

BUSINESS STUDIES

PART II

Business Finance and Marketing

Textbook for Class XII



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विद्यया ऽ मृतमश्नुते



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NCERT

राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्
NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING

ISBN 81-7450-697-7 (Part I)
81-7450-756-6 (Part II)

First Edition

May 2007 Jyaishta 1929

Reprinted

February 2008 Magha 1929

March 2009 Chaitra 1929

January 2010 Magha 1931

January 2011 Magha 1932

January 2012 Magha 1933

January 2013 Pausa 1934

November 2013 Kartika 1935

January 2015 Magha 1936

May 2016 Vaishakha 1938

January 2018 Magha 1939

February 2019 Phalguna 1940

November 2019 Agrahayana 1941

PD 300T BS

© **National Council of Educational
Research and Training, 2007**

₹ **80.00**

*Printed on 80 GSM paper with NCERT
watermark*

Published at the Publication Division
by the Secretary, National Council of
Educational Research and Training,
Sri Aurobindo Marg, New Delhi 110 016
and printed at Aadarsh Private Limited,
Plot No. 106, 107 & 108, Sector-1,
Govindpura Industrial Area, Bhopal
462 023 (M.P.)

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FOREWORD

The National Curriculum Framework (NCF), 2005, recommends that children's life at school must be linked to their life outside the school. This principle marks a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home and community. The syllabi and textbooks developed on the basis of NCF signify an attempt to implement this basic idea. They also attempt to discourage rote learning and the maintenance of sharp boundaries between different subject areas. We hope these measures will take us significantly further in the direction of a child-centred system of education outlined in the National Policy on Education (1986).

The success of this effort depends on the steps that school principals and teachers will take to encourage children to reflect on their own learning and to pursue imaginative activities and questions. We must recognise that, given space, time and freedom, children generate new knowledge by engaging with the information passed on to them by adults. Treating the prescribed textbook as the sole basis of examination is one of the key reasons why other resources and sites of learning are ignored. Inculcating creativity and initiative is possible if we perceive and treat children as participants in learning, not as receivers of a fixed body of knowledge.

These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time-table is as necessary as rigour in implementing the annual calendar so that the required number of teaching days are actually devoted to teaching. The methods used for teaching and evaluation will also determine how effective this textbook proves for making children's life at school a happy experience, rather than a source of stress or boredom. Syllabus designers have tried to address the problem of curricular burden by restructuring and reorienting knowledge at different stages with greater consideration for child psychology and the time available for teaching. The textbook attempts to enhance this endeavour by giving higher priority and space to opportunities for contemplation and wondering, discussion in small groups, and activities requiring hands-on experience.

The National Council of Educational Research and Training (NCERT) appreciates the hardwork done by the textbook development committee responsible for this book. We wish to thank the Chairperson of the advisory group in Social Sciences Professor Hari Vasudevan and the Chief Advisor for this book, D.P.S. Verma, *Professor (Retd.)*, Delhi School of Economics, University of Delhi, and Dr. G.L. Tayal, *Reader*, Ramjas College, University of Delhi, for guiding the work of this committee. Several teachers contributed to the development of this textbook; we are grateful to their principals for making this possible. We are indebted to the institutions and organisations which have generously permitted us to draw upon their resources, material and personnel. We are especially grateful to the members of the National Monitoring Committee, appointed by the Department of Secondary and Higher Education, Ministry of Human Resource Development, under the chairpersonship of Professor Mrinal Miri and Professor. G.P. Deshpande, for their valuable time and contribution. As an organisation committed to systemic reform and continuous improvement in the quality of its products, NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinement.

New Delhi
20 November 2006

Director
National Council of Educational
Research and Training

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ACKNOWLEDGEMENTS

The National Council of Educational Research and Training acknowledges the valuable contributions of the *Textbook Development Committee*, which took considerable pain in the development and review of manuscript as well.

Thanks are due to Savita Sinha *Professor and Head*, Department of Education in Social Science for her guidance and constant support at every stage of the textbook development process. The textbook has been reworked and updated at appropriate point of time in the context of recent development in business scenario and the Companies Act 2013. The contribution of practicing teacher of Business Studies is also duly acknowledged for developing e-resources for QR Codes.

The contribution of APC Office, Administration, Publication Division, and Secretariat of NCERT are also duly acknowledged for bringing out the updated textbook of Business Studies.

NOTE TO THE TEACHER

This textbook is expected to provide a good understanding of the environment in which a business operates. A manager has to analyse the complex, dynamic situations in which a business is placed. Therefore, content enrichment in the form of business news and abstracts of articles from business journals and magazines has been given as inset material (boxes). This will encourage students to be observant about all business activity and discover what is happening in business organisations with the expectation that they will update their knowledge through the use of libraries, newspapers, business oriented TV programmes and the Internet. Various types of questions are given and case problems have been introduced to test the application of subject knowledge to realistic business situations.

CONTENTS

	FOREWORD	<i>iii</i>
CHAPTER 9	FINANCIAL MANAGEMENT	225
CHAPTER 10	FINANCIAL MARKETS	252
CHAPTER 11	MARKETING	276
CHAPTER 12	CONSUMER PROTECTION	323

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CONTENTS (PART I)

CHAPTER 1	NATURE AND SIGNIFICANCE OF MANAGEMENT	1
CHAPTER 2	PRINCIPLES OF MANAGEMENT	30
CHAPTER 3	BUSINESS ENVIRONMENT	69
CHAPTER 4	PLANNING	93
CHAPTER 5	ORGANISING	111
CHAPTER 6	STAFFING	141
CHAPTER 7	DIRECTING	171
CHAPTER 8	CONTROLLING	205