

# Organisation of Commerce and Management



**Standard XII**



The Coordination Committee formed by GR No. Abhyas - 2116/(Pra.Kra.43/16) SD - 4  
Dated 25.4.2016 has given approval to prescribe this textbook in its meeting held on  
30.01.2020 and it has been decided to implement it from the educational year 2020-21.

# Organisation of Commerce and Management

**STANDARD - XII**



2020

**Maharashtra State Bureau of Textbook Production and Curriculum Research,  
Pune - 411 004**



**K7P9R4**

Download DIKSHA App on your smartphone. If you scan the Q.R.Code on this page of your textbook, you will be able to access full text and the audio-visual study material relevant to each lesson provided as teaching and learning aids.

**First Edition : 2020**

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### **Paper**

70 GSM Cream wove

**Print Order No.**

N/PB/2020-21/50,000

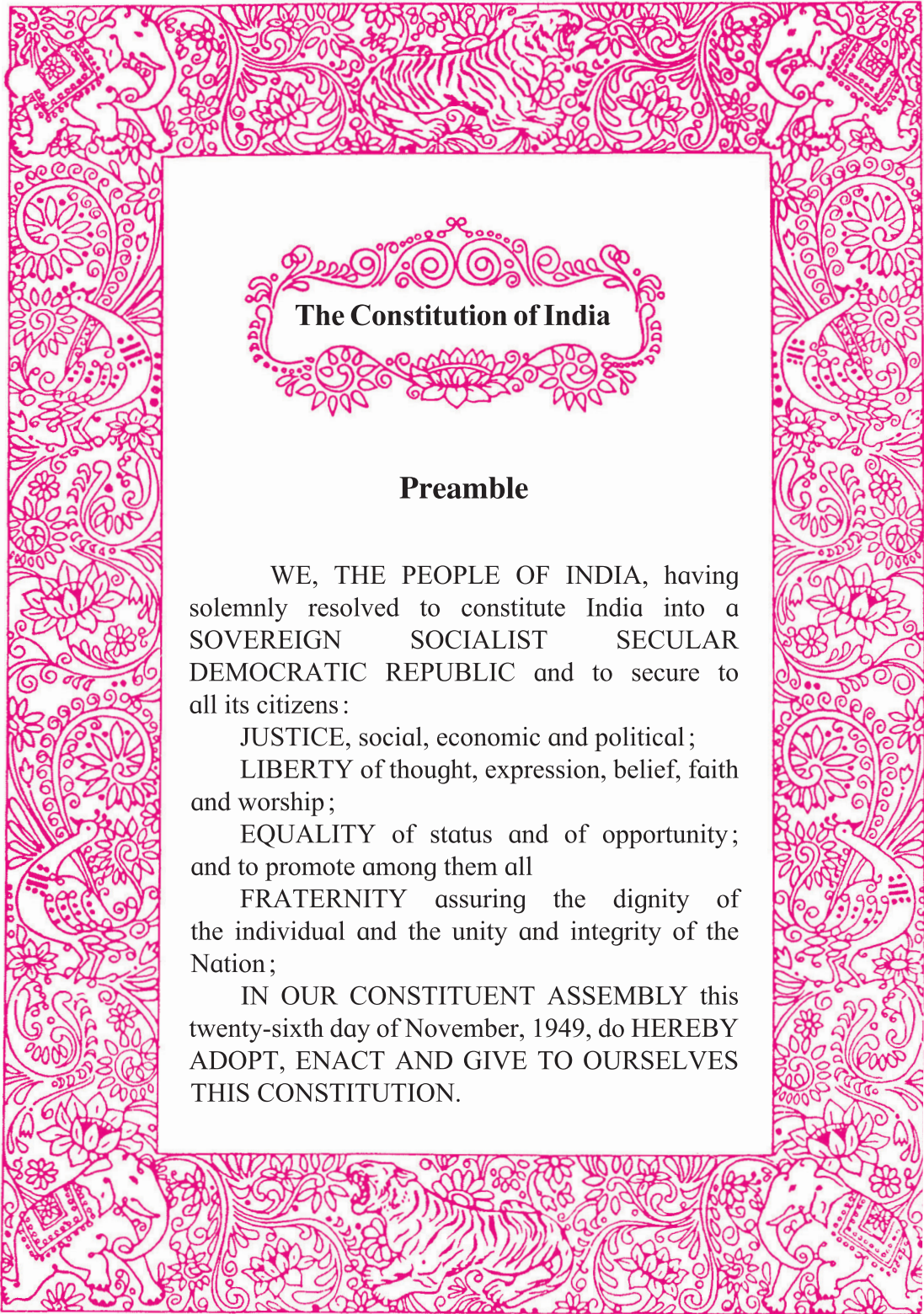
### **Printer**

PRINT PLUS PVT. LTD., THANE

### **Publisher**

**Vivek Uttam Gosavi, Controller**

Maharashtra State Textbook Bureau,  
Prabhadevi Mumbai- 400 025



## The Constitution of India

### Preamble

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens :

JUSTICE, social, economic and political ;

LIBERTY of thought, expression, belief, faith and worship ;

EQUALITY of status and of opportunity ; and to promote among them all

FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation ;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.

## NATIONAL ANTHEM

Jana-gana-mana-adhināyaka jaya hē  
Bhārata-bhāgya-vidhātā,

Panjāba-Sindhu-Gujarāta-Marāthā  
Drāvida-Utkala-Banga

Vindhya-Himāchala-Yamunā-Gangā  
uchchala-jaladhi-taranga

Tava subha nāmē jāgē, tava subha āsisa māgē,  
gāhē tava jaya-gāthā,

Jana-gana-mangala-dāyaka jaya hē  
Bhārata-bhāgya-vidhātā,

Jaya hē, Jaya hē, Jaya hē,  
Jaya jaya jaya, jaya hē.

## PLEDGE

India is my country. All Indians  
are my brothers and sisters.

I love my country, and I am proud  
of its rich and varied heritage. I shall  
always strive to be worthy of it.

I shall give my parents, teachers  
and all elders respect, and treat  
everyone with courtesy.

To my country and my people,  
I pledge my devotion. In their  
well-being and prosperity alone lies  
my happiness.

## PREFACE

Dear students,

In standard XI you studied about commerce and business, forms of business organisations, institutional support to business, management and business environment. This standard XII textbook takes you further from where you left in standard XI.

This book gives you an insight about 'Principles of Management' and 'Functions of Management' which are essential for any business organisation. After learning about management, in 'Enterprenuership Development' you will learn about entrepreneur and scope for you as an entrepreneur in future. In today's scenario various activities are going on round-the-clock. 'Business Services' advocates importance of business services to various business organisations. We are now part of globalisaton, so 'Emerging Modes of Business' focuses on various emerging modes in business.

Students, you will also learn ' Social Responsibilities of Business'. 'Consumer Protection' and 'Marketing' put an emphasis on need of consumer protection and its Act 2019 and importance of marketing for business organisations respectively.

In every chapter, pictures, diagrams, activity boxes are included for better understanding of the concepts. An exercise and answer key are given for practice. Newly introduced 'Just to Know' is brain teaser and self explanatory itself. This book is designed in such a manner that it will simplify teaching - learning process and students as well teachers will enjoy this textbook.

This restructured syllabus is capable enough to enhance the understanding ability of the students. The implementation of this new syllabus will be from the academic year 2020-2021 for standard XII Commerce. More information has been given in the Q.R. Code on the title page.

We are confident that this book will guide the students properly in this competitive world of business.

We ore greatful to subject committee members, study group members, reviewers, experts, designers, translators as they have rendered their thorough co-operation in the preparation of this book.



(Vivek Gosavi)  
Director

**Pune**

**Date : 21 February 2020**

**Bharatiya Saur : 2 Phalguna 1941**

Maharashtra State Bureau of Textbook  
Production and Curriculum Research, Pune.

## ORGANISATION OF COMMERCE AND MANAGEMENT STANDARD XII

### Competency Statement

| Unit No. | Chapter Name                                      | Competency Statements                                                                                                                  |
|----------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1)       | Principles of Management                          | <ul style="list-style-type: none"> <li>Understands meaning and definitions of principles of management.</li> </ul>                     |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands the nature and significance of principles of management.</li> </ul>                 |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands theories of management.</li> </ul>                                                  |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands Henry Fayol's theory of management.</li> </ul>                                      |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands Taylor's scientific management theory in detail.</li> </ul>                         |
| 2)       | Functions of Management                           | <ul style="list-style-type: none"> <li>Understands functions of management</li> </ul>                                                  |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands meaning, definition and importance of functions of management</li> </ul>            |
| 3)       | Entrepreneurship Development                      | <ul style="list-style-type: none"> <li>Understand entrepreneur intrapreneur and</li> </ul>                                             |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands entrepreneurship development.</li> </ul>                                            |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands initiatives in entrepreneurship development.</li> </ul>                             |
| 4)       | Business Services                                 | <ul style="list-style-type: none"> <li>Understands various business services.</li> </ul>                                               |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands types of banks</li> </ul>                                                           |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands e-banking</li> </ul>                                                                |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands principles and types of insurance</li> </ul>                                        |
|          |                                                   | <ul style="list-style-type: none"> <li>Understand different types of communication.</li> </ul>                                         |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands functions and types of ware houses.</li> </ul>                                      |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands types of transport.</li> </ul>                                                      |
| 5)       | Emerging Modes of Business                        | <ul style="list-style-type: none"> <li>Understands e-business.</li> </ul>                                                              |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands scope and benefits of e-business.</li> </ul>                                        |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands online transaction process.</li> </ul>                                              |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands outsourcing.</li> </ul>                                                             |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands BPO, KPO, LPO</li> </ul>                                                            |
| 6)       | Social Responsibilities of Business organisations | <ul style="list-style-type: none"> <li>Understands social responsibility of business.</li> </ul>                                       |
|          |                                                   | <ul style="list-style-type: none"> <li>Understands social responsibilities of business towards different groups of society.</li> </ul> |

|    |                     |                                                                                                                                                                                                                                                                                                |
|----|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                     | <ul style="list-style-type: none"> <li>• Understands protection of environment.</li> <li>• Understands business ethics.</li> <li>• Understands CSR.</li> </ul>                                                                                                                                 |
| 7) | Consumer Protection | <ul style="list-style-type: none"> <li>• Understands consumer protection.</li> </ul>                                                                                                                                                                                                           |
|    |                     | <ul style="list-style-type: none"> <li>• Understands importance of consumer protection.</li> <li>• Understands rights of consumers.</li> <li>• Understands responsibilities of consumers.</li> <li>• Understands consumer redressal mechanism.</li> <li>• Understands role of NGO's</li> </ul> |
| 8) | Marketing           | <ul style="list-style-type: none"> <li>• Understands marketing.</li> </ul>                                                                                                                                                                                                                     |
|    |                     | <ul style="list-style-type: none"> <li>• Understands types of market</li> <li>• Understands importance and functions of marketing.</li> <li>• understands marketing mix.</li> </ul>                                                                                                            |

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