

**SAMPLE CONTENT**



# SMART NOTES

Handwritten Notes For You

S.Y.J.C.

Organisation of Commerce  
And Management



**Target** Publications Pvt. Ltd.

# ORGANIZATION OF COMMERCE & MANAGEMENT

S.Y.J.C. (Commerce & Arts)

MAHARASHTRA STATE BOARD

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# PREFACE

Organization of Commerce and Management 'Smart Notes' is a first-of-its-kind handwritten book curated to facilitate learning and instil conceptual understanding within students. This treasure trove of knowledge fosters robust conceptual clarity and inspires confidence within the nimble mind of young learners.

Std. XII is a crucial year of a student's academic life. 'Smart Notes' not only help you prepare for your final examination but also equip you on a parallel ground to strengthen your foundation and lay the cornerstone of a bright future. Smart Notes comprehensively cover the entire syllabus and answer all possible questions that can be asked in your board exams. The book contains multiple other features like Smart Codes, Smart Recaps, Chapter-wise Index, Smart Videos etc. that make studying fun, interesting and interactive.

Apart from the book, we're also delighted to present you 'Quill-The Padhai App'. Quill App takes an innovative approach towards learning and facilitates the user to read & listen to the entire content of this book. Hence, it enables you to learn on the move. It also has a unique quiz section that tests your subject knowledge. Moreover, you can also view Board Question Papers of the previous years. With the purchase of this book you are entitled to avail a month's Free access to the Quill App.

We're sure that students, parents and teachers alike would love our value proposition and unique presentation of content that we have created for students.

The journey to create a complete book is strewn with triumphs, failures and near misses. If you think we've nearly missed something or want to applaud us for our triumphs, we'd love to hear from you. Please write to us at: [mail@targetpublications.org](mailto:mail@targetpublications.org)

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## ORGANIZATION OF COMMERCE AND MANAGEMENT

### S.Y.J.C

#### MAHARASHTRA STATE BOARD

#### WHY TO STUDY O.C.M ?

Apart from the basic objective of passing this board exam, there are various reasons for studying O.C.M :

1. The first part of the syllabus is totally business oriented. It deals with various aspects of business which a commerce student is expected to have knowledge about.
2. Your syllabus touches upon e-commerce as an emerging mode of business which you, as students of this generation, need to be aware of.
3. This subject also deals with the social aspect of business by explaining the role of businesses in protecting the society and consumers. The government is making it mandatory for certain companies to undertake corporate social responsibility (CSR) activities under which companies spend a part of their profits for betterment of the society. Therefore, an understanding of social responsibility of business towards society and consumers is very important.
4. The second part of the business deals with management of the business. It highlights various management theories by notable management experts. These theories are relevant till date and are used practically by managers. As you start working in the corporate field, you shall be required to have knowledge of these management theories and principles.

This subject is very practical and unlike other subjects in S.Y.J.C has contents which you may have come across in your daily life and will be able to relate to it easily. This subject forms the crux of your commerce education and we hope you enjoy studying it.

Total Marks = 100

- Project - 20 marks.
- Theory - 80 marks.

PAPER PATTERN.

Time - 3 hours (180 minutes)

Q.No	Particulars	No. of questions	Marks per question	Total Marks	Option	Ideal time required.
1A.	Select the proper option given from the options below and rewrite the completed sentences.	5	1	5	Nil	5
1B.	Match the correct pairs	5	1	5	Nil	5
1C.	Write a word or phrase or a term which can substitute each one of the following.	5	1	5	Nil	5
2.	Distinguish between	3	5	15	3 out of 5	30
3.	Write short notes on the following	3	5	15	3 out of 5	30
4.	State with reason whether the following statements are 'true' or 'false'.	3	5	15	3 out of 5	30
5.	Write short answer of the following.	2	5	10	2 out of 4	30.
6.	Long answers	1	10	10	1 out of 2	30.
	<b>TOTAL</b>	<b>27</b>	<b>-</b>	<b>80</b>		<b>165</b>

(Balance 15 mins for review)

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Chapter No.	Particulars	Page Nos.
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2.	Business Services	2.1 - 2.67
3.	Emerging Modes of Business	3.1 - 3.16
4.	Social Responsibility of Business	4.1 - 4.29
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8.	Entrepreneurship Development	8.1 - 8.22
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### NOTES :

1. We have given "Smart Codes" for certain answers to aid you in remembering them. Use them only when you need them. Remembering Smart Codes for every answer is not advisable.

2. At the beginning of every chapter is a list of questions against which we have mentioned the board paper in which they were asked. These questions may be asked directly or indirectly as distinguish between, give reason, short notes etc.  
This list is only indicative and not conclusive.

3. The content given in boxes in the book is only for understanding and for better clarity. Students are not expected to write it in any of their exams.

## CHAPTER 3 – EMERGING MODES OF BUSINESS

Q.No.	Particulars	Exams.
1.	Explain in detail about e-business.	Mar '16
2.	What are the various types of e-business transactions?	
3.	What are the advantages and disadvantage of e-business ?	Oct '14, Mar '15, Oct '15, Mar '17, Jul '17, Mar '18
4.	What are the stages involved in online transactions ?	
5.	What are the steps involved in on-line transactions?	Oct '14 Jul '18
6.	Explain the difference between the traditional and online buying and selling process with the help of a chart.	
7.	Write short notes on payment mechanism ?	Mar '15 Mar '16
8.	Write short note on payment processor ?	
9.	Write short note on security and safety of business transaction ?	
10.	Explain Secure Socket Layers (SSL).	
11.	What do you mean by 'outsourcing' ? State its advantages and disadvantages.	Mar '14 Mar '18, Jul '18



Scan this QR code to watch the video on  
"Advantages of e-business"  
(Based on Q.3)



Scan this QR code to watch the video on  
"Disadvantages of e-business"  
(Based on Q.3)

## CHAPTER 3 : EMERGING MODES OF BUSINESS.

### INTRODUCTION :

Many of our student friends would have booked movie tickets on bookmyshow.com or on the website of PVR, Cinemax, Inox, etc. Some of you may even have booked flight, train or bus tickets on makemytrip.com, cleartrip.com, redbus.com etc. The first thing that comes to our minds when we say e-business is "olx pe bech de" or "quickrrrr". Even websites like jabong.com, flipkart.com, snapdeal.com etc. have become very famous. All the above are e-commerce businesses.

The terms 'e-business' and 'e-commerce' are different. 'E-commerce' is a part/sub-branch of 'e-business'. In today's world, most of the businesses are e-businesses. The next generation of entrepreneurs is using and will continue to use computers & internet as an integral machinery for their business ventures. This chapter mainly deals with e-business as a whole.

Q.1. Explain in detail about e-business.

Ans :

1. The term "E-Business" i.e. "Electronic Business" is derived from the terms "e-mail" and "e-commerce".
2. The concept of e-business emerged when IBM coined the term in late 90's. The purpose was to provide the buyers a platform on the internet to buy and sell goods.
3. E-business means using the internet to connect people and processes. It refers to "web-enabling" the existing business processes to conduct transactions over the internet.
4. E-business is a term used to describe using the internet to operate a business. It can be as simple as using the internet to send mails between staff or communicate with suppliers.
5. A business can be considered as e-business even if it doesn't buy and sell products over the internet.
6. Almost all businesses now are e-businesses to some extent. However, many have taken a step further and are involved with e-commerce.
7. Difference between e-commerce and e-business :



E-COMMERCE	E-BUSINESS.
E-commerce is a sub-branch or sub-set of e-business.	E-business is a wide concept and includes e-commerce.
E-commerce refers to ordering, buying, selling and paying for the products & services using the internet.	E-business includes manufacturing, buying, selling and managing the entire business on the internet.

8. The scope of e-business is not restricted to only online shopping. It also includes online stock, online transactions and the use of software.

Eg :

- If Mehta Sons & Co. use the internet to pay their taxes online, it is a e-business.
- If a local grocery store accepts your orders via email or designs a website where you can place your orders, then it can be said that it is an e-business.

9. Transactions under e-business include transactions between consumers, manufacturers, suppliers and the government.

10. The major benefits of e-business are cost reduction and productivity improvement. It also helps better communication between business houses and makes purchasing easier for large organizations.

Q.2. What are the various types of e-business transactions ?

Ans : The term "e-business" i.e "electronic business" is derived from the terms "e-mail" and "e-commerce". It refers to "web-enabling" the existing business processes to conduct transactions over the internet.

The various types of e-business transactions are as follows :-

Consumer to Consumer (C to C)	Business to Consumer (B to C)	Business to Business (B to B)
1. In these types of business transactions, consumers buy and sell goods & services from and to other consumers.	1. This type of transaction are between business firms and consumer.	1. It is a business model where business firms interact with each other

2. The consumers who want to sell any goods can list their goods on an e-commerce website.

eg:

olx.com, quickr.com, ebay.com etc.

3. All the details (including picture) and terms for buying the goods are displayed on the website.

4. The Consumers who want to buy any goods can browse through the website and select the goods as per their needs and budget.

5. Consumers are even allowed to form interactive forums, rate the goods, raise complaints etc.

6. The payment for the goods can also be made online.

2. A lot of business firms have realized the importance of having an online presence and have developed their own website which they use for marketing their product and services.

3. Many business firms also give an option of buying their products online.

4. The cost of products and service is kept low through this method and the speed of the transaction also is much faster.

5. Eg:

B to C : Service.

makemytrip.com, redbus. in are online portals. on which consumers can book tickets for their train/bus/ flight journey and also book hotels.

B to C : Goods.

myntra.com, jabong.com, flipkart.com are websites where consumers can buy a variety of goods like bags, shoes, clothes, accessories etc.

2. Business firms depend on other business firms for variety of needs like raw materials, spare parts, marketing campaigns, corporate trainings, providing man power, housekeeping, catering etc.

3. In e-business also there are various examples B to B model.

Eg:

1. Naukri.com provides business firm access of all resumes uploaded on its web portal. The entire transaction is done via internet.

2. Justdial.com lets business firms to list them on its website. This helps the business firms to market its products and services in a better manner.

Q.3. What are the advantages and disadvantage of e-business ?

Ans: The term "e-business" i.e. "electronic business" is derived from the terms "e-mail" and "e-commerce". It refers to "web-enabling" the existing business processes to conduct transactions over the internet.

E-business means conducting business over - internet. The emergence of e-business has provided entrepreneurs with many new advantages and opportunities.

Advantages of e-business are as follows :

[SMART CODE : ADVANTAG]

### 1. ALLOWS FLEXIBLE BUSINESS HOURS :

The internet is available 24x7. Hence, an e-business is never closed. The customer can visit the website of the business at any point of the day. Further, the employees may also be allowed to choose their working timings as per their convenience.

### 2. DIRECT COMMUNICATION :

In e-business there is direct communication between the supplier and consumer without any middlemen. Further, there is no face-to-face interaction. This results in easy approach and saves time.

### 3. VERY LOW SET-UP COST :

It is easy to setup an e-business. The initial investment for starting up an e-business is generally lower than the costs required for starting a traditional retail business. The technology is slowly becoming cheaper to obtain.

### 4. ALSO CONVENIENT TO CUSTOMERS :

Customers can get products at their door-step by just few clicks. They do not even have to step out of their house. This gives comfort to customers and saves time.

### 5. NOT RESTRICTED TO GEOGRAPHIC BOUNDARIES :

E-business is not restricted to a particular place. Since the business is conducted over the internet, the entire world becomes the market. For eg : Zomato.com a popular restaurant listing and search site is now present in more than 11 countries.

### 6. TOTAL SPACE REQUIREMENT IS LESS :

A company which sells its goods online may require a lesser space as compared to a traditional retail shop. Also, e-businesses can allow its employees to work from home and they may not need a big office space.

### 7. ALLOWS EASY ENTRY IN THE MARKET :

Since the cost of starting an e-business is less, more people are able to enter the market with their business ideas. This is a big boost to the entrepreneurship and also consumers get more options to choose from.

### 8. GOVERNMENT SUPPORT :

The government is also supporting e-businesses. E-businesses have global presence and this benefits the economy in many ways.

### DISADVANTAGE OF E-BUSINESS :

[SMART CODE : SIMILAR]

#### 1. SUITABILITY :

E-business is not suitable for marketing certain products. Also, e-business is not suitable in rural areas.

#### 2. ISSUES IN DELIVERY :

Due to lack of good transport system in many parts of country, it becomes very difficult for suppliers to deliver goods on time. Also, it becomes really expensive to deliver goods in remote areas.

#### 3. MISSING PERSONAL TOUCH :

The personal touch of the seller is missing in e-business. The buyer is not able to interact face-to-face with the seller. Therefore, it may be difficult for a buyer to develop trust.

#### 4. INTERFERENCE BY THE GOVERNMENT :

Sometimes government makes new rules or policies about e-business which leads to interference in business.

#### 5. LACK OF SAFETY :

Many people still feel that purchasing products over the internet is not safe. The buyer is required to share his bank / credit card details for making the payment. The buyer may be scared that the information may leak out and he will be cheated.

**NOTE :** The payment gateways of e-commerce websites are secured through advanced technology like Pay Net and Pay Pal.



## 6. AWARENESS ABOUT E-BUSINESS IS LESS :

Many of the consumers are still unaware about e-business. This is due to lack of education and low internet penetration in the country.

Interesting fact : In India, the internet is used by or available to only 19% of the total population. Internet penetration in other countries :  
U.S.A - 87%  
China - 46%  
Canada - 93%

## 7. RESISTANCE FROM BUYERS :

Since the buyer cannot touch and feel the product before purchasing, many consumers avoid online transactions. Thus, it makes difficult for users to switch from physical stores to online stores.

Q.4. What are the stages involved in online transactions ?

Ans : Online transaction involve 3 stages i.e.

Pre-Purchase Sale

• At this stage, seller usually advertises his goods/ services on his website or a common portal (like flipkart) so as to attract the buyers.

Actual Purchase / Sale

• At this stage :  
i) Buyer chooses the product.  
ii) Price is negotiated.  
iii) Actual purchase / sale takes place.  
iv) Finally the payment is made to the buyer.

Delivery Stage.

• This is the last stage where the goods are actually sent by the seller to the buyer.

Q.5. What are the steps involved in online transactions ?

Ans :

NOTE : In order to understand this answer, imagine that you are buying online on flipkart or any such e-commerce website.

Following are the steps involved in an online transaction :

### 1. REGISTRATION :

Registration is required for online transactions. A person who wants to perform any online transaction on an e-commerce website has to register with the website by filling a registration form. The registration form has basic details like name, email id, password etc.

Once the form is submitted, the account of the person is created. In order to access the account, the person has to enter his user id and password. In most cases, the email id itself is the user id.

All the transactions that the buyer has done on the website are stored with reference to this user id. The buyer can view his transaction history at any point of time.

### 2. VERIFICATION OF ACCOUNT :

Once the person submits his registration form on the website, an e-mail is sent by the website to the e-mail id of the person. The e-mail contains a link. The person has to click on that link in order to verify & activate his account. This step is introduced so that no person gives a fake or wrong e-mail id to the website.

### 3. SELECTING THE PRODUCT :

A seller or merchant's website may have a range of products to choose from. The buyer may browse through the website and select the product which he needs. He can read the terms & conditions of sale given on the website like delivery period, modes of payments, goods return policy, offer & discounts etc.

### 4. PLACING AN ORDER :

Once the product is selected by the buyer & he understands the terms & conditions, he can place an order. His order is generally reflected in a "shopping cart" on the website. If the buyer places an order for another product, it will get added to his shopping cart. The shopping cart also shows the total amount payable by the buyer.

### 5. PAYMENT :

After all the details are provided by the buyer, he is directed to the payment gateway. There are mainly 5 ways of making payment.

#### a. CASH ON DELIVERY (COD) :

Here buyer makes the payments, when the goods are physically delivered to him. This mode of payment is more popular in India as

people are not comfortable sharing their card/bank details online. Thus paying cash on delivery becomes the safest option.

#### b. CHEQUE :

Here buyer sends the cheque to the seller and on clearance of cheque goods are physically delivered to the buyer. This mode of payment is rarely used in e-business.

#### c. NET BANKING TRANSFER :

Here the payment is transferred from buyer's bank a/c to seller's bank a/c electronically i.e through internet banking. As soon as the amount is received by the seller, the goods are dispatched for delivery to the buyer.

#### d. DEBIT / CREDIT CARDS :

Here payment is made through buyer's debit/credit card. The buyer has to share his debit card/credit card details on the vendor's website to make the payment. As soon as the amount is received by the seller, the goods are dispatched for delivery to the buyer. Debit/Credit cards are also known as 'plastic money'.

**NOTE :** For additional security banks now provide a one-time password (OTP) when the buyer tries to pay any amount via his debit/credit card online. The OTP is sent on his registered mobile number and it has to be mentioned on the payment gateway while making payment.

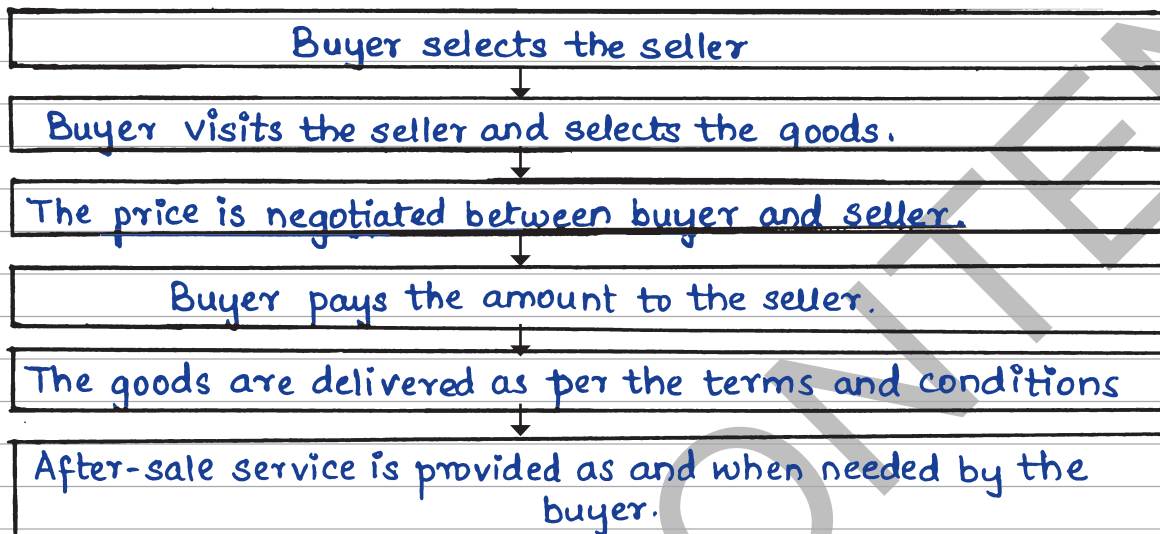
#### e. DIGITAL CASH :

It is a form of currency that exists only in cyberspace. It has no physical properties. It can be used to make online payments and is accepted by all leading e-commerce websites. The use of digital cash in India is low.

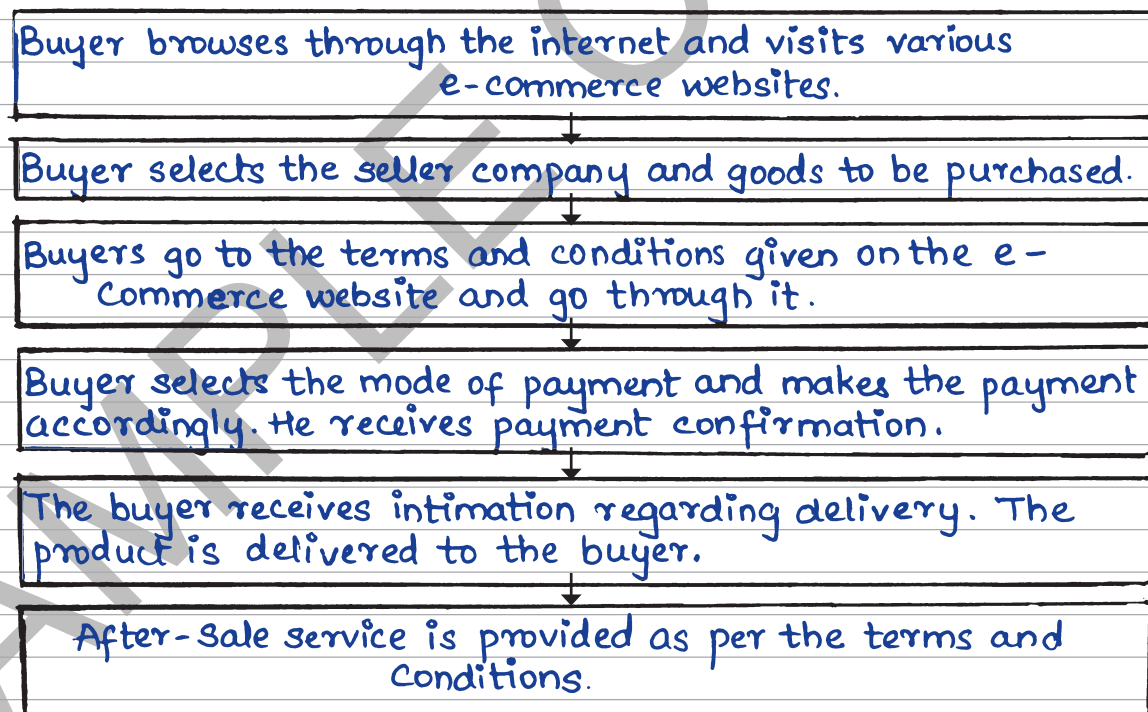
In all the transactions, information plays an important role. However, as compared to traditional business, online business is much faster. In online transaction, a lot of time is saved as there is no travelling, no negotiation, no convincing etc. All the details, terms and conditions are clearly stated on the website. Thus, online transactions are easier and more result oriented.

Q.6. Explain the difference between the traditional and online buying and selling process with the help of a chart.

### TRADITIONAL BUSINESS:



### ONLINE BUSINESS:



Interesting: Some e-commerce websites now have even started return policy where the goods purchased online can be returned if



they do not fit properly or they are damaged etc. This has given a boost to e-commerce business.

Q.7. Write short notes on payment mechanism ?

Ans :

- Generally in e-business transactions, payments are made online. There is no physical payment of cash over the internet.
- The procedures and steps involved while making online payment are known as "payment mechanism".
- Online payments are made with the help of an e-commerce application known as "payment gateway".
- The payment may be made through a debit card, credit card and by direct transfers from bank accounts. Most gateways offer all these options for payment.
- A payment gateway authorizes payments made online by the buyer. It is the equivalent of a physical point of sale terminal located in retail outlets. A payment gateway controls the entire online payment process.

Any buyer who uses the payment gateway goes through the following steps :

1. After the customer selects the required goods he confirms his order by clicking on "submit" or "confirm" or "place order" button on merchant's website.

<input type="checkbox"/>	1 Phone 5s MRP : 50,000 Flipkart price : 45,000.
<input type="button" value="Buy"/>	

2. Merchant's website then asks for mode of payment i.e. either by debit/credit card or net banking. In either case, the buyer has to enter the required details.

Card Details
Card No :
Name on Card :
Date of Expiry :
CVV NO :

3. These details are then coded by the web browser (Google Chrome, Mozilla Firefox, Internet Explorer) and forwarded by merchant's website to 'payment gateway'. Here the information is coded again.

4. The "payment gateway", forwards this information to "payment processor" which is used by the credit card issuing bank. On the payment processor, the customer is required to enter a PIN or password.

Note: The "payment processor" is an agent of bank. Eg. Paynet and Paypal.

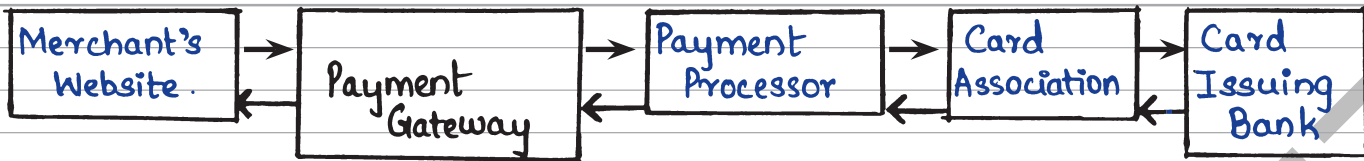
5. The payment processor forwards this information to Card Association. (Example of Card Association : VISA, Master Card).

6. "Card Association" forwards the information to 'Card Issuing Bank'. (Example of Card issuing bank : HDFC, ICICI, SBI, Citibank, Kotak Bank etc.)

7. The 'card issuing bank' authorizes the payment and sends the information back through the same process to the merchant's website.

8. Merchant's website then approves the sale and the transaction is completed. The entire process takes 2-3 minutes depending on the internet speed.

9. In case internet connection is lost in between the transactions, the transaction fails. In such cases, if any amount is debit from the buyers account then the same is reversed and credited back to his account using appropriate procedures.



Q.8. Write short Note on payment processor ?

Ans :

1. Payment processor is a medium between payment gateway and the Card association who had issued credit /debit card.
2. It is an e-payment processing service for merchants who sell their products online or who accept payment online.
3. Payment processors provide merchant with a simple, secure and cost-effective portal or mechanism for accepting online payments.
4. "Paynet" and "Paypal" are well-known payment processors.

Q.9. Write short note on security and safety of business transaction ?

Ans :

1. When a buyer makes payment online he needs to share his personal information which includes his name, debit /credit card number, password etc. This information is confidential and if it leaks, it can be misused.
2. Therefore, 'payment gateways' ensure that this information is secure and protected with the help of a process which is known as "encryption".
3. "Encryption" is a process which converts readable text information (abe @ 123) into coded information (.....) and such coded information can be read only with the help of special process.
4. Such coded information is forwarded further to process the payments
5. One of the most well-known methods of encryption is secure sockets layers i.e SSL.

Q.10. Explain Secure Socket Layers (SSL).

Ans :

1. SSL is a method of encryption developed by the company "Netscape" in 1990's for transmitting private documents over the internet.
2. The encryption is done using mathematical programmes or protocols which use logical reasoning.
3. SSL is used by many websites to obtain confidential user information like credit card number, bank details, passwords etc.
4. Many search engines like Internet Explorer, Google Chrome, Mozilla

Firefox etc. support SSL.

5. A website which uses SSL security has URL as <https://www.facebook.com> instead of <http://www.justdial.com>.

6. Further, as a proof that the website is secured by SSL, the SSL logo is placed at the bottom left of the website.

7. In addition to SSL, there is another protocol i.e. another method of encryption which is known as secure HTTP (Hyper Transfer Text Protocol). This provides security in transmitting individual messages.

8. Both SSL & HTTP have been approved by the Internet Engineering Task Force (IETF) as standards.

Q.11. What do you mean by 'outsourcing'? State its advantages and disadvantages.

Ans:

Outsourcing means contracting a business function or any business activity to specialized agencies. Also, almost every organization outsource in some way:

Eg: Airtel/Vodafone outsource the bill collection activity to a recovery agency.

Eg: Malls outsource their security to security agencies.

Eg: Some companies outsource their accounting work to specialized accounting firms.

Eg: Foreign companies outsource their telemarketing to Indian BPOs.

Eg: A book publisher may outsource the printing job to a printing company.

Eg: A college outsources its canteen to a canteen contractor.

Many companies outsource their non-core activities to an outside agency. They enter into a formal agreement with the agency. All the people required to perform the activity are the employees of the agency. The company pays the agency and the agency in turn pays their employees.

NEED FOR OUTSOURCING OR MAJOR BENEFITS OF OUTSOURCING ARE :-

a. Cost of the company is reduced.

b. Company can concentrate on their core activities and growing their business.

c. Company can use expertise of the firm contractor which specializes in that kind of service to perform the activity.



## ADVANTAGES OF OUTSOURCING : (SMART CODE : SOURCE - 1)

### 1. SHARING OF RESPONSIBILITY :

Outsourcing certain activities of business process helps the organization to shift certain responsibilities to the outsourced agency. The agency is then completely responsible for the function and reports regularly to the company.

### 2. OPTIMUM UTILIZATION OF RESOURCES :

Since outsourced agencies are specialized in their field, they have technical expertise and experience. Hence, outsourcing leads to better efficiency and effective use of its resources.

### 3. REDUCTION IN COST :

Outsourcing leads to cost reduction of the companies. Outsourcing is cheaper than appointing a separate set of people for that particular job.

Eg: If a company runs its own canteen, it will have to appoint chefs and other people to serve food. Also, it will have to spend on setting up the kitchen, food ingredients, waste disposal etc... It would be a very costly affair for a company. On the other hand, if it outsources the canteen to a canteen contractor, it would have to pay per plate consumed which would be cheaper for the company.

### 4. CAN FOCUS ON CORE ACTIVITIES :

Companies can focus on their core activities when non-core activities are outsourced. The managers of the company can focus on product improvement, marketing, improving customer relations and future strategies. They don't have to bother about things which are non-core to the business.

### 5. ENTREPRENEURSHIP & EMPLOYMENT :

Outsourcing stimulates entrepreneurship in the country. Many businesses have been built only on outsourcing opportunities. Further, outsourcing also creates many employment opportunities.

### 6. INVESTMENT :

Hiring and training staff can be very expensive. By outsourcing a business activity, the company reduces the investment required on

hiring and training the people required for such activity.

### DISADVANTAGES OF OUTSOURCING:

[SMART CODE - MCQ DO]

#### 1. MISUSES :

There is always a risk that company's information is misused by the firm/contractor.

Eg: A agency that maintains accounts of a company may disclose confidential financial information to a competitor of the company.

#### 2. COMPROMISE :

Many companies compromise on the quality of work that is outsourced in order to cut costs.

Eg: IT companies outsource their work to other countries where they get cheap manpower.

#### 3. QUALITY :

Problems with quality can arise if the outsourcing agency doesn't have proper processes and/or is inexperienced. In such cases, quality of work done by the contractor may not be upto the mark.

#### 4. DELAY IN WORK :

The outside agency may not be able to meet the timelines given by company which may cause problems to the company.

#### 5. OVERDEPENDENCE :

In certain cases, a company may become over dependent on the outsourcing agency, especially if the agency is carrying out an important function (task) of the company. This could pose a problem if the outsourcing agency shuts down.



# Std. XII

## Smart Notes



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