3) To facilitate proper handling 'and checking, the list of items, if any, may be given in a tabulated form with proper identification/specification with product name/brand, etc.





- (4) Letter of enquiry should indicate whether one would like to purchase for cash or credit and any other terms of payment. In such a letter, credit references may also be given, especially in case the intention is to have credit and when it is the first transaction.

**5 (iii) Ans.** The following points should be kept in mind while drafting a charge sheet:

- (a) Explanation of an employee may or may not be called for before issuing the charge sheet.
- (b) The charge sheet should be issued by the appointing authority or disciplinary authority whichever is the higher authority.
- (c) The framing of charge sheet should not be vague. It is not sufficient to quote the nomenclature of conduct rules which are alleged to have been violated. The specific rule and/or the sub-rule which has been violated should be stated. The matter on which the charge is based should also be mentioned in the chargesheet in clear and specific terms.
- (d) No specific form of a chargesheet has been prescribed. A charge sheet may be in the form of a simple letter containing the following aspects:
  - (i) Constituents of charges i.e. the charge should contain all facts which combined together make a particular misconduct as defined in the Standing Order/Service Conditions Manual. Time and place where necessary should be included in the charges.
  - (ii) Each incident should be taken as a separate charge.
  - (iii) Specific name of the offence may be mentioned and violation of rules/ regulation of conduct rules be specified.
  - (iv) If misconduct consists of using offending language, the exact words used be preferably specified in the charges.
  - (v) Sufficient time for the employee to reply to the charges levelled against him/her be given in the charge sheet. The time to be given in each case will depend on the number of charges, their nature, the time that has elapsed since the alleged misconduct was committed, etc.
- (e) Explanation to charges in the charge sheet be called for in writing.

**5(iv) Ans.** The errors committed in writing a telegram are:-

- Message must be brief and clear;
- Time should be written according to the twenty four hour clock;
- Sentences are to be divided by the word "STOP";
- Clarity and accuracy must be maintained;
- Normal grammar and punctuation may be ignored
- Block letters must be used as far as possible.

**Qn. 6.** Attempt any three of the following :

- (i) A 'memorandum' can be divided into various segments, like—heading, opening, context, task, summary, discussion and closing. Briefly explain these segments its to what is being written therein.
- (ii) Suggest the essential tips for writing a press release.
- (iii) SMS (Short Messaging Service) is a great innovation in the field of communication, but not free from limitations. What are these limitations ?
- (iv) You are working with the Securities and Exchange Board of India (SEBI). Recently, SEBI has received an application from United Stock Exchange to start trading in currency futures. Jayse Capitals of Delhi holds 15% share and Bombay Stock Exchange (the anchor investor) another 15% in it. Draft a reply (only the body) granting permission with the condition that Jayse Capital must bring down its shareholding to 5% within 6 months, since in this case Bombay Stock Exchange (BSE) happens to be the anchor investor.

**6(i) Ans.** A memorandum contains of various segments which are as follows :-

- (a) Heading :- The use of headings is used to provide a summary of the matter contained in the memorandum.
- (b) Opening context : It is written to give an introductory idea of the matter contained in the memorandum.
- (c) Task : It is the main function which is being described in the memorandum.
- (d) Summary: The Summary helps to give the main ideas of the memorandum in a concised manner.
- (e) Discussion : It helps in discussing and elaborating the main idea of the memorandum.
- (f) Closing : It is used to end up the memorandum.

**6(ii) Ans. Essentials for a Good Press Release**

The alternative to a Press Release is a paid advertisement, which costs a fortune. Therefore it is in our interest to learn the art of preparing good press releases. It may be a good strategy to prepare a press release as an outsider or as a reporter would do, taking an objective view and avoiding personal pronouns. In order to have a fair chance of selection, a press release should have the following:



- a) Newspapers often try to get scoops so that they may be the only ones to break the story. Though a Press Release cannot serve such a purpose since it is widely distributed, yet it must try to convey the latest information.
- b) Press Release based on factual information has greater chances of publication since verification is possible. Opinions tend to be subjective and biased. Therefore facts are always preferable.
- c) Press Releases must be drafted in an interesting manner. It is common for an organisation to present things from its own perspective. However, the reader or a viewer may have different expectations.
- d) The Chief of Bureaus are known to strike out large parts of Press releases received by them daily. One cannot fault them because they are parting with precious space and time.
- e) Newspapers or TV channels follow their individual policies. It makes sense to send the Press release to a suitable media, which is likely to be interested in the contents.
- f) The display of a Press Release is important, it should preferably be prepared on a word-processor in a standard font and a convenient size. Variations for creating an artistic effect are an exception.
- g) The Press Release should always be printed on the letter head of the Organisation, carry the date of release or preparation and be signed by an authorised person, who can also be contacted for any clarification or further information.
- h) Press releases may be sent directly to the editors or journalists of the media or handed out at Press conferences, which are summoned in advance. Invitation is often faxed to members of media through what is commonly called a Media Advisory to cover the event.

**6(iii) Ans.** The disadvantage is that there is no written record, and it sounds very informal.

For example your message how are you? Could be sent as "hru?", good for you \_ as "GD 4 U", Where the vowels are dispensed with. The receiver too has to be conversant with any abbreviations you may use, in order to understand your message.

**6(iv)** Dear Sir,

In response to your application dated 1 Feb. 2010 We considered your proposal regarding trading in currency futures. Permission regarding the aforesaid is being granted provided that Jayse capital (15% of shareholder) shall reduce its shareholding from 15% to 5%.

Yours faithfully

Secretary  
SEBI