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MATERIAL
B.B.A. SEM-2

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B.B.A SEM-2

CONVERSATIONAL ENGLISH

SR NO.	UNIT NAME
UNIT-1	Listening Skills
UNIT-2	Business Letters
UNIT-3	Grammar
UNIT-4	comprehension

Unit 1

1. Listening

Listening is one of the most important skills you can have. How well you listen has a major impact on your job effectiveness, and on the quality of your relationships with others.
For instance:

- We listen to obtain information.
- We listen to understand.
- We listen for enjoyment.
- We listen to learn.

Given all the listening that we do, you would think we'd be good at it! In fact, most of us are not, and research suggests that we only remember between 25 percent and 50 percent of what we hear, as described by Edgar Dale's Cone of Experience. That means that when you talk to your boss, colleagues, customers, or spouse for 10 minutes, they pay attention to less than half of the conversation.
Turn it around and it reveals that when you are receiving directions or being presented with information, you aren't hearing the whole message either. You hope the important parts are captured in your 25-50 percent, but what if they're not?
Clearly, listening is a skill that we can all benefit from improving. By becoming a better listener, you can improve your productivity, as well as your ability to influence, persuade and negotiate. What's more, you'll avoid conflict and misunderstandings. All of these are necessary for workplace success!

- Good communication skills require a high level of self-awareness . Understanding your own personal style of communicating will go a long way toward helping you to create good and lasting impressions with others.

Active Listening
The way to improve your listening skills is to practice "active listening." This is where you make a conscious effort to hear not only the words that another person is saying but, more importantly, the complete message being communicated.
In order to do this you must pay attention to the other person very carefully.
You cannot allow yourself to become distracted by whatever else may be going on around you, or by forming counter arguments while the other person is still speaking. Nor can you allow yourself to get bored, and lose focus on what the other person is saying.

- If you're finding it particularly difficult to concentrate on what someone is saying, try repeating his or her words mentally as he says them – this will reinforce his message and help you to stay focused.

To enhance your listening skills, you need to let the other person know that you are listening to what she is saying.
To understand the importance of this, ask yourself if you've ever been engaged in a conversation when you wondered if the other person was listening to what you were saying. You wonder if your message is getting across, or if it's even worthwhile continuing to speak. It feels like talking to a brick wall and it's something you want to avoid.

Bottom of Form

Acknowledgement can be something as simple as a nod of the head or a simple "uh huh." You aren't necessarily agreeing with the person, you are simply indicating that you are listening. Using body language and other signs to acknowledge you are listening can also help you to pay attention.

Try to respond to the speaker in a way that will encourage him to continue speaking, so that you can get the information that you need. While nodding and "uh huhing" says you're interested, an occasional question or comment to recap what has been said also communicates that you are listening and understanding his message.

- Be aware that active listening can give others the impression that you agree with them even if you don't. It's also important to avoid using active listening as a checklist of actions to follow, rather than really listening. It may help to practice Mindful Listening if you find that you lose focus regularly.

There are five key active listening techniques you can use to help you become a more effective listener:

1. Pay Attention

Give the speaker your undivided attention, and acknowledge the message. Recognize that non-verbal communication also "speaks" loudly.

Look at the speaker directly.

Put aside distracting thoughts.

Don't mentally prepare a rebuttal!

Avoid being distracted by environmental factors. For example, side conversations.

"Listen" to the speaker's body language .

2. Show thatyou'relistening

Use your own body language and gestures to show that you are engaged.

Nod occasionally.

Smile and use other facial expressions.

Make sure that your posture is open and interested.

Encourage the speaker to continue with small verbal comments like yes, and "uh huh."

3. Provide Feedback

Our personal filters, assumptions, judgments, and beliefs can distort what we hear. As a listener, your role is to understand what is being said. This may require you to reflect on what is being said and to ask questions.

Reflect on what has been said by paraphrasing. "What I'm hearing is... ," and "Sounds like you are saying... ," are great ways to reflect back.

Ask questions to clarify certain points. "What do you mean when you say... ." "Is this what you mean?"

Summarize the speaker's comments periodically.

- If you find yourself responding emotionally to what someone said, say so. And ask for more information: "I may not be understanding you correctly, and I find myself taking what you said personally. What I thought you just said is XXX. Is that what you meant?"

4. Defer Judgment

Interrupting is a waste of time. It frustrates the speaker and limits full understanding of the message.
Allow the speaker to finish each point before asking questions.
Don't interrupt with counter arguments.

5. Respond Appropriately

Active listening is designed to encourage respect and understanding. You are gaining information and perspective. You add nothing by attacking the speaker or otherwise putting her down.
Be candid, open and honest in your response.
Assert your opinions respectfully.
Treat the other person in a way that you think she would want to be treated.

2. Body language

Body languagerefers to the nonverbal signals that we use to communicate. According to experts, these nonverbal signals make up a huge part of daily communication. From our facial expressions to our body movements, the things we *don't* say can still convey volumes of information.
It has been suggested that body language may account for between 60 percent to 65 percent of all communication. Understanding body language is important, but it is also essential to pay attention to other cues such as context. In many cases, you should look at signals as a group rather than focusing on a single action.Here's what to look for when you're trying to interpret body language.

Facial Expression

Think for a moment about how much a person is able to convey with just a facial expression. A smile can indicate approval or happiness. A frown can signal disapproval or unhappiness. In some cases, our facial expressions may reveal our true feelings about a particular situation. While you say that you are feeling fine, the look on your face may tell people otherwise.
Just a few examples of emotions that can be expressed via facial expressions include:

- Happiness
- Sadness
- Anger
- Surprise
- Disgust
- Fear
- Confusion
- Excitement
- Desire
- Contempt

The expression on a person's face can even help determine if we trust or believe what the individual is saying. One study found that the most trustworthy facial expression involved a slight raise of the eyebrows and a slight smile. This expression, the researchers suggested, conveys both friendliness and confidence.
Facial expressions are also among the most universal forms of body language. The expressions used to convey fear, anger, sadness, and happiness are similar throughout the world.

Researcher Paul Ekman has found support for the universality of a variety of facial expressions tied to particular emotions including joy, anger, fear, surprise, and sadness.[4]
Research even suggests that we make judgments about people's intelligence based upon their faces and expressions. One study found that individuals who had narrower faces and more prominent noses were more likely to be perceived as intelligent. People with smiling, joyful expression were also judged as being more intelligent than those with angry expressions.[5]

The Eyes

The eyes are frequently referred to as the "windows to the soul" since they are capable of revealing a great deal about what a person is feeling or thinking. As you engage in conversation with another person, taking note of eye movements is a natural and important part of the communication process. Some common things you may notice include whether people are making direct eye contact or averting their gaze, how much they are blinking, or if their pupils are dilated.

When evaluating body language, pay attention to the following eye signals:

- **Eye gaze:** When a person looks directly into your eyes while having a conversation, it indicates that they are interested and paying attention. However, prolonged eye contact can feel threatening. On the other hand, breaking eye contact and frequently looking away might indicate that the person is distracted, uncomfortable, or trying to conceal his or her real feelings.[6]
- **Blinking:** Blinking is natural, but you should also pay attention to whether a person is blinking too much or too little. People often blink more rapidly when they are feeling distressed or uncomfortable. Infrequent blinking may indicate that a person is intentionally trying to control his or her eye movements.[7] For example, a poker player might blink less frequently because he is purposely trying to appear unexcited about the hand he was dealt.
- **Pupil size:** Pupil size can be a very subtle nonverbal communication signal. While light levels in the environment control pupil dilation, sometimes emotions can also cause small changes in pupil size. For example, you may have heard the phrase "bedroom eyes" used to describe the look someone gives when they are attracted to another person. Highly dilated eyes, for example, can indicate that a person is interested or even aroused.[8]

The Mouth

Mouth expressions and movements can also be essential in reading body language. For example, chewing on the bottom lip may indicate that the individual is experiencing feelings of worry, fear, or insecurity.
Covering the mouth may be an effort to be polite if the person is yawning or coughing, but it may also be an attempt to cover up a frown of disapproval. Smiling is perhaps one of the greatest body language signals, but smiles can also be interpreted in many ways. A smile may be genuine, or it may be used to express false happiness, sarcasm, or even cynicism.[9]
When evaluating body language, pay attention to the following mouth and lip signals:

- **Pursed lips:** Tightening the lips might be an indicator of distaste, disapproval, or distrust.
- **Lip biting:** People sometimes bite their lips when they are worried, anxious, or stressed.
- **Covering the mouth:** When people want to hide an emotional reaction, they might cover their mouths in order to avoid displaying smiles or smirks.
- **Turned up or down:** Slight changes in the mouth can also be subtle indicators of what a person is feeling. When the mouth is slightly turned up, it might mean that the person is feeling happy or

optimistic. On the other hand, a slightly down-turned mouth can be an indicator of sadness, disapproval, or even an outright grimace.

Gestures

Gestures can be some of the most direct and obvious body language signals. Waving, pointing, and using the fingers to indicate numerical amounts are all very common and easy to understand gestures. Some gestures may be cultural, however, so giving a thumbs-up or a peace sign in another country might have a completely different meaning than it does in the United States.

The following examples are just a few common gestures and their possible meanings:

- **A clenched fist** can indicate anger in some situations or solidarity in others.
- **A thumbs up and thumbs down** are often used as gestures of approval and disapproval.[10]
- **The "okay" gesture**, made by touching together the thumb and index finger in a circle while extending the other three fingers can be used to mean "okay" or "all right."[10] In some parts of Europe, however, the same signal is used to imply you are nothing. In some South American countries, the symbol is actually a vulgar gesture.
- **The V sign**, created by lifting the index and middle finger and separating them to create a V-shape, means peace or victory in some countries. In the United Kingdom and Australia, the symbol takes on an offensive meaning when the back of the hand is facing outward.

The Arms and Legs

The arms and legs can also be useful in conveying nonverbal information. Crossing the arms can indicate defensiveness. Crossing legs away from another person may indicate dislike or discomfort with that individual. Other subtle signals such as expanding the arms widely may be an attempt to seem larger or more commanding while keeping the arms close to the body may be an effort to minimize oneself or withdraw from attention. When you are evaluating body language, pay attention to some of the following signals that the arms and legs may convey:

- **Crossed arms** might indicate that a person feels defensive, self-protective, or closed-off.
- **Standing with hands placed on the hips** can be an indication that a person is ready and in control, or it can also possibly be a sign of aggressiveness.
- **Clasping the hands behind the back** might indicate that a person is feeling bored, anxious, or even angry.
- **Rapidly tapping fingers or fidgeting** can be a sign that a person is bored, impatient, or frustrated.
- **Crossed legs** can indicate that a person is feeling closed off or in need of privacy.

Unit2

INQUIRY LETTER AND REPLIES

Inquiry letter is a kind of letter of request or a request for information about a product, service, jobs or other business information. A letter of request, also known as a letter or letters of interesting candidates, will be sent to the companies. Letter of request is a letter from a prospective buyer to the seller requesting information about the products offered. With the offer of the seller will potential buyers will know the price, and the sale and purchase, and a description of the goods or services to be purchased. This is the purpose of the prospective buyer a written request to the seller.

Inquiries and replies these letters which ask or answer question are usually brief and present no special difficulty. It consists of four steps:

1. State carefully the circumstances which necessitate the inquiry.
2. State any facts needed by the reader in making a complete reply.
3. Ask for the information, or state the questions.
4. Express gratitude for the favor requested.

When a prospective buyer has to know the condition of the goods / services following the price and terms of sale and purchase, of course he did not need to ask for a quote from the seller. Letter of inquiry required in formal trade demand formal procedures in writing. Letter of inquiry is often an early stage of the business transactions. Through a letter of inquiry to ask a potential buyer or to request information about the goods or services to be purchased. In reaction, the seller explained the things he wanted to know the buyer, the buyer did finally order and business transactions as the top buying and selling process.

In the letter of demand for the goods usually offer prospective buyers ask:

1. Name and type of product
2. Special characteristics (specifications) of product, namely, the type, size, quality, capacity and others;
3. Unit price.
4. Pieces;
5. Method of payment;
6. Means of delivery, and
7. Ease that may be obtained by the buyer, such as guarantees and other

In addition to the above mentioned potential buyers asking price lists and catalogs (if the items varied) and a technical description of the goods in the form of leaflets or brochures. For items that allow, prospective buyers can also request a sample of goods actually sent.

By letter of demand and supply of services, prospective buyers can ask:

1. The form of services that can be presented by the seller;
2. Equipment used by the seller as a support (if any);
3. Price;
4. Pieces and
5. Method of payment;

In demand service offerings, potential buyers can also request a price list (according to the level of services to be provided). Usually all been included in the prospectus which has been prepared by the company selling services.

Inquiry should not only be submitted to one seller, but to some sellers. This step was taken so that the price list and the information collected will be compared with each other to determine which one best suit your desires and financial ability of prospective buyers.

The reply of inquiry letters should do the following things:

1. Acknowledge the inquiry, or state the circumstances necessitating the reply.
2. Answer the questions fully
3. Build goodwill and pave the way for further contact.

Note : in handling replies, the writer should be prompt and systematic. If the material is not immediately available, the inquiry should be acknowledge and a date set for the final reply.

Sample 1

FAHRI CLOTHES
& CO
Jln.Kapten Muslim No.20
Medan
INDONESIA
15 february 2013

Distro cloud Corporation
Pasundan Raya Street, No. 15
Jakarta 1240

Dear Sirs,

We are a boutique located in Bekasi , and we were interested in your distro cloud shirt medium size product. Therefore, we will appreciate it if you can send us a very detailed explanation of the product complete with your catalogues, price list, term, sample of design, and payment.

We would also to know if you are offering any trade discounts. If you can quote us your favorable prices, we would like to place our order as soon as possible.

We are looking foward to hearing from you.soon.

Yours faithfully,
FAHRI CLOTHES &CO
Ahmad Fahri
Purchase Manager

Reply of inquiry letter

Distro cloud Corporation
Pasundan Raya Street, No. 15
Jakarta 1240

16 january 2013
FAHRI CLOTHES &CO
Jln.Kapten Muslim No.20

Medan
INDONESIA
Dear Mr Ahmad Fahri

We thanks you for your inquiry about our Distro cloud shirts product.
We are enclosing our catalogue together with prices and terms, for your review and are confident that this catalogue will provide many of
the answers you have inquired.
We are also pleased to inform you that we will allow you a 10% discount on order of 60 pieces.
We hope you will find our prices and terms satisfactory and expecting your order as soon as possible.
If there is additional information you would like to know regarding our products, please do not hesitate to contact us. We will be most happy to be of assistance.
Yours faithfully,
For Distro cloud Corporation
Ismail Marzuki
Sales Manager

Collection Letter

A collection letter (also known as dunning letter) is a notification sent in writing, informing a consumer of his past due payments. Debt collection letters' function is to remind the debtor of his delinquent payment owed to a creditor. As sometimes delayed payments can derive from the reason that the same payments have been forgotten, a debt recovery letter is an appropriate method for early debt recovery, as it is cost effective and can produce positive results of default collection. Usually recovery letters are to be issued consecutively, consisting of 2-5 serial written reminders. The number of default collection letters depend on creditor's or DCA's (Debt Collection Agency's) policy of recovery procedures. A collection letter is to be sent, when debtor's invoice has become past-due. Financially, this means that the consumer has fallen behind with his regular payments and owes a certain amount to the lender.

General characteristics of collection letters
Each collection letter has to consist of the name of the original creditor and his company, the name of the debt collection agency (if any), representing the lender; the full debt amount; additional costs and fees (if any). If the default collection document is a final one (of demand) or letter before action, it will also consist of a last deadline for payment, after which the debtor's case will be filed to court and small claims court procedures will follow.

Debt recovery letters are usually dispatched to the debtor by the original creditor or by a private third party organisation, widely known as a debt recovery agency (DRA). Such documents can also be sent by a debt buyer after the purchase of default profiles from the lender. When the debt buying process is completed, the debt purchaser becomes the official owner of the same delinquent accounts and has the legal right to prosecute fair debt recovery, including forwarding a recovery letter by post to the subject of debt. A debt collection letter can

be sent by a debt recovery solicitor, as well. Debt lawyers are either part of a debt recovery agency, or act as private entities.

As debt collection agencies (DCAs) are regulated by different laws, so are the debt collection documents & letters. There are restrictions for such letters and their content is confined to several rules, generalising what a debt agent can include in a collection letter. In U.S. the tenor of debt text documents is in compliance with the FDCPA- Fair Debt Collection Practices Act. In UK debt recovery letters' content is controlled by the Financial Conduct Authority, the Office of Fair Trading, the Late Payment Act Legislation, the Late Payment of Commercial Debts Regulations (for corporate defaults), etc.

Types of collection letters

Debt collection letters are divided into general reminders, inquiry letters, and official collections letters. The official ones consist of demand letters (also known as appeal letters) and warning letters (before action). The standard reminders represent letters with friendly tone, notifying the consumer of his past-due payments. If the debtor settles these amounts on time, the collection process is ceased. If not, the recovery proceedings will continue, using letters of demand and letters before action. During the process of sending the written documents, the tone becomes stricter after each recovery letter.

Late payment demand letters consist of a specific date, marked as a deadline for settling the debt monetary amount. Demand letters represent a formal notice to the person in debt (consumer) and indicates debtor's legal obligation to clear the debt amount in full. Last collection letters before action (LBA) represent another variety of debt collection documents & letters. They can apply for both commercial and consumer debts and can be addressed to both individuals and business debtors. Such letters are the last resort before proceeding to court actions. They are also known as legal threat collections letters, which warn the indebted subject about future court actions. If the debt is not settled until the date specified in the letter, another letter will follow, informing the debtor that the debt matter issue has been handed over to legal representatives and court proceedings have begun.

If requested by the subject of debt, the debt recovery agency is obliged to send the debtor a debt validation collection letter. Debt validation is a written and official verification, which confirms the size and type of debt, also proving information that such debt exists and has to be paid to a certain first-party (creditor) marked in the default collection document.

A collections letter of settlement is another kind of debt recovery letters graph. Such letters comprise all types of written negotiation sent to the debtor. Debt settlement documents offer the subject of debt more convenient payment plans. The debt can either be paid at once, using one single but smaller payment that the original debt amount; or the subject of debt can chose the option of monthly transactions to the creditor/DCA equal to the full monetary debt sum.

Sample 1

{Enter your business name}
{Enter your address}

{Recipient's name}
{Recipient's business name}
{Recipient's address}

22 December 2019
RE: Unpaid invoice # {Enter invoice reference}

Dear {Recipient's name}
The above invoice for ${enter amount} has recently become overdue for payment. As such, we would appreciate you making this payment as soon as possible.
If there is an error on our part and payment has been made, please contact me immediately so that the matter can be rectified.
Otherwise, if there is a problem paying this amount owing, please contact me so that an alternative arrangement for payment can be made.
Yours sincerely
{Your name}
{Your position}

Sample 2
{Enter your business name}
{Enter your address}
{Recipient's name}
{Recipient's business name}
{Recipient's address}

22 December 2019
RE: Unpaid invoice # {Enter invoice reference}

Dear {Recipient's name}
Stop credit notice
The above invoice for ${enter amount} remains unpaid despite our previous reminder. As such, we would appreciate you making this payment as soon as possible.
I value your business but regret that we are unable to continue supplying goods or services on credit while this amount remains unpaid.
If there was a problem with the goods or services supplied I urge you to contact me so that the matter can be addressed.
Otherwise, if there is a problem paying this amount owing I'm happy to discuss an alternative arrangement for payment so that we can get your account back onto normal supply as soon as possible.

Yours sincerely
{Your name}
{Your position}

Unit3

1. Tenses

Verbs come in three tenses: past, present, and future. The past is used to describe things that have already happened (e.g., earlier in the day, yesterday, last week, three years ago). The present tense is used to describe things that are happening right now, or things that are continuous. The future tense describes things that have yet to happen (e.g., later, tomorrow, next week, next year, three years from now).

Present Perfect Tense
The present perfect tense refers to an action or state that either occurred at an indefinite time in the past (e.g., we have talked before) or began in the past and continued to the present time (e.g., he has grown impatient over the last hour). This tense is formed by have/has + the past participle.

The construction of this verb tense is straightforward. The first element is have or has, depending on the subject the verb is conjugated with. The second element is the past participle of the verb, which is usually formed by adding -ed or -d to the verb's root (e.g., walked, cleaned, typed, perambulated, jumped, laughed, sautéed) although English does have quite a few verbs that have irregular past participles (e.g., done, said, gone, known, won, thought, felt, eaten).

These examples show how the present perfect can describe something that occurred or was the state of things at an unspecified time in the past.

I have walked on this path before.

We have eaten the lasagna here.

The important thing to remember about the present perfect is that you can't use it when you are being specific about when it happened.

I have put away all the laundry.

I have put away all the laundry this morning.

You can use the present perfect to talk about the duration of something that started in the past is still happening.

She has had the chickenpox since Tuesday.

Present Perfect Continuous Tense
The present perfect continuous tense (also known as the present perfect progressive tense) shows that something started in the past and is continuing at the present time. The present perfect continuous is formed using the construction has/have been + the present participle (root + -ing).

I have been reading War and Peace for a month now.

In this sentence, using the present perfect continuous verb tense conveys that reading War and Peace is an activity that began sometime in the past and is not yet finished in the present (which is understandable in this case, given the length of Tolstoy's weighty tome).

Recently and lately are words that we often find with verbs in the present perfect continuous tense.

Mia has been competing in flute competitions recently. (And she will continue to do so.)

I haven't been feeling well lately. (And I am still sick now.)

Have you seen my wallet and keys recently? (Because I sure don't know where they are.)

Of course, not all verbs are compatible with continuous action. Some examples of such verbs are to be, to arrive, and to own.

I have been owning my Mazda since 2007.

I have owned my Mazda since 2007. (present perfect tense)

Gus has been being late for work recently.

Gus has been late for work recently. (present perfect tense)

Past Perfect Tense

The past perfect, also called the pluperfect, is a verb tense used to talk about actions that were completed before some point in the past.

We were shocked to discover that someone had graffitied "Tootles was here" on our front door. We were relieved that Tootles had used washable paint.

The past perfect tense is for talking about something that happened before something else. Imagine waking up one morning and stepping outside to grab the newspaper. On your way back in, you notice a mysterious message scrawled across your front door: Tootles was here. When you're telling this story to your friends later, how would you describe this moment? You might say something like:

I turned back to the house and saw that some someone named Tootles had defaced my front door!

In addition to feeling indignant on your behalf, your friends will also be able to understand that Tootles graffitied the door at some point in the past before the moment this morning when you saw his handiwork,

because you used the past perfect tense to describe the misdeed.

The Past Perfect Tense

The formula for the past perfect tense is had + [past participle]. It doesn't matter if the subject is singular or plural; the formula doesn't change.

When to Use the Past Perfect

So what's the difference between past perfect and simple past? When you're talking about some point in the past and want to reference an event that happened even earlier, using the past perfect allows you to convey the sequence of the events. It's also clearer and more specific. Consider the difference between these two sentences:

We were relieved that Tootles used washable paint. We were relieved that Tootles had used washable paint.

It's a subtle difference, but the first sentence doesn't tie Tootles's act of using washable paint to any particular moment in time; readers might interpret it as "We were relieved that Tootles was in the habit of using washable paint." In the second sentence, the past perfect makes it clear that you're talking about a specific instance of using washable paint.

Another time to use the past perfect is when you are expressing a condition and a result:

If I had woken up earlier this morning, I would have caught Tootles red-handed.

The past perfect is used in the part of the sentence that explains the condition (the if-clause).

Most often, the reason to write a verb in the past perfect tense is to show that it happened before other actions in the same sentence that are described by verbs in the simple past tense. Writing an entire paragraph with every verb in the past perfect tense is unusual.

How to Make the Past Perfect Negative

Making the past perfect negative is simple! Just insert not between had and [past participle].

We looked for witnesses, but the neighbors had not seen Tootles in the act. If Tootles had not included his own name in the message, we would have no idea who was behind it.

How to Ask a Question

The formula for asking a question in the past perfect tense is had + [subject] + [past participle].
Had Tootles caused trouble in other neighborhoods before he struck ours?
*The past participle of "to get" is "gotten" in American English. In British English, the past participle is "got."

Past Perfect Continuous Tense

The past perfect continuous tense (also known as the past perfect progressive tense) shows that an action that started in the past continued up until another time in the past. The past perfect continuous tense is constructed using had been + the verb's present participle (root + -ing).

Unlike the present perfect continuous, which indicates an action that began in the past and continued up to the present, the past perfect continuous is a verb tense that indicates something that began in the past, continued in the past, and also ended at a defined point in the past.

He had been drinking milk out the carton when Mom walked into the kitchen.

I had been working at the company for five years when I got the promotion.

When, for, since, and before are words that you may see used alongside the past perfect continuous tense.

Martha had been walking three miles a day before she broke her leg.

The program that was terminated had been working well since 1945.

Cathy had been playing the piano for 35 years when she was finally asked to do a solo with the local orchestra.

He had been throwing rocks at her window for five minutes before she finally came out on the balcony and said, "Hey, Romeo."

Future Perfect

The future perfect is a verb tense used for actions that will be completed before some other point in the future.

The parade will have ended by the time Chester gets out of bed. At eight o'clock I will have left.

Key words: Verb, past participle, tense, preposition

The future perfect tense is for talking about an action that will be completed between now and some point in the future. Imagine that your friend Linda asks you to take care of her cat for a few days while she goes on a trip. She wants you to come over today at noon so she can show you where to find the cat food and how to mash it up in the bowl just right so that Fluffy will deign to eat it. But you're busy this afternoon, so you ask Linda if you can come at eight o'clock tonight instead.

"No, that won't work! At eight o'clock I will have left already," she says.

What does the future perfect tell us here? It tells us that Linda is going to leave for her trip some time after right now, but before a certain point in the future (eight o'clock tonight). She probably shouldn't have waited until the last minute to find a cat sitter.

The Future Perfect Formula

The formula for the future perfect tense is pretty simple: will have + [past participle]. It doesn't matter if the subject of your sentence is singular or plural. The formula doesn't change.

When to Use the Future Perfect Tense

Sometimes, you can use the future perfect tense and the simple future tense interchangeably. In these two sentences, there is no real difference in meaning because the word before makes the sequence of events clear:

Linda will leave before you get there. Linda will have left before you get there.

But without prepositions such as before or by the time that make the sequence of events clear, you need to use the future perfect to show what happened first.

At eight o'clock Linda will leave. (This means that Linda will wait until 8 o'clock to leave.) At eight o'clock Linda will have left. (This means Linda will leave before 8 o'clock.)

How to make the Future Perfect Negative

Making a negative future perfect construction is easy! Just insert not between will and have.

We will not have eaten breakfast before we get to the airport tomorrow morning. They will not have finished decorating the float before the parade.

You can also use the contraction won't in the place of will not. They won't have finished decorating the float before the parade.

How to Ask a Question
The formula for asking a question in the future perfect tense is will + [subject] + have + [past participle]:

Will you have eaten lunch already when we arrive? Will they have finished decorating the float before the parade?

Prepositional Phrases that Often Go With the Future Perfect

By this time next week, Linda will have left for her trip. Three days from now, we will have finished our project. At midnight, the party will have ended. Will you have eaten already? Chester will not have arrived by

the time the parade is over. When I travel to France, I will have been to ten countries. My sister will have cleaned the bathroom before the party. As soon as someone buys this chair, I will have sold all the furniture I wanted to get rid of.

*Be careful when using the verb "to be" in the future perfect tense. The construction is easy to confuse with the future perfect continuous tense.

**The past participle of "to get" is gotten in American English. In British English, the past participle is got.

Future Perfect Continuous Tense
The future perfect continuous, also sometimes called the future perfect progressive, is a verb tense that describes actions that will continue up until a point in the future. The future perfect continuous consists of will + have + been + the verb's present participle (verb root + -ing).

When we describe an action in the future perfect continuous tense, we are projecting ourselves forward in time and looking back at the duration of that activity. The activity will have begun sometime in the past, present, or in the future, and is expected to continue in the future.

In November, I will have been working at my company for three years.

At five o'clock, I will have been waiting for thirty minutes.

When I turn thirty, I will have been playing piano for twenty-one years.

Nonaction Verbs Do Not Use the Future Perfect Continuous

Remember that nonaction verbs like to be, to seem, or to know are not suited to the future perfect continuous tense. Instead, these verbs take the future perfect tense, which is formed with will + have + past participle.

On Thursday, I will have been knowing you for a week.

On Thursday, I will have known you for a week.

I will have been reading forty-five books by Christmas.

I will have read forty-five books by Christmas

2. Voices

Active vs. Passive Voice
Active voice means that a sentence has a subject that acts upon its verb. Passive voice means that a subject is a recipient of a verb's action. You may have learned that the passive voice is weak and incorrect, but it isn't that

simple. When used correctly and in moderation, the passive voice is fine.

In English grammar, verbs have five properties: voice, mood, tense, person, and number; here, we are concerned with voice. The two grammatical voices are active and passive.

What's the difference between active and passive voice?

Active voice

When the subject of a sentence performs the verb's action, we say that the sentence is in the active voice. Sentences in the active voice have a strong, direct, and clear tone. Here are some short and straightforward examples of active voice.

Active voice examples

Monkeys adore bananas.

The cashier counted the money.

The dog chased the squirrel.

All three sentences have a basic active voice construction: subject, verb, and object. The subject monkey performs the action described by adore. The subject the cashier performs the action described by counted. The subject the dog performs the action described by chased. The subjects are doing, doing, doing—they take action in their sentences. The active voice reminds us of the popular Nike slogan, "Just Do It."

Passive voice

A sentence is in the passive voice, on the other hand, when the subject is acted on by the verb. The passive voice is always constructed with a conjugated form of to be plus the verb's past participle. Doing this usually generates a preposition as well. That sounds much more complicated than it is—passive voice is actually quite easy to detect. For these examples of passive voice, we will transform the three active sentences above to illustrate the difference.

Passive voice examples

Bananas are adored by monkeys.

The money was counted by the cashier.

The squirrel was chased by the dog.

Let's take a closer look at the first pair of sentences, "Monkeys adore bananas" and "Bananas are adored by monkeys." The active sentence consists of monkeys (subject) + adore (verb) + bananas (object). The passive sentence consists of bananas (object) + are adored (a form of to be plus the past participle adored) + by (preposition) + monkeys (subject). Making the sentence passive flipped the structure and necessitated the preposition by. In fact, all three of the transformed sentences above required the addition of by.

When to use active and passive voice

Using the active voice conveys a strong, clear tone and the passive voice is subtler and weaker. Here's some good advice: don't use the passive voice just because you think it sounds a bit fancier than the active voice.

That said, there are times the passive voice is useful and called for. Take "The squirrel was chased by the dog," for example. That sentence construction would be helpful if the squirrel were the focus of your writing and not the dog.

A good rule of thumb is to try to put the majority of your sentences in the active voice, unless you truly can't write your sentence in any other way.

How to change a sentence in passive voice to active voice

Here is an example of a business communication that could be strengthened by abandoning the passive voice.

An error has occurred with your account, but every attempt was made to remedy it.

That sentence is not incorrect, but it does sound a bit stiff and dishonest. It sounds less trustworthy than it could—almost evasive. Who wants to do business with a company that avoids taking full responsibility by slipping into formal passive voice territory? Face the responsibility head on instead. Own it.

We made an error with your account, but we have made every attempt to remedy it.

To make that sentence active rather than passive, I identified the subject: we. It was "our company" that was responsible.

If there are any questions, I can be reached at the number below.

Here's a tip: What to remember: to change a sentence from passive voice into active voice, identify the subject.

The structure of this sentence is weak because it doesn't identify the subjects in either clause. Let's unveil them. Who might have questions to ask? The person being addressed: you. Who will be doing the reaching (by calling the number below)? It is still the communication's recipient

3. Rearranging Jumbled Words

Jumbled Sentences are a must for good English. This is usually known by many names like rearranging of words, rearranging sentences jumbled words, word order exercises, make a sentence with the word, put the words in the correct order to make sentences, sentence order, sentence formation.

Sample
Look at the words and phrases below. Rearrange them to form meaningful sentences to make a reading passage. Write the correct sentences in the space provided.

(a) one of / friends / a / best / good / our / is / book

(b) the same / and it / it is / change / will never / today that / it always was

(c) most patient / companions / cheerful of / it / and / is the

(d) turn its / in times / it does / of adversity / back upon / or distress / not / us

Answer

(a) A good book is one of our best friends.

(b) It is the same today that it always was and it will never change.

(c) It is the most patient and cheerful companions.

(d) It does not turn its back upon us in times of adversity or distress.

Unit 4

A. COMPREHENSION

A comprehension exercise consists of a passage, upon which questions are set to test thestudent's ability to understand the content of the given text and to infer information andmeanings from it.
Here are a few hints:-
1. Read the passage fairly quickly to get the general idea.
2. Read again, a little slowly, so as to know the details.
3. Study the questions thoroughly. Turn to the relevant portions of the passage, read themagain, and then rewrite them in your own words, neatly and precisely
4. Use complete sentences.
5. If you are asked to give the meaning of any words or phrases, you should express theidea as clearly aspossible in your own words. Certain words require the kind ofdefinition that is given in a dictionary. Take care to frame the definition in conformitywith the part of speech.

Sample

Read the passage below and then answer the questions which follow it.It has been part of Nelson's prayer that the British fleet might be distinguished byhumanity in the victory which he expected. Setting an example himself, he twice gaveorders to cease firing upon the Redoubtable, supposing that she had struck because hergreat guns were silent; for as she carried no flag, there was no means of scantlyascertaining the fact. From this ship, which he had thus twice spared, he received hisdeath. A ball fired from her mizzen-top which, in the thensituation of the two vessels was not more than fifteen yards from that part of the deck where he was standing, struck the epaulette on his left shoulder about a quarter after one, just in the heat of action. He fell upon his face on the spot which was covered with his poor secretary's blood. Hardy who was a few steps from him turning around, saw three men raising him up. “They have done for me at last Hardy!” said he. “I hope not!” cried Hardy. “Yes,” he replied; “my backbone is shot through!” Yet even now not for a moment losing his presence of mind, he observed as they were carrying him down the ladder, that the tiller-ropes which had been shot away, were not yet replaced and ordered that new ones should be roped immediately. Then that he might not be seen by the crew, he took out his handkerchief and covered his face and his stars. Had he but concealed these badges of honor from the enemy, England perhaps would not have had cause to receive with sorrow the news of the battle of Trafalgar. The cockpit was crowded with wounded and dying men; over whose bodies he was with some difficulty conveyed, and laid upon a pallet in the midshipmen's berth. It was soon perceived, upon examination, that the wound was mortal. This, however, was concealed from all, except Captain Hardy, the chaplain, and the medical attendants. He himself being certain, from the sensation in his back, and the gush of blood he felt momently within his breast, that no human care could avail him, insisted that the surgeon should leave him and attend to those to whom he might be useful.

Questions
1. What is meant by 'supposing that she had struck’?
2. How can Nelson be said to have been partly responsible for his own death?
3. What do you understand by the 'mizzen-top' ?
4. Why did Nelson insist that the surgeon should leave him and attend to others?

5. What qualities in Nelson's character are revealed by this passage?

Answers

1. 'Supposing that she had struck means 'thinking that the men in the ship had surrendered'.
2. Nelson ordered his men two times to cease firing on the Redoubtable.
From the same ship a ball was fired at him and brought about his death.
He was thus partly responsible for his death.
3. The 'mizzen-top' is the platform round the lower part of the mast nearest the stern.
4. Nelson was certain that it would be impossible to save his life. He, therefore, insisted that the surgeon should leave him and attend to others.
5. His patriotism, his humanity and his powers of endurance are revealed by this passage.

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BBA SEM – 2

E-COMMERCE

Sr. No.	Subject Name
1	Introduction to E-commerce
2	Types of E-commerce and E Marketing
3	E Payments and Security
4	Recent trends in E Commerce

Unit -1 Introduction to E-commerce

Q.1:EXPLAIN MEANING AND TYPES OF E-COMMERCE

Introduction

E-commerce is business transactions through electronic means, including the internet, telephones, televisions and computers. As the number of internet users grows, many believe e-commerce will soon be the main way to complete business transactions. There are purchasers and business alike that are affected by e-commerce.

Definition:

"E-commerce means sharing of business information, maintaining business relationships, and the conducting business transactions by means of telecommunications networks".

Advantages of E- commerce:

E-Commerce Advantages for Customers

- **Convenience.** Every product is at the tip of your fingers on the internet, literally. Type in the product you are looking for into your favorite search engine and every option will appear in a well organized list in a matter of seconds.
- **Time saving.** With e-commerce there is no driving in circles while looking and digging in hopes of finding what you need. Stores online offer their full line as well as use warehouses instead of store fronts—products are easy to locate and can be delivered to your door in just days.
- **Options, options, options!** Without driving from store to store the consumer can easily compare and contrast products. See who offers the best pricing and have more options to choose from. While a physical store has limited space, the same store on the internet will have full stock.
- **Easy to compare.** Side by side comparisons are readily available and easy to do. When products are placed online, they come with all the specifics, and they *want* you to compare them with others, know they have the best options and come back for more!
- **Easy to find reviews.** Because the competition is high, companies online want you to look at other consumer reviews. Good and bad reviews are on every site, not only can you see if the product is liked, you can also see the reasons behind the thumbs up or down.
- **Coupons and deals.** With every online business wanting you, more and more coupons and deals can't be avoided, which are totally great for customers. With major sites that act as department store, you may find items up to 80% off! Take advantage of the competition and find the best price available.

E-Commerce Advantages for Businesses

- **Increasing customer base.** The customer base is every business's main concern, online or off. When online, a business doesn't have to worry about getting the best property in town, people from around the world have access to their products and can come back at anytime.
- **Rise in sales.** By not managing a storefront, any business will have more sales online with a higher profit margin. They can redistribute money to make the consumer shopping experience faster and more efficient. While being available to international markets, more products will sell.

- **24/7, 365 days.** If it's snowing and the roads are closed, or it's too hot and humid to even step outside in the summer, or a holiday that every store in town closes, your online business is open for consumers 24/7 every day of the year. The doors never close and profits will keep rising.
- **Recurring payments made easy.** With a little research, every business can set up recurring payments. Find the provider that best suits your needs and billing will be done in a consistent manner; payments will be received in the same way.
- **Instant transactions.** With e-commerce there is no more waiting for the check to clear, or a 30-day wait for certain other types of payment. Transactions are cleared immediately or at most two to three days for the money to clear through the banking system.

Disadvantages of E-commerce

E-Commerce Disadvantages for Customers:

- **Privacy and security.** Before making instant transactions online, be sure to check the sites certificates of security. While it may be easy and convenient to shop, no one wants their personal information to be stolen. While many sites are reputable, always do your research for those with less than sufficient security.
- **Quality.** While e-commerce makes everything easily accessible, a consumer cannot actually touch products until they are delivered to the door. It is important to view the return policy before buying. Always make sure returning goods is an option.
- **Hidden costs.** When making purchases, the consumer is aware of the product cost, shipping, handling and possible taxes. Be advised: there may be hidden fees that won't show up on your purchasing bill but will show up on your form of payment. Extra handling fees may occur, especially with international purchases.

- **Delay in receiving goods.** Although delivery of products is often quicker than expected, be prepared for delays. A snow storm in one place may throw off the shipping system across the board. There is also a chance that your product may be lost or delivered to the wrong address.
- **Need access to internet.** Internet access is not free, and if you are using free wifi, there is the chance of information theft over an unsecure site. If you are wearing of your public library, or cannot afford the internet or computer at home, it may be best to shop locally.
- **Lack of personal interaction.** While the rules and regulations of each e-commerce business is laid out for you to read, there is a lot to read and it may be confusing when it comes to the legalities. With large or important orders, there is no one you can talk to face to face when you have questions and concerns.

E-Commerce Disadvantages for Businesses:

- **Security issues.** While businesses make great efforts to keep themselves and the consumer safe, there are people out there that will break every firewall possible to get the information they want. We have all seen recently how the biggest and most renown business can be hacked online.
- **Credit card issues.** Many credit card businesses will take the side of the consumer when there is dispute about billing—they want to keep their clients, too. This can lead to a loss for e-commerce business when goods have already been delivered and the payment is refunded back to the consumer.
- **Extra expense and expertise for e-commerce infrastructure.** To be sure an online business is running correctly, money will have to be invested. As an owner, you need to know transactions are being handled

properly and products are represented in the most truthful way. To make sure you get what you need, you will have to hire a professional to tie up any loose ends.

- **Needs for expanded reverse logistics.** The infrastructure of an online business must be on point. This will be another cost to the business because money will need to be invested to ensure proper handling of all aspects of buying and selling, especially with disgruntled consumers that want more than a refund.
- **Sufficient internet service.** Although it seems that everyone is now on the internet all the time, there are still areas in which network bandwidth can cause issues. Before setting up an e-commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.
- **Constant upkeep**. When a business has started as e-commerce, they must be ready to make changes to stay compatible. While technology grows, the systems that support your business must be kept up to date or replaced if needed. There may be additional overhead in order to keep data bases and applications running.

Q.2: History and development (evolution) of E-commerce

Sometimes it seems like e-commerce has always been a part of our lives. Most of us make business transactions online on such a regular basis that it is difficult to imagine a time when you were not able to do so. Despite this, the history of e-commerce is actually a relatively short history.

- It began less than fifty years ago and its humble beginnings look nothing like the kind of electronic business transactions that we see today. Even up until the 1990's, online business wasn't a reality for the average person
- The development of e-commerce was one of those things that happened slowly and then suddenly. At its very basic level, the term refers simply to any commerce that takes place electronically. This includes ATM and credit card transactions as well as the ability to do billing and invoicing through electronic methods.
- The technology allowing this kind of commerce took hold in the late 1970's and grew steadily throughout the 1980's. It was during this time that people started to use credit cards on a regular basis and that set the foundation for electronic commerce to get a grip in society.
- Two things happened in the mid-1990's to make this kind of e-commerce a possibility. First, computer security was strengthened enough to make consumers and businesses feel comfortable with conducting these types of transactions online. Second, the average person began to gain familiarity with the web and started using it for everyday activities such as online shopping.
- Moreover, web design was improving and the speed of the Internet was increasing, e-commerce had a platform for development. In 1995, Amazon.com was launched and we really started seeing the type of e-commerce that we're used to today.
- As more and more people began doing business online, a need for secure communication and transactions became apparent. In 2004, the Payment Card Industry Security Standards Council (PCI) was formed to ensure businesses were meeting compliance with various security requirements. The organization was created for the development, enhancement, storage, dissemination and implementation of security standards for account data protection.
- With mobile commerce gaining speed, more users are purchasing from the palm of their hand. The market for mobile payments is expected to quadruple by 2014, reaching $630 billion in value. Total sales in ecommerce have grown from $27.6 billion in 2000 to $143.4 billion in 2009 and are expected to continue its growth for the foreseeable future.

Of course, we survived the dot-com bust and the Internet came back in a bigger and better way. Today, the average person not only has a home computer but also has the high speed Internet connection that lets him or her move easily between web pages. This makes it easy to do comparison-shopping online. More importantly, the availability of high speed Internet has increased the ability of people to work from home. These people often set up e-commerce sites, which allow them to sell products without needing a whole business behind them. These two factors combined have made it so that e-commerce has become a part of our daily lives.

Q.3: Differentiate: Traditional commerce and E-commerce

Electronic commerce is very much like traditional commerce. It also involves and exchange of goods. But the exchange of goods is conducted online. Technologies such as email, electronic data interchange and electronic fund transfer are used to track transactions and receive payments. Some of the differences between electronic commerce and traditional commerce are explained briefly below.

1. Cost effective

E-commerce is very cost effective when compared to traditional commerce. In traditional commerce, cost has to be incurred for the role of middlemen to sell the company's product. The cost incurred on middlemen is eliminated in e-commerce as there is a direct link between the business and the customer. The total overhead cost required to run e-business is comparatively less, compared to traditional business.

For example, in running an e-business, only a head office is required. Whereas in traditional method, a head office with several branches are required to cater to the needs of customers situated in different places. The cost incurred on labor, maintenance, office rent can be substituted by hosting a website in e-business method.

2. Time saving

It takes a lot of time to complete a transaction in traditional commerce. E-commerce saves a lot of valuable time for both the consumers and business. A product can be ordered and the transaction can be completed in few minutes through internet.

3. Convenience

E-commerce provides convenience to both the customers and the business. Customers can browse through a whole directories of catalogues, compare prices between products and choose a desired product any time and anywhere in the world without any necessity to move away from their home or work place.

E-commerce provides better connectivity for its prospective and potential customers as the organization's website can be accessed virtually from anywhere, any time through internet. It is not necessary to move away from their work place or home to locate and purchase a desired product.

4. Geographical accessibility

In traditional commerce, it may be easy to expand the size of the market from regional to national level. Business organizations have to incur a lot of expenses on investment to enter international market. In e-commerce it is easy to expand the size of the market from regional to international level.

By hosting a website, by placing advertisements on the internet and satisfying certain legal norms, a business can penetrate into global market. It is quite easy to attract customers from global markets at a marginal cost.

5. Introduction of new products

In traditional commerce, it takes a lot of time and money to introduce a new product and analyze the response of the customers. Initially, cost has to be incurred to carry out pilot surveys to understand the taste of the customers.

In e-commerce, it is easy to introduce a product on the website and get the immediate feedback of the customers. Based on the response, the products can be redefined and modified for a successful launch.

6. Profit

E-commerce helps to increase the sales of the organization. It helps the organization to enjoy greater profits by increasing sales, cutting cost and streamlining operating processes.

The cost incurred on the middlemen, overhead, inventory and limited sales pulls down the profit of the organization in traditional commerce.

7. Physical inspection

E-commerce does not allow physical inspection of goods. In purchasing goods in e-commerce, customers have to rely on electronic images whereas in traditional commerce, it is possible to physically inspect the goods before the purchase.

8. Time accessibility

Business is open only for a limited time in traditional commerce. Round the clock (24 x 7) service is available in e-commerce.

9. Product suitability

E-commerce is not suitable for perishable goods and high valuable items such as jewellery and antiques. It is mostly suitable for purchasing tickets, books, music and software. Traditional commerce is suitable for perishables and touch and feel items.

10. Human resource

To operate in electronic environment, an organization requires technically qualified staff with an aptitude to update them in the ever changing world. E-business has difficulty in recruiting and retaining talented people.

Traditional commerce does not have such problems associated with human resource in non electronic environment.

11. Customer interaction

In traditional commerce, the interaction between the business and the consumer is a “face-to-face”.

In electronic commerce, the interaction between the business and the consumer is “screen-to-face”. Since there is no personal touch in e-business, companies need to have intimate relationship with customers to win over their loyalty.

12. Process

There is an automated processing of business transactions in electronic commerce. It helps to minimize the clerical errors.

There is manual processing of business transactions in traditional commerce. There are chances of clerical errors to occur as human intervention takes place.

13. Business relationship

The business relationship in traditional commerce is vertical or linear, whereas in electronic commerce the business relationship is characterized by end-to-end.

14. Fraud

Lots of cyber frauds take place in electronic commerce transactions. People generally fear to give credit card information. Lack of physical presence in markets and unclear legal issues give loopholes for frauds to take place in e-business transactions.

Fraud in traditional commerce is comparatively less as there is personal interaction between the buyer and the seller.

Q.4: WRITE A SHORT NOTE ON E-COMMERCE IN INDIA

With the economy on booming trend along with development in content industry and growing skill base, E-commerce and E-business are also booming in India. Majority of smart companies are concentrating more on leveraging their sites for savings, global reach and productivity improvements rather than for absolute sales.

- Among the Asian countries, India has registered the highest growth in E-commerce with CAGR (Compound Annual Growth Rate) of around 250%.
- The NASSCOM survey also revealed that India grew and is still growing at a very rapid pace in the field of electronic commerce.
- The leading ecommerce pioneer in India is Rediff, which promotes and sells music and videos, books, cloths, utensils etc online. Several other companies also joined Rediff once they found it fruitful to do business online.
- Many successful entrepreneurs namely, Rajesh Jain (Indiaworld), Alok Mittal (Zipahead), Sabeer Bhaita (Founder of Hotmail), Rakesh Mathur (co-founder of Junglee, now with amazon.com) and many more who pioneered and ventured in the field of internet and dealing in electronic commerce, became role models for the new generation entrepreneurs.
- In last five years, the infrastructure needed to make e-commerce perform to the best of its ability was adequately built and that allowed everything to fall in place.
- The growth now is prominently visible because there is considerable increase in the number of internet users, acceptance and adaptability of online payments, explosion of devices that are internet enabled like computers, cell phones, tabs etc and favorable population composition (more youths).
- It further got momentum due to declining internet charges right across the nation supported by 3G and 4G services.
- The number of consumers making online transactions has rapidly grown to 38 million from merely 2 million before a decade from now.

Q.5: EXPLAIN THE FEATURES OF E-COMMERCE

INTRODUCTION :

E-commerce means using the Internet and the web for business transactions and/or commercial transactions, which typically involve the exchange of value (e.g., money) across organizational or individual boundaries in return for products and services. Here we focus on digitally enabled commercial transactions among organizations and individuals.

E-business applications turn into e-commerce precisely, when an exchange of value occurs. Digitally enabled transactions include all transactions mediated by digital technology and platform; that is, transactions that occur over the Internet and the web.

FEATURES :

1. E-Commerce is Technology-Enabled:

Traditional commerce is taking place since times immemorial but E-commerce is result of integration of digital technology with business processes and commercial transactions. The technological foundations of E-commerce are internet, WWW and various protocols.

2. Technology Mediated:

In E-commerce buyers and sellers meet in cyber space rather than physical place. Hence E-commerce does not involve face to face contact.

3. Universality:

Buying and selling take place through websites in E-Commerce. The websites can be accessed from anywhere around the globe at any time therefore it possess the feature of universality.

4. Intercommunication:

E-commerce technology ensures two way communications between buyer and seller. On one hand by using E-commerce firms can communicate with customers through E-commerce enabled websites. On the other end, customers can also fill order forms, feedback forms and can communicate with business operating firms.

5. Delivery of Information:

E-commerce serves as the best channel of communication. E-commerce technologies ensure speedy delivery of information at very low cost and considerably increase information density as well.

6. Electronic Completion of Business Processes:

By using E- commerce we can perform business transactions like accounting and inventory through computers at global level.

7. Virtual Communities:

Virtual Communities are online communities created by means such as chat rooms and specifically designed sites like, where people can interact with each other having common interest using the internet.

Q.6: SCOPE OF E-COMMERCE

1. Selling can be centered around the Global client
2. Pre-deals, subcontracts, and supply
3. Financing and protection
4. Commercial exchanges, requesting, conveyance installment
5. Product administration and support

6. Cooperative item improvement
7. Distributive co-employable working
8. Use of open and private administrations
9. Business to organization (client)
10. Transport and coordinations
11. Public acquisition
12. Automatic exchanging of computerized merchandise
13. Accounting

Q.7: REASON FOR EMERGENCE OF E-COMMERCE

- **Traditional marketing can be more expensive than digital marketing.**

This is especially true when you add in the total costs of production and the media buy.

- **Traditional marketing is often not as measurable as digital marketing.**

While there are services to estimate TV viewership and billboard drive-bys, they are still estimates. Digital media can pinpoint metrics along the entire marketing funnel, from page landings to click-throughs to purchases.

- **Traditional marketing can take longer to execute and refine than digital campaigns.**

Producing a print ad takes time—and rounds of edits. Then once the ad is done, it is done. There is no going back to change a color, font or word. Digital ads, on the other hand, can be tested and edited in real time to improve their effectiveness.

- **Traditional marketing doesn't have the same ability to target and sub-segment as digital.**

Other than direct mail, most traditional marketing methods cannot and do not offer the same level of segmentation and targeting that can be achieved with digital targeting.

- **Traditional marketing is gradually losing its audience.**

When designing your campaign, you have to think about who watches regular TV or reads a newspaper these days. While there are very clear segments of network TV viewership and physical newspaper readers, there is no doubt that paid TV subscriptions and e-readers are changing the way people of all ages consume news and media. Traditional media outlets are learning to adjust for a new generation of consumers, and so must financial marketers.

Unit – 2 Types of E-commerce And E -marketing

Q.1 : Types of E-commerce:

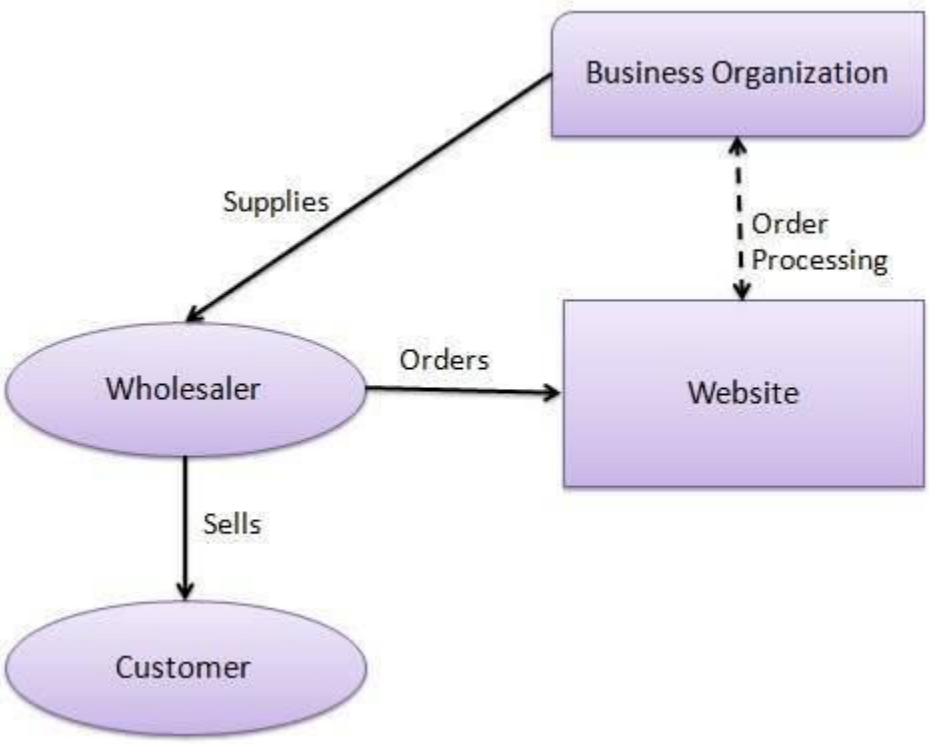
INTRODUCTION AND MEANING :

E-commerce is business transactions through electronic means, including the internet, telephones, televisions and computers. As the number of internet users grows, many believe e-commerce will soon be the main way to complete business transactions. There are purchasers and business alike that are affected by e-commerce.
There are 6 basic types of e-commerce:

1. Business-to-Business (B2B)
2. Business-to-Consumer (B2C)
3. Consumer-to-Consumer (C2C)
4. Consumer-to-Business (C2B)
5. Business - to - Government (B2G)
6. Government - to - Business (G2B)
7. Government - to - Citizen (G2C)

1. Business-to-Business (B2B)

Business-to-Business (B2B) e-commerce encompasses all electronic transactions of goods or services conducted between companies. Producers and traditional commerce wholesalers typically operate with this type of electronic commerce. Pricing is based on quantity of order and is often negotiable

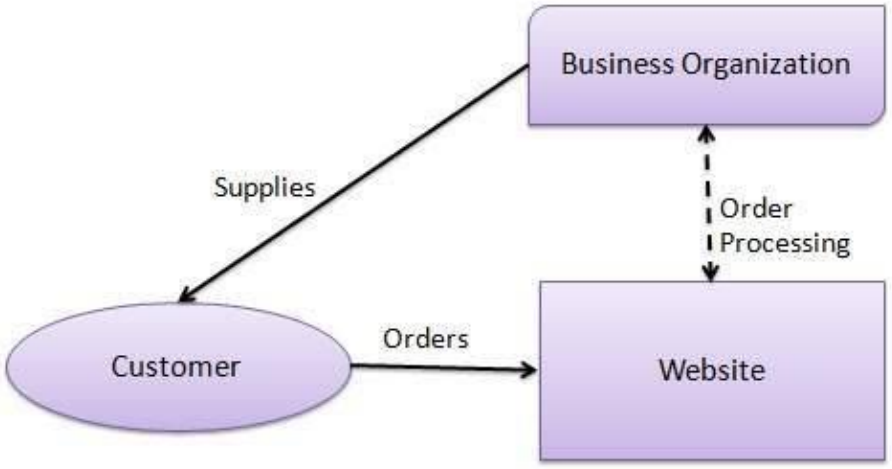


2. Business-to-Consumer (B2C)

The Business-to-Consumer type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers. It corresponds to the retail section of e-commerce, where traditional retail trade normally operates.

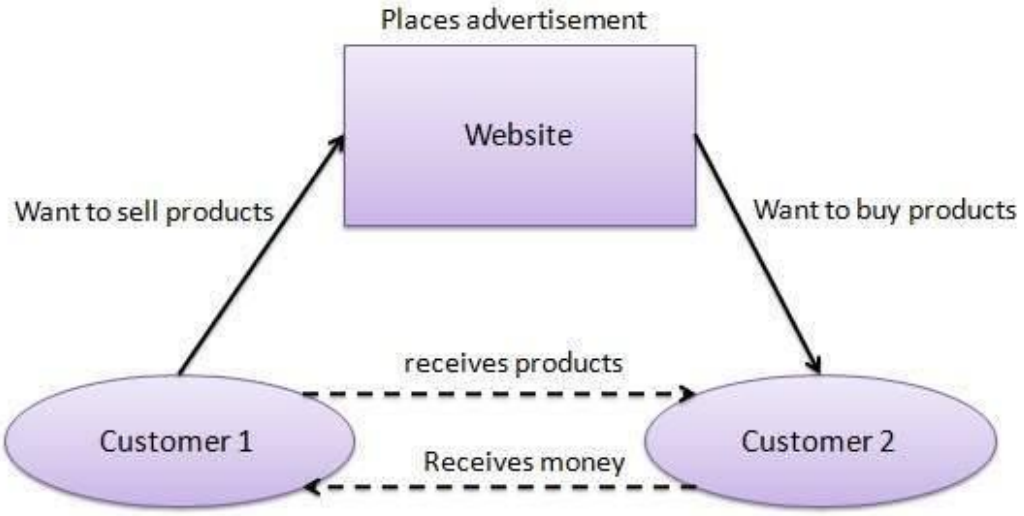
These types of relationships can be easier and more dynamic, but also more irregular or discontinued. This type of commerce has developed greatly, due to the advent of the web, and there are already many virtual stores and malls on the Internet, which sell all kinds of consumer goods, such as computers, software, books, shoes, cars, food, financial products, digital publications, etc.

When compared to buying retail in traditional commerce, the consumer usually has more information available in terms of informative content and there is also a widespread idea that you'll be buying cheaper, without endanger an equally personalized customer service, as well as ensuring quick processing and delivery of your order.



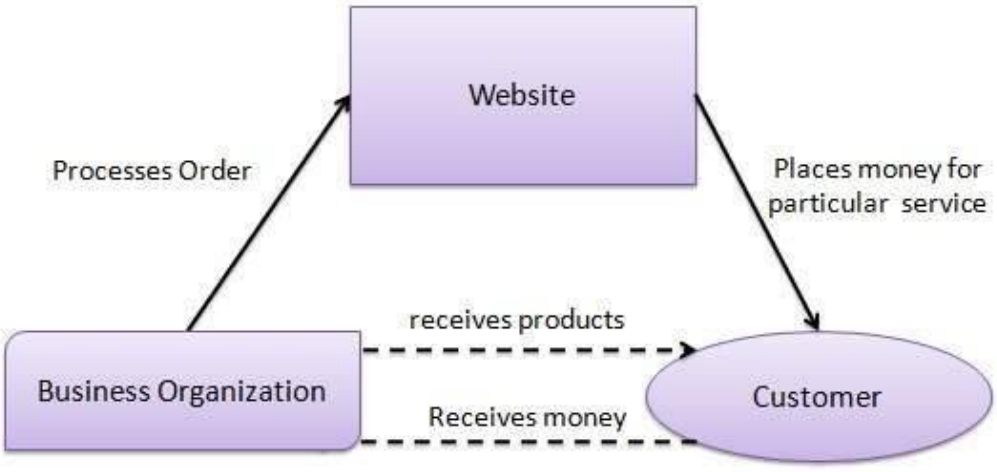
3. Consumer-to-Consumer (C2C)

Consumer-to-Consumer (C2C) type e-commerce encompasses all electronic transactions of goods or services conducted between consumers. Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out for example EBAY.



4. Consumer-to-Business (C2B)

A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer reviews the bids and selects the company that will complete the project. Thus, it empowers consumers around the world by providing the meeting ground and platform for such transactions.

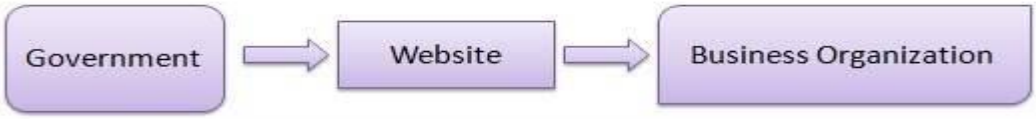


5. Business - to - Government (B2G)

B2G model is a variant of B2B model. Such websites are used by government to trade and exchange information with various business organizations. Such websites are accredited by the government and provide a medium to businesses to submit application forms to the government.

6. Government - to - Business (G2B)

Government uses B2G model website to approach business organizations. Such websites support auctions, tenders and application submission functionalities.



7. Government - to - Citizen (G2C)

Government uses G2C model website to approach citizen in general. Such websites support auctions of vehicles, machinery or any other material. Such website also provides services like registration for birth, marriage or death certificates. Main objectives of G2C website are to reduce average time for fulfilling people requests for various government services.

Q.2: ADVANTAGE AND DISADVANTAGE OF DIGITAL MARKETING

ADVANTAGE:

Global Reach

A website or a social channel allows you to find new markets and trade globally for only a small investment in the project or the company.

Lower cost

It's properly planned and well-targeted digital marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.

It enables the company to spare money, a component that is truly considered by the associations since the Digital showcasing techniques don't require a lot of budgetary responsibility.

MeasurableResult

Measuring your online marketing with social media, web analytics, and other online metric tools make it easier to establish how effective your campaign has been. You can obtain detailed information about how customers

use your website or respond to your advertising.
In addition to that presence on the Internet can help the improvement of the organization from any provincial market across the nation and overall commercial centers simultaneously, giving practically boundless development openings.

Personalization
If your customer database is linked to your website, then whenever someone visits the site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.

Open New Market
By getting involved with social media and managing it carefully, you can build customer loyalty and create a reputation for being easy to engage with.

Social Currency
Digital marketing lets you create engaging campaigns using content marketing tactics. This content (images, videos, articles) can gain social currency – being passed from user to user and becoming viral.

Conversion Rates
If you have a website, then your customers are only ever a few clicks away from making a purchase. Unlike other media which require people to get up and make a phone call, or go to a shop, digital marketing can be seamless and immediate.

DISADVANTAGE

Skills and Training
You will need to ensure that your staff has the right knowledge and expertise to carry out digital marketing with success. Tools, platforms, and trends change rapidly and it's vital that you keep up-to-date.

Time-consuming
Tasks such as optimizing online advertising campaigns and creating marketing content can take up a lot of time. It's important to measure your results to ensure a return-on-investment.

High Competition
While you can reach a global audience with digital marketing, you are also up against the global competition. It can be a challenge to stand out against competitors and to grab attention among the many messages aimed at consumers online.

Complaints and Feedback
Any negative feedback or criticism of your brand are can be visible to your audience through social media and review websites. Carrying out effective customer service online can be challenging. Negative comments or failure to respond effectively can damage your brand reputation.

Security and Privacy Issues

There are a number of legal considerations around collecting and using customer data for digital marketing purposes. Take care to comply with the rules regarding privacy and data protection.

Q.3:CHALLENGES BEFORE TRADITIONAL MARKETING

- **Traditional marketing can be more expensive than digital marketing.**

This is especially true when you add in the total costs of production and the media buy.

- **Traditional marketing is often not as measurable as digital marketing.**

While there are services to estimate TV viewership and billboard drive-bys, they are still estimates. Digital media can pinpoint metrics along the entire marketing funnel, from page landings to click-throughs to purchases.

- **Traditional marketing can take longer to execute and refine than digital campaigns.**

Producing a print ad takes time—and rounds of edits. Then once the ad is done, it is done. There is no going back to change a color, font or word. Digital ads, on the other hand, can be tested and edited in real time to improve their effectiveness.

- **Traditional marketing doesn't have the same ability to target and sub-segment as digital.**

Other than direct mail, most traditional marketing methods cannot and do not offer the same level of segmentation and targeting that can be achieved with digital targeting.

- **Traditional marketing is gradually losing its audience.**

When designing your campaign, you have to think about who watches regular TV or reads a newspaper these days. While there are very clear segments of network TV viewership and physical newspaper readers, there is no doubt that paid TV subscriptions and e-readers are changing the way people of all ages consume news and media. Traditional media outlets are learning to adjust for a new generation of consumers, and so must financial marketers.

Q.4: METHODS OF DIGITAL MARKETING

Social media

We are in a digital age, where information and knowledge are everywhere. Comparing with old marketing methods, the internet is a big smile and a perfect strategy to reach out to new customer horizons hitherto unimagined. Social media is an evergreen marketing strategy because most people and especially millennials tend to follow a brand on social media. A bigger percentage of social media users will recommend a service or a product if they are satisfied with its social media service. Social media is recording a high number of subscribers every day, making it an evergreen marketing strategy to reach new markets and maintain the available ones. As such, companies are opening social media pages for marketing and promotion of their products and services.

Website Optimization

If you are a serious contender in the marketing world, you must have a website to supplement your social media pages. The website must have a proper design because, in the first place, it reflects the image of your company.

Website optimization involves designing a website from nothing. It involves adding keywords or phrases, image tags; editing Metadata to ensure that your site is accessible to a search engine

Television Advertisements

Television is a powerful way of communicating to the masses. It earns a slot in the evergreen strategy because advertising on tv is far much better than and effective than placing an add on a newspaper. A TV ad that appears during prime time hours will reach more audiences in a matter of seconds, thereby creating awareness of the existence of a service or a product. You can never go wrong with a television ad, however annoying it might be simply because it will still serve its objective, which is entering the minds of potential customers

Speaking engagements and networking

One of the advantages of using speaking engagements is that you are directly speaking to a targeted audience. Their attention tells you they are interested in what you are offering and you will need only a small, professional, and spirited nudge to turn them into your consumers. Speaking engagements are a perfect marketing strategy that has the power to generate good leads. Talk of the good old word of mouth working for the best interest of your business.

Direct mail

If you send thank you cards to your customers for showing appreciation, they are more likely to purchase your products again. Consumers interested in your industry will take information leaflets very seriously and provide expert advice. Remember you have to use high-quality prints to impress your clients, and if this is a hassle, stick to direct mails. It is a pronounced way of making sure that your customers are always aware should there be any new product or
service from your business.

Cloud technology in marketing

Marketers are also using cloud-based technology to market their products and services online using integrated digital experiences. It targets consumers through social media pages and other online portals. Even as they try this marketing route, marketers must invoke the help of a cybersecurity consultant with good expertise in protecting the technology, especial during this age where cybercrime is becoming like an everyday story. Marketers can use cybersecurity as a because they provide a great deal of technology protection, thereby safeguarding the online marketing interests.

Unit-3 E Payments and Security

Q.1 : Write a short notes on E-payment options:

1. **Credit card**
2. **Debit card**
3. **Electronic Credit card (Smart card)**
4. **E-cash**
5. **E –check**
6. **E-wallet**
7. **EFT**

- E-commerce provides the capability of buying and selling products, information and services on the Internet and other online environments. In an e-commerce environment, payments take the form of money exchange in an electronic form, and are therefore called Electronic Payment. Issues of trust and acceptance play a more significant role in the e-commerce world than in traditional businesses as far as payment systems are concerned.
- Traditionally, a customer sees a product, examines it, and then pays for it by cash, check, or credit card. In the e-commerce world, in most cases the customer does not actually see the concrete product at the time of transaction, and the method of payment is performed electronically. Following are the E-payment options:

1) Credit Cards:

There are two types of credit cards on the market today:

1) Credit cards issued by credit card companies
(e.g., MasterCard, Visa) and major banks (e.g. Is Bankasi, Ziraat Bankasi, Yapi Kredi, etc.) Credit cards are issued based on the customer's income level, credit history, and total wealth. The customer uses these cards to buy goods and services or get cash from the participating financial institutions. The customer is supposed to pay his or her debts during the payment period; otherwise interest will accumulate. Two limitations of credit cards are their unsuitability for very small or very large payments. It is not cost-justified to use a credit card for small payments. Also, due to security issues, these cards have a limit and cannot be used for excessively large transactions.

2) Credit cards issued by department stores (e.g Boyner), oil companies (e.g. Shell)

Businesses extremely benefit from these company cards and they are cheaper to operate. They are widely issued to and used by a broad range of customers. Businesses offer incentives to attract customers to open an account and get one of these cards.

2) Debit Cards:

- The difference between credit cards and debit cards is that in order to pay with a debit card you need to know your personal identification number (PIN) and need a hardware device that is able to read the information that is stored in the magnetic strip on the back .

- Debit cards task similar to checks in that the charges will be taken from the customer's checking account. The benefit for the customer is the easiness of use and convenience.
- These cards also keep the customer under his or her budget because they do not allow the customer to go beyond his or her resources. The advantage to the merchant is the speed at which the merchant collects these charges.

3) Smart cards:

- A smart card is about the size of a credit card, made of a plastic with an embedded microprocessor chip that holds important financial and personal information. The microprocessor chip is loaded with the relevant information and periodically recharged. In addition to these pieces of information, systems have been developed to store cash onto the chip.
- The money on the card is saved in an encrypted form and is protected by a password to ensure the security of the smart card solution. In order to pay via smart card it is necessary to introduce the card into a hardware terminal.
- The device requires a special key from the issuing bank to start a money transfer in either direction. Smart cards can be disposable or rechargeable. A popular example of a disposable smart card is the one issued by telephone companies. After using the pre-specified amount, the card can be discarded.
- Smart cards have been extensively used in the telecommunications industry for years. Smart-card technology can be used to hold information on health care, transportation, identification, retail, loyalty programs and banking, to name a few.
- Smart cards enable information for different purposes to be stored in one location. The microprocessor chip can process different types of information, and therefore, various industries use them in different ways.

4) E cash

- Similar to regular cash, e-cash enables transactions between customers without the need for banks or other third parties. When used, e-cash is transferred directly and immediately to the participating merchants and vending machines.
- Electronic cash is a secure and convenient alternative to bills and coins. This payment system complements credit, debit, and charge cards and adds additional convenience and control to everyday customer cash transactions.
- E-cash usually operates on a smart card, which includes an embedded microprocessor chip. The microprocessor chip stores cash value and the security features that make electronic transactions secure. Mondex, a subsidiary of MasterCard (Mondex Canada Association) is a good example of e-cash.
- E-cash is transferred directly from the customer's desktop to the merchant's site. Therefore, e-cash transactions usually require no remote authorization or personal identification number (PIN) codes at the point of sale.
- E-cash can be transferred over a telephone line or over the Web. The microprocessor chip embedded onto the card keeps track of the e-cash transactions. Using e-cash the customer has two options: a stand-alone card containing e-cash or a combination card that incorporates both e-cash and debit.

5) E check

- E-check is the result of cooperation among several banks, government entities, technology companies, and e-commerce organizations. An e-check uses the same legal and business protocols associated with traditional paper checks.
- It is a new payment instrument that combines high-security, speed, convenience, and processing efficiencies for online transactions. It shares the speed and processing efficiencies of all-electronic payments.
- An e-check can be used by large and small organizations, even where other electronic payment solutions are too risky or not appropriate. The key advantages of e-checks are as follows:

- Secure and quick settlement of financial obligations
- Fast check processing
- Very low transaction cost

6) E wallet

- Electronic wallets being very useful for frequent online shoppers are commercially available for pocket, palm-sized, handheld, and desktop PCs. They offer a secure, convenient, and portable tool for online shopping.
- They store personal and financial information such as credit cards, passwords, PINs, and much more. To facilitate the credit-card order process, many companies are introducing electronic wallet services.
- E-wallets allow you to keep track of your billing and shipping information so that it can be entered with one click at participating merchants' sites. E-wallets can also store e checks, e-cash and your credit-card information for multiple cards.

7) Electronic funds transfer (EFT)

- Electronic funds transfer is one of the oldest electronic payment systems. EFT is the groundwork of the cash-less and check-less culture where and paper bills, checks, envelopes, stamps are eliminated.
- EFT is used for transferring money from one bank account directly to another without any paper money changing hands. The most popular application of EFT is that instead of getting a paycheck and putting it into a bank account, the money is deposited to an account electronically. EFT is considered to be a safe, reliable, and convenient way to conduct business.

The advantages of EFT contain the following:

• Simplified accounting
• Improved efficiency
• Reduced administrative costs
• Improved security

Q.2: Kinds of threats and crimes committed on cyber world.

Cybercrime, also called computer crime, is any illegal activity that involves a computer or network- connected device, such as a mobile phone. The Department of Justice divides cybercrime into three categories: crimes in which the computing device is the target, for example, to gain network access; crimes in which the computer is used as a weapon, for example, to launch a denial of service (DoS) attack; and crimes in which the computer is used as an accessory to a crime, for example, using a computer to store illegally-obtained data.
Types of Threats and Crime:

A) Malicious code:
Malicious code also known as malware consists of varieties of threats namely virus, worms, Trojan and bad applet.

1) Virus:

A computer virus is a small program written to alter the way a computer operates, without the permission or knowledge of the user. A virus must meet two criteria:

- It must execute itself. It will often place its own code in the path of execution of another program.
- It must replicate itself. For example, it may replace other executable files with a copy of the virus infected file. Viruses can infect desktop computers and network servers alike.

Some viruses are programmed to damage the computer by damaging programs, deleting files, or reformatting the hard disk. Others are not designed to do any damage, but simply to replicate themselves and make their presence known by presenting text, video, and audio messages. Even these benign viruses can create problems for the computer user. They typically take up computer memory used by legitimate programs. As a result, they often cause erratic behavior and can result in system crashes. In addition, many viruses are bug-ridden, and these bugs may lead to system crashes and data loss.

2) Trojan Horse:

Trojan horses are impostors--files that claim to be something desirable but, in fact, are malicious. A very important distinction from true viruses is that they do not replicate themselves, as viruses do. Trojans contain malicious code, that, when triggered, cause loss, or even theft, of data.

3) Worms:

Worms are programs that replicate themselves from system to system without the use of a host file. This is in contrast to viruses, which requires the spreading of an infected host file. Although worms generally exist inside of other files, often Word or Excel documents, there is a difference between how worms and viruses use the host file. Usually the worm will release a document that already has the "worm" macro inside the document. The entire document will travel from computer to computer, so the entire document should be considered the worm.

B) Hacking
Hacking is unauthorized intrusion into a computer or a network. The person engaged in hacking activities is generally referred to as a hacker. This hacker may alter system or security features to accomplish a goal that differs from the original purpose.

C) Credit Card fraud
Credit card fraud is a form of identity theft in which an individual uses someone else's credit card information to charge purchases, or to withdraw funds from the account. Credit card fraud also includes the fraudulent use of a debit card, and may be accomplished by the theft of the actual card, or by illegally obtaining the

cardholder's account and personal information, including the card number, the card's security number, and the cardholder's name and address.

D) Spoofing

Spoofing, in general, is a fraudulent or malicious practice in which communication is sent from an unknown source disguised as a source known to the receiver. Spoofing is most prevalent in communication mechanisms that lack a high level of security.

Email spoofing is the forgery of an email header so that the message appears to have originated from someone or somewhere other than the actual source. Email spoofing is a tactic used in phishing and spam campaigns because people are more likely to open an email when they think it has been sent by a legitimate source. The goal of email spoofing is to get recipients to open, and possibly even respond to, a solicitation.

E) Sniffing

Sniffing is to capture data as it is transmitted over a network and it is used by network professionals to diagnose network issues, and by malicious users to capture unencrypted data, like passwords and usernames. If this information is captured in transit, a user can gain access to a system or network.

Q.3: Write a short note on Cyber security

Cyber security is the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. Following are some tools available at the disposal of the firm to protect the internet security communications:

A) Encryption:

Encryption typically involves transforming the plain text or data into secret message or cipher text, which cannot be read by anyone except the sender and the receiver. Once the data is floated in an encrypted form, it cannot be deciphered by anyone else but the receiver only. The main aim of encryption is to secure stored information and transmission of the same.

B) Firewalls:

A **firewall** is typically a product (software, hardware or both) that is located at the periphery of a company's network to attach to the Internet. Firewalls use filtering and other techniques (including passwords) to ensure that only authorized traffic gets into the customer network.

C) Virtual Private Network (VPN)

A **virtual private network** (**VPN**) extends a private network across a public network, such as the Internet. It enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network. Applications running across the VPN may therefore benefit from the functionality, security, and management of the private network.

D) Proxy server

Proxy means substitutions. Primarily proxies are softwares servers that restrict the access of internet client or employee to the external internet servers. When a user requests web pages for surfing, it first goes to proxy servers. The server validates the user and the nature of the request and then sends the request to the internet. After that when pages from website is sent from internet to the user which will first go to proxy server, proxy server validates the pages request if they meet the guidelines established and then it passes to the client or user.

E) Anti-virus software

One of the simplest and inexpensive methods to prevent threats or damages to the system is to install anti-virus software. There are few companies that develop software, which fights against the viruses by identifying and removing them from the computer system. However, simply installing the software would not be all. It needs to be updated regularly. Popular anti-virus software available are Quick heal total security, McAfee, eset Nod32, Kaspersky and many more

Unit-4 Recent Trends in E-Commerce

Q.1 : Explain the advantage and disadvantage of M-commerce

Introduction:

We all know about the e Commerce, which means you can buy things online without going to shop. So e Commerce becomes necessary for any business to get good sales over the internet. Nowadays, mobile companies invented new smart phones day by day. So the user can get all the information online on their cell phones. These e Commerce companies are targeted these smart phone users through the mobile website and due to this mobile website Mobile Commerce came in existence.

Advantages of M commerce:

M Commerce is beneficial for both types of businesses large scale and small scale. The mobile users increase day by day, so through m Commerce, your business gets large and growing market place for the wild range of goods and services.

1. Cover wild distance: Mobile is the only technology which is now become necessary for any person in social and business life than computers. So, it is easy to reach users through m Commerce.

2. Consumer deals: As more users use m Commerce, there is lots of companies use the m Commerce site to reach them by giving different and better deals in comparison to their competitor.

3. Savings: Companies try to reach to the consumer directly through m Commerce, so users have no need to go far to the store physically and at the end it saves user's time and money.

4. Easy to use: There is no need of the skilled consumer. Buyers can have look thousands of items on their cell phones and there is no need of online checkout process.

Disadvantages of Mobile Commerce:

Every invention has its own merits and demerits. It is applicable in this m Commerce business also.

1. Smartphone limitation: Mobile has no big screen like desktop or laptops, so sometimes users tired to navigate more and more to choose just one item from thousands. It affects shopping rates.

2. Habituate: Every new technology has some problem at the starting phase. Here m Commerce is a new application, so sometimes people avoid to change as they are habituated to buy products from e Commerce.

3. Risk factor: Each business has its own risk. Same Mobile commerce is the growing field and a lot of investment in this field becomes risky. Because technology changes day by day. Moreover, there less security in the wireless network, so in data transfer hacking chances are more.

4. Connectivity: Mobile commerce needs high-speed connectivity of 3G. Otherwise, it is become hectic for the user to go through entire product purchase process.

Q.2 : Explain Growth and future of M-commerce

- Smart phones are all over the place and shoppers are going mobile, and this is what keeps developers on their toes to constantly update m-commerce technology. Needless to say, online marketers are keeping their eyes open for the latest advancements in m-commerce.
- The most prominent m-commerce trend is its own growth. The future of m-commerce is bright, and looks like it's getting even brighter. 2015 has seen a huge development in m-commerce, with more and more consumers preferring mobile phones for browsing, shopping, and cash transaction purposes. And why shouldn't they? After all, mobile is convenient, safe and fast.
- Multi-billion dollar companies in the ecommerce space are going mobile-only since most of the customers are making purchases through mobile phones. As per the latest report by the investment bank, The Goldman Sachs Group, Inc., the global M-commerce sales is expected to touch an amazing $626 billion in 2018. India's ecommerce market is predicted to breach the $100-billion mark by FY20, bolstered by a tremendous rise in internet usage, discounting and huge investment by online retailers, says the report. With the massive growth in m-commerce across the globe, online retailers are more focused towards providing a convenient m-commerce experience for customers.

Here are a few expected m-commerce trends for following years:

Greater mobile marketing budget: Isn't that obvious? Every year, more and more people buy smart phones, and in following years mobile phones will gain greater access in even the remotest regions in the world. So, ultimately, mobile marketing will be grabbing the limelight among other marketing areas. When compared to the previous years, a good proportion of the marketing budget will focus on mobile marketing next year.

Quicker mobile transactions to different hardware: We, as consumers, are very greedy! We want faster and quicker service and our loyalty immediately shifts towards the best service provider. In future, wevwill see some new efforts being made to ensure quicker transactions through mobile phones. New mobile payment methods – involving a synergy between hardware and software - have been developed to ensure seamless transactions in stores and online. From next year onwards, you might be able to make payments at petrol bunks and grocery stores through your mobile phones without having to wait in long queues!

Omni-channeling: Omni-channeling is all about following customers through every channel. And there's no better way to ensure a purchase. Omni-channeling delivers a personalized experience for individual customers. In future, companies will be investing more time developing omni-channeling strategies for m-commerce.

More purchase through mobile apps: Mobile apps use less data and we can make purchases even more swiftly than through a mobile website. A good number of online retailers in India are yet to acknowledge and embrace apps. However, considering the greater functionality that they provide, we will see a significant increase in the number of online retailers using mobile apps next year.

Build an online mobile-friendly store with Drupal 8 & maximize sales!

Drupal has the necessary tools and modules to create a mobile-friendly website, thus offering your customers an awesome experience. The latest addition, Drupal 8, has a mobile-first design which includes more enriched and mobile-friendly themes and templates. And Drupal developers know that the greatest advantage of using Drupal is that it is very simple to develop mobile apps with Drupal.

With all its growing clout, m-commerce is the rising star of the ecommerce world. By understanding it and keeping tabs on where it's going, business owners put themselves in the best position to take advantage of all m-commerce has to offer.

Q.3: Ethical issues related to E-commerce

E commerce and Internet have elevated so many ethical issues that organizations, Government or any other users seeking to use these services will have to consider this aspect carefully before taking any responsible decisions in this dynamic environment. They need to take responsible decisions that are accountable and should assume liability for securing the privacy of the users and maintain the integrity of the company image. Some of the ethical issues discussed below have potentiality to affect the economy and society significantly with reference to E commerce technology dimension.

1) Omnipresent/ Pervasive:
Availability of internet and E commerce is widespread which is benefiting economy and society. However, at the same time, it has the potential to infect family life. Moreover, shopping on cell phone via internet can create distraction among the employees and the concentration at work reduced and thus the productivity.
2) Global reach
Global reach, of course one of the best features of E commerce may reduce the cultural diversity in commodities and services and weakens local and small firms while at the same time strengthening the large global firm. Further, these large firms may move their manufacturing plants at the places where the production is cheaper and thus weakens the ability of those nations to take the advantage of this uniqueness.
3) Interactivity:
Interactivity is an excellent feature offered by E commerce platform but the time has proved that the nature of interactivity has become thin and meaningless. Anybody and everybody are offering their suggestions and

comments, which may or may not have integrity. Again, customer e-mails are frequently floated by the companies but are seldom read by the customers.

4) Information density:

There is an explosion of information due to internet services available worldwide. It, of course, creates awareness in the environment but at the same time, there is a possibility of getting fake, deceptive and unwanted information that is even more problematic and creates confusion. Issues of trust, authenticity, completeness etc degrade the information standards.

5) Security:

They say networks available are private and offer the best security but the reality standards otherwise. Increase susceptibility of viruses and hacking attacks worldwide affects millions of people at once and increases probability of information crime, crimes against systems and deception (cheating).

Q.4 : Write a note on Management of e-enterprises

The scope of e-business is much broader than e commerce. E business transactions can be both, monetary and non monetary in nature. All the monetary transactions can be termed as e-commerce transactions. The other non-monetary transactions could revolve around supply chain management, customer relationship management, knowledge management, business intelligence and collaborative technologies. It uses internet, intranet and collaborative technologies not just for clients but also for employees, government, suppliers and other stakeholders.

Features of E business:

1) Customer is king:

Customers have a wider choice available with them merely at the tip of their fingers. Hence, the competition increases and firms need to be updated with latest variety of goods and services.

2) Low entry barriers:

Replication of online business is easily possible since it requires very less capital investment. E business might have an entry barrier if it is not properly supported by the required infrastructure.

3) Decreasing role of intermediaries:

B2C transactions generally reduce the role of intermediaries. This happens because goods physically transfer directly from producer to consumer.

4) Increasing role of informediaries:

Those who provide necessary information of goods and services on behalf of producers are called informediaries. They act as an important link between producer and consumer for rendering necessary information.

5) Economies of Scale:

Wider reach and global markets may enhance the sales of the organizations. In addition, the fixed cost involved is higher, due to which we can leverage the benefits from the same. Hence, enterprises can have benefits of scale.

6) Ensures commitment from top management:

Employees might not acquaint to new technologies easily. Management should ensure that continuous training of employees take place and necessary resources for the same should be contributed by organizations. Thus, top management should lead and support all business transactions.

7) Create incentives that support e business:

Employees are often found resisting to change especially the technological one since it involves learning. Thus, an organization should design rewards and incentives that align e-business and its learning.

8) Flattens (compress) the hierarchy:

E-business reduces the numbers of employees and channels in the sales process. Hence, e-business flattens the hierarchical structure of organizations.

BBA SEM – 2
IT TOOLS FOR BUSINESS

INDEX

Sr. No.	Unit Name
1	Database & It's Objects
2	Tables
3	Queries and Forms
4	Practical [Unit – 1 to Unit – 3]

UNIT-1: DATABASE & IT'S OBJECTS

Intro of Ms-Access

Microsoft Access is a **computer application** used to **create and manage** computer-based **databases** on desktop computers and/or on connected computers (a network). Microsoft Access can be used for Personal Information Management (PIM), in a **small business to organize and manage data**, or in **an enterprise to communicate with servers**.

Like any other computer application, in order to use Microsoft Access, you must **first install** it. After installing Microsoft Access, then you can open it.

There are various ways you can open Microsoft Access. It gets launched like the usual products you have probably been using. As such, to start this program.

You could click **Start -> (All) Programs -> Microsoft Office -> Microsoft Office Access 2007**. You can also launch it from Windows Explorer or My Computer. To do this, locate its shortcut in Windows Explorer or My Computer. By default, Microsoft Access 2007 is located in **C:\Program Files\Microsoft Office\Office12** and its shortcut is called **MSACCESS.EXE**. Once you have located it, you can then double-click it. You can also launch using **start-> Run**. In Run write **MSACCESS.EXE and click on Ok button.**

If you have a Microsoft Access database such as an E-Mail attachment, a file on a floppy disk, on the network, or in any other means, once you see its icon, you can double-click it. Not only will this action launch Microsoft Access, but also it will open the file.

You can **also launch Microsoft Access from a shortcut**. If you happen to use the software on a regular basis, you can create a shortcut on **your desktop** or on the **Quick Launch area.**

If you are working on a network of related computers, your database may be located in another computer. In this case the network or database administrator would create a link or shortcut to the drive that is hosting the database. You can then click or double-click this link or shortcut to open the database and, as a result, launch Microsoft Access.

Microsoft Access

Whenever you find out that you are using a particular program or file most regularly, you should have an **icon on the desktop** that can lead you to it quickly. This **icon** is called a **shortcut**. There are various techniques used to create a shortcut. Probably the first thing you should find out is where your application is located. You can find out by doing a search on the computer. You can create a shortcut from the Programs menu.

Database

A **database** is **a collection of objects** that allow you to **store data, organize it and retrieve it** in any way you want. Database can be created by two ways are as follows.

1. Create database by using **Design View (Blank Database)**
2. Create database by using **Wizard (Local Template)**

Creating New Databases

1. On the **File** tab, click **New**, and then click **Blank Database**.

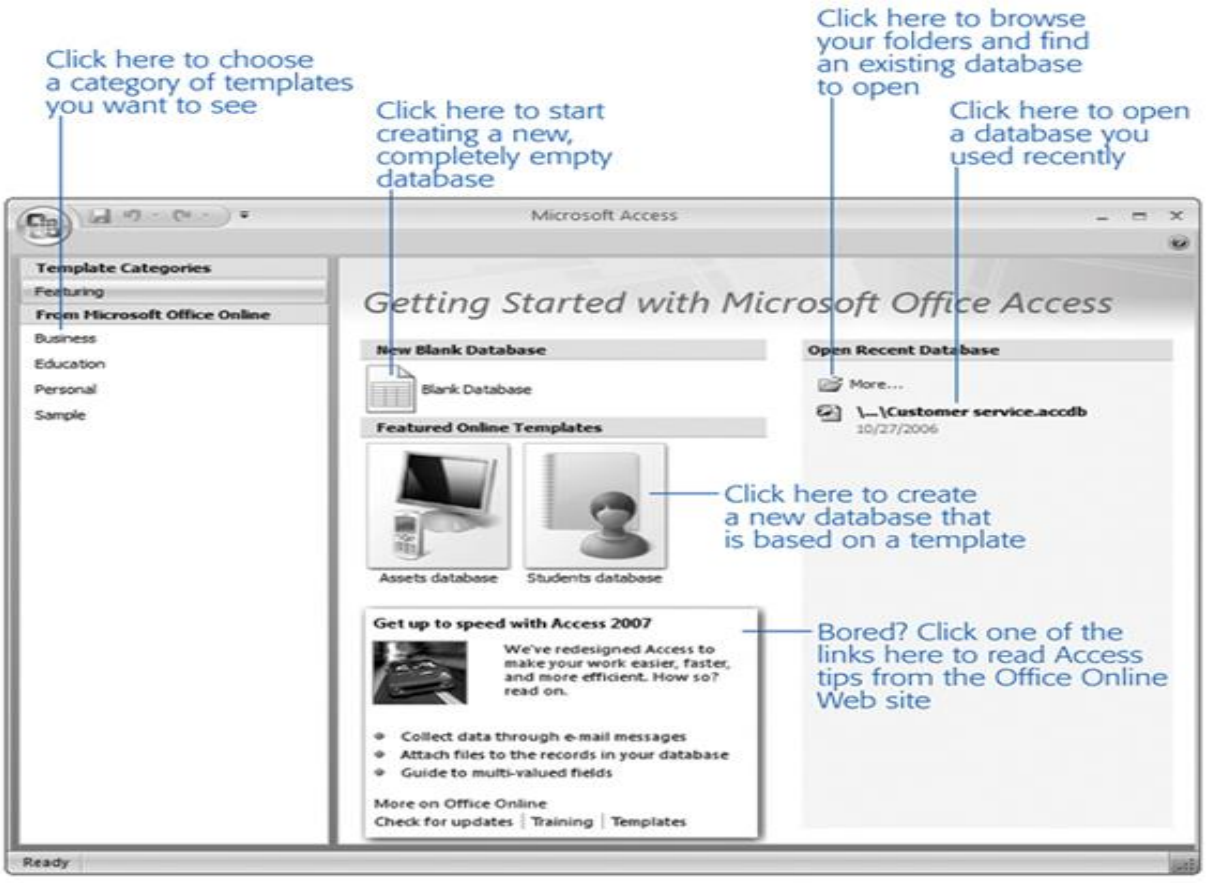
2. Type a file name in the **File Name** box. To change the location of the file from the default, click **Browse for a location to put your database** (next to the **File Name** box), browse to the new location, and then click **OK**.(you can see your Database name with Extension File .accdb)
3. Click **Create**.

Open an Existing database

1. On the getting started page of Access, Click **Open Other Files.**
2. On the **Open** area of the backstage view, click Browse.
3. Click a shortcut in the **Open** dialog box, or in the **Look in** box, click the drive or folder that contains the database that you want.
4. In the folder list, browse to the folder that contains the database.
5. When you find the database **click on Open.**

Create a database using the Templates

- When Microsoft Access first starts up, On the Access startup screen, click left side pane **Template categories: Local Templates**
- On the **Local Templates** tab, click the icon for the kind of database you want to create.
- Specify a name and location for the database.
- Click **Create** to start defining your new database



1 word Question Answer

SR. NO.	QUESTION	ANSWER
1	Which application is used in Small business to organize and manage data, or in an enterprise to communicate with servers?	MS-ACCESS
2	_____ is a collection of objects.	Database
3	Database allows you to store data, organize it and ____ when we need.	Retrieve
4	How many ways to create database?	2 ways 1.blank database 2. Template
5	What is the extension of ms access database file?	.accdb

Objects of Access

Each of the main objects in an Access database has a main purpose, and in order to be able to use the database effectively, you will need to use the object that is best suited for the task that you have in mind.

- Tables
- Queries
- Forms
- Reports
- Macros
- Modules

Tables

This is where the data is stored, and that should be it. The user shouldn't be entering data directly into the table, and it is usually better if the user never sees the tables themselves, especially if you are storing foreign keys in the table (i.e. instead of storing Jaguar, you are storing the value from the lookup table for Manufacturers, which might be 5).

Queries

These have two main uses Firstly to perform actions on data, such as deleting data, or updating data and secondly, as a basis for forms and reports. Queries are written using **SQL (Structured Query Language),** although in most cases you can build queries using the Query Grid.

Forms

This is the main part of the database that the user will see, certainly on screen. All data entry should be performed utilizing a form, and also this should be where the user performs interacts with the data, through the use of command buttons or similar controls. Forms should not be used to provide printed copy though.

Reports

These are used to provide **hard copy to the user**. As such they may be thought of as a snapshot of the database at a certain point in time, and therefore it is often useful to ensure that there is a date and or a time on the report.

Macros

These should only be used to quickly develop applications, and certainly shouldn't be present in the finished version (with the possible exception of the Auto Keys macro group, which is useful for application-wide hot-keys). The reasons for this are many, but most importantly, macros can't handle errors, so if the code fails at any point (and it will do!!). Also, using a module gives your application greater flexibility, especially as it appears that macros are gradually being phased out of Access.

Modules

This is where you can get serious about the application development. You can create procedures that communicate with other Office applications, other applications, utilize the Internet, use standard and custom Windows controls, and add error handling to ensure that when things go wrong, there is some control as to what happens.

1 word Question Answer

Sr. no.	Question	Answer
1	**In Which object all the data is stored?**	**Table**
2	**Queries are written in which language?**	**SQL**
3	**What is the full form of SQL?**	**Structured Query Language**
4	**Which Object is main part of database that user will see?**	**Forms**
5	**Which object of ms access is providing hard copy to the user?**	**Report**

Data Types in Access

Text

Use for text or combinations of **text and numbers,** such as addresses, or for numbers that do not require calculations, such as phone numbers, part numbers, or postal codes. It Stores up **to 255 characters**. The Field Size property controls the maximum number of characters that can be entered.

Memo

Use for lengthy text and numbers, such as notes or descriptions. Stores **up to 65,536** characters

Number

Use for data to be included in mathematical calculations, except calculations involving money (use Currency type). Stores 1, 2, 4, or 8 bytes; stores 16 bytes for Replication ID (GUID). The Field Size property defines the specific Number type.

REFERENCE: 8 bit= 1 Byte
1024 Byte= 1 Kilo Byte
1024 KB= 1 Mega Byte
1024 MB= 1 Giga Byte
1024 GB= 1 Terabyte

Date/Time
Use for dates and times. Stores 8 bytes.

Currency
Use for currency values and to prevent rounding off during calculations. **Stores 8 bytes.**

AutoNumber
Use for **unique sequential** (incrementing by **1**) or **random numbers** that are automatically inserted when a record is added. Stores 4 bytes; stores 16 bytes for Replication ID (GUID).

Yes/No
Use for data that can be only one of two possible values, such as Yes/No, True/False, On/Off. **Null values are not allowed**. It Stores 1 bit.

OLE Object
Use for **OLE(Object Linking Embedding)** objects (such as Microsoft Word documents, Microsoft Excel spreadsheets, pictures, sounds, or other binary data) that were created in other programs using the OLE protocol Stores up to 1 gigabyte (limited by disk space).

Hyperlink
Use for hyperlinks. A hyperlink can be a **UNC** (Universal Naming Conversion) path or **a URL** (Uniform Resource Locator). Stores up to 64,000 characters

Attachment
Many types of Files can be stored in column. Bitmap file, JPG file, Sound File, word Documents etc. to a column without increasing the size of the database.

Lookup Wizard
A lookup field is a field whose value is retrieved from another table or query.

1 word Question Answer

SR. NO.	QUESTION	ANSWER
1	Which datatype will you select if you need to enter text more than 255?	Memo
2	The Filed Size of Yes/No field is always_____	1 Bit

3	Which Datatype is used when we Create a Drop down list of values?	Lookup Wizard
4	What can be the maximum length of a text datatype?	255
5	Which datatype allows alphanumeric character and special symbol	Text
6	When we Want to the number is automatically added in record at that time which datatype is used?	Auto number
7	What is the Full form of OLE?	Object Linking Embedding
8	When we Store a Website link or any URL at that time which datatype is choose?	Hyperlink
9	Kind of information a field contains whether it is text, number, date/time, or some other type.	Data type

---

Object naming Rules

Number of characters in a table name	64 Character Maximum
Number of characters in a field name	64
Number of characters in a text field	255
Number of characters in a validation rule	2048
Number of characters in a validation message	2048
Number of characters in a record (excluding Memo and OLE Object fields) when the UnicodeCompression property is set to Yes.	4000
Number of characters in a field property setting	255
Number of characters in an object name	64
Number of characters in a password	14
Number of characters in a user name or group name	20
Number of characters in a cell in the query design grid	1024
Number of characters in a parameter in a parameterized query	255
Number of characters in a SQL statement	Approx 64,000
Number of characters in a label	2048
Number of characters in a text box	65535
Number of characters in a SQL statement that serves as the Recordsource or Rowsource property of a form, report, or control.	32750
Number of characters in a condition	255
Number of characters in a comment	255
Number of characters in an Action Argument	255

1 word Question Answer

Sr. no.	Question	Answer
1	How many Number of characters in a field name	64
2	How many numbers of characters in a validation rule?	2048
3	How many Numbers of characters in an object name?	64
4	How many Numbers of characters in a SQL statement?	Approx 64,000
5	How many Numbers of characters in a password?	14

E. F. Codd Rules

E.F. Codd, the famous mathematician has introduced **12 rules** for the relational model for databases commonly known as **Codd's rules**. The rules mainly define what is required for a DBMS (DataBase Management System) for it to be considered relational, i.e., an RDBMS(Relational DataBase Management System). There is also one more rule i.e **Rule00** which specifies the relational model should use the relational way to manage the database. The rules and their description is as follows:-

1. The Information rule: All information in an RDBMS is represented logically in just one way - by values in tables

2. The Guaranteed Access rule: Each item of data in an RDBMS is guaranteed to be logically accessible by resorting to a combination of **table name, primary key value, and column name.**

3. The Systematic Treatment of Null Values rule: Null values (distinct from an empty character string or a string of blank characters and distinct from zero or any other number) are supported in a fully relational DBMS for representing missing information and inapplicable information in a systematic way, independent of the data type.

4. The Dynamic Online Catalog Based on the Relational Model rule: The database description is represented at the logical level in the same way as ordinary data, so that authorized users can apply the same relational language to its interrogation as they apply to the regular data.

5. The Comprehensive Data Sublanguage rule: A relational system may support several languages and various modes of terminal use (for example, the fill-in-blanks mode). However, there must be at least one language whose statements are expressible, per some well-defined syntax, as character strings and whose ability to support all of the following is comprehensible: data definition, view definition, data manipulation (interactive and by program), integrity constraints, and transaction boundaries (begin, commit, and rollback).

6. The View Updating rule: All views of the data which are theoretically updatable must be updatable in practice by the DBMS.

7. The High-level Insert, Update, and Delete rule: The capability of handling a base relation or a derived relation as a single operand applies not only to the retrieval of data but also to the insertion, update, and deletion of data.

8. The Physical Data Independence rule: Application programs and terminal activities remain logically unimpaired whenever any changes are made in either storage representations or access methods.

9. The Logical Data Independence rule: Application programs and terminal activities remain logically unimpaired when information preserving changes of any kind that theoretically permit UN impairment are made to the base tables.

10. The Integrity Independence rule: Integrity constraints must be definable in the RDBMS sub-language and stored in the system catalogue and not within individual application programs.

11. The Distribution Independence rule: An RDBMS has distribution independence. Distribution independence implies that users should not have to be aware of whether a database is distributed.

12. The Non subversion rule: If the database has any means of handling a single record at a time, that low-level language must not be able to subvert or avoid the integrity rules which are expressed in a higher-level language that handles multiple records at a time.

UNIT – 2 : TABLES

How to Create Table in Access

In the Microsoft Access user interface, you can create a table in a database by using any of the follow three methods:

- You can create a table by using the **Table Template**.
- You can create a table by entering data into a **datasheet.**
- You can create a table in **Design View**.

Creating a Table by Using the Table Template

Microsoft Access has a template named the Table template that will create a table for you. This template gives you suggestions about what type of table you can create (for example, a contact table, a task table, an event table, and so on) and gives you many different possible names for fields within these tables. To use the Table template to create a table, follow these steps:

1. Create a new, blank database.
2. In the Database window, click on **Create** tab, in tab click on **Table Template**.
3. Select any table that you want.
4. A table is created and opens in datasheet view.
5. Save table.

If you want to **modify** the table that the time, **open** the table in **Design view**. We can modify all the data like filed name, data type and also filed property.

Creating a Table by Entering Data in a Datasheet

In Microsoft Access, you can also create a table by just entering data into columns (fields) in a datasheet. If you enter data that is consistent in each column (for example, only names in one column, or only numbers in another column), Access will automatically assign a data type to the fields. To create a table by just entering data in a datasheet, follow these steps:

1. Create a new, blank database.
2. In the Database window, click **Tables** under **Create tab**.
3. A blank datasheet is displayed with default column names ID, Field1, Field2, and so on.
4. Rename each column that you want to use. To do so, double-click the column name, type a name for the column, and then press ENTER. You can insert additional columns at any time. To do so, click in the column to the right of where you want to insert a new column.
5. Enter your data in the datasheet. Enter each kind of data in its own column. For example, if you are entering names, enter the first name in its own column and the last name in a separate column. If you are entering dates, times, or numbers, enter them in a consistent format. If you enter data in a consistent manner, Microsoft Access can create an appropriate data type and display format for the column. For example, for a column in which you enter only names, Access will assign the Text data type; for a column in which you enter only numbers, Access will assign a Number data type. Any columns that you leave empty will be deleted when you save the datasheet.

6. When you have added data to all the columns that you want to use, click **Save** on the **File** menu.

As mentioned earlier, Microsoft Access will assign data types to each field (column) based on the kind of data that you entered. If you want to customize a field's definition further--for example, to change a data type that Access automatically assigned, or to define a validation rule--open the table in Design view.

Creating a Table in Design View

If you want to create the basic table structure yourself and define all the field names and data types, you can create the table in Design view. To do so, follow these steps:

1. Create a new, blank database.
2. In the Database window, click **Table Design** under **Create tab.**
3. In the **<Table Name>: Table** dialog box, define each of the fields that you want to include in your table. To do so, follow these steps:
   1. Click in the **Field Name** column, and then type a unique name for the field.
   2. In the **Data Type** column, accept the default data type of Text that Access assigns or click in the **Data Type** column, click the arrow, and then select the data type that you want.
   3. In the **Description** column, type a description of the information that this field will contain. This description is displayed on the status bar when you are adding data to the field, and it is included in the Object Definition of the table. The description is optional.
   4. Once you have added some fields, you may need to insert a field between two other fields. To do so, click in the row below where you want to add the new field, and then right click field name, open popup menu, in popup menu click **Insert Rows**. This creates a blank row in which you can add a new field. To add a field to the end of the table, click in the first blank row.
   5. After you have added all the fields, define a **primary key** field before saving your table. A primary key is one or more fields whose value or values uniquely identify each record in a table. To define a primary key,
   6. Follow these steps: Select the field or fields that you want to define as the primary key. To select one field, click the row selector for the desired field. To select multiple fields, hold down the **CTRL key,** and then click the row selector for each field. On the **Design** menu, click **Primary Key**.
4. If you want the order of the fields in a multiple-field primary key to be different from the order of those fields in the table, click **Indexes** on the **Design menu** to display the Indexes dialog box, and then reorder the field names for the index named Primary Key.

You do not have to define a primary key, but it is usually a good idea. If you do not define a primary key, Microsoft Access asks if you want Access to create one for you when you save the table.

When you are ready to save your table, click **Save**, and then type a unique name for the table.

FIELD PROPERTIES

Field Property	Description
Field Size	Text fields: The maximum number of characters (up to 255) that can be entered in

	the field. The default setting is 50. Number / Currency fields: Stores the number as a Byte, Integer, Long Integer, Single, Double, or Replication ID. The default setting is Long Integer.
Format	How the data in the field will be displayed on the screen.
Input Mask	Creates a format or pattern in which data must be entered.
Decimal Places	The number of decimal places in Number and Currency fields.
Caption	A label for the field that will appear on forms. If you don't enter a caption, Access will use the field name as the caption.
Default Value	A value that Access enters automatically in the field for new records.
Validation Rule	An expression that limits the values that can be entered in the field.
Validation Text	The error message that appears when an incorrect or restricted value is entered in a field with a validation rule.
Required	Specify whether or not a value must be entered in the field. The default is No.
Allow Zero Length	Specify whether or not the field allows zero-length text strings (a string containing no characters). Zero-length text strings are useful if you must enter data in a field, but no data exists.
Indexed	Specify whether or not you want to index the field to speed up searches and sorts performed on the field. The default is No.

Primary Key, Foreign Key, Candidate Key

Primary Key

A table can only have one primary key. A primary key is a field or set of fields that:

- Has a unique value for each record
- Is indexed
- Identifies the record

You can add the primary key from one table to another table to create a relationship between them. In the other table, it is called a foreign key. For example, suppose you use the primary key of the Customers table in the Orders table. In the Orders table it is a foreign key.

Foreign Key

A foreign key, simply stated, is another table's primary key. The values in a foreign key field match values in the primary key, indicating that the two records are related — for example, a customer and an order that she has placed. Unlike primary keys:

- A table can have more than one foreign key.
- A foreign key does not necessarily have unique values.

- A foreign key cannot reliably identify a particular record. For example, you cannot always tell which record you are viewing from the Orders table by looking at the Customer ID.
- You create a foreign key when you use the Lookup Wizard to create a field.

Candidate Key

Sometimes a table already contains a good primary key field, such as a serial number or a product code. Such fields are called candidate keys. For example, if you track post-secondary educational outcomes, you might have a Colleges table. Suppose there is an official database of colleges that provides a code number for each college, such as the U.S. Department of Education Integrated Postsecondary Education Data System (IPEDS). You could use the code that system provides as the primary key for your Colleges table.

A good candidate key has the following characteristics:

- Each value is unique. No two records in the table have the same value for the key.
- It is never empty or null — it always contains a value.
- Once established, each value is relatively permanent. Ideally, the values in the key field never change — they only get added or removed.

An example of a poor choice for a primary key is a customer's name. Although some names are unique, some are not. Because you cannot be sure that values will be unique, names are not candidate keys.

When you create a new table in Datasheet view, Access automatically creates a primary key field for you, names the field **ID**, and gives it the AutoNumber data type. The field is hidden by default in Datasheet View, but you can see the field if you switch to Design View.

Relationship

After you've set up different tables for each subject in your Microsoft Access database, you need a way of telling Microsoft Access how to bring that information back together again. The first step in this process is to define relationships between your tables. After you've done that, you can create queries, forms, and reports to display information from several tables at once. For example, this form includes information from five tables:

How do relationships work?

In the previous example, the fields in five tables must be coordinated so that they show information about the same order. This coordination is accomplished with relationships between tables. A relationship works by matching data in key fields — usually a field with the same name in both tables. In most cases, these matching fields are the primary key from one table, which provides a unique identifier for each record, and a foreign key in the other table. For example, employees can be associated with orders they're responsible for by creating a relationship between the Employees table and the Orders table using the EmployeeID fields.

A one-to-many relationship

A one-to-many relationship is the most common type of relationship. In a one-to-many relationship, a record in Table A can have many matching records in Table B, but a record in Table B has only one matching record in Table A.

A many-to-many relationship

In a many-to-many relationship, a record in Table A can have many matching records in Table B, and a record in Table B can have many matching records in Table A. This type of relationship is only possible by defining a third table (called a junction table) whose primary key consists of two fields — the foreign keys from both Tables A and B. A many-to-many relationship is really two one-to-many relationships with a third table. For example, the Orders table and the Products table have a many-to-many relationship that's defined by creating two one-to-many relationships to the Order Details table.

A one-to-one relationship

In a one-to-one relationship, each record in Table A can have only one matching record in Table B, and each record in Table B can have only one matching record in Table A. This type of relationship is not common, because most information related in this way would be in one table. You might use a one-to-one relationship to divide a table with many fields, to isolate part of a table for security reasons, or to store information that applies only to a subset of the main table. For example, you might want to create a table to track employees participating in a fundraising soccer game.

Defining relationships

You define a relationship by adding the tables that you want to relate to the Relationships window, and then dragging the key field from one table and dropping it on the key field in the other table. You can also define relationships by using the keyboard.

The kind of relationship that Microsoft Access creates depends on how the related fields are defined:

- A one-to-many relationship is created if only one of the related fields is a primary key or has a unique index.
- A one-to-one relationship is created if both of the related fields are primary keys or have unique indexes.
- A many-to-many relationship is really two one-to-many relationships with a third table whose primary key consists of two fields — the foreign keys from the two other tables.

Note If you drag a field that isn't a primary key and doesn't have a unique index to another field that isn't a primary key and doesn't have a unique index, an indeterminate relationship is created. In queries containing tables with an indeterminate relationship, Microsoft Access displays a default join line between the tables, but referential integrity won't be enforced, and there's no guarantee that records are unique in either table.

Referential Integrity

Referential integrity is a system of rules that Microsoft Access uses to ensure that relationships between records in related tables are valid, and that you don't accidentally delete or change related data. You can set referential integrity when all of the following conditions are met:

- The matching field from the primary table is a primary key or has a unique index.
- The related fields have the same data type. There are two exceptions. An AutoNumber field can be related to a Number field with a **FieldSize** property setting of **Long Integer**, and an AutoNumber field with a **FieldSize** property setting of **Replication ID** can be related to a Number field with a **FieldSize** property setting of **Replication ID**.
- Both tables belong to the same Microsoft Access database. If the tables are linked tables, they must be tables in Microsoft Access format, and you must open the database in which they are stored to set referential integrity. Referential integrity can't be enforced for linked tables from databases in other formats. When referential integrity is enforced, you must observe the following rules:
- You can't enter a value in the foreign key field of the related table that doesn't exist in the primary key of the primary table. However, you can enter a **Null** value in the foreign key, specifying that the records are unrelated. For example, you can't have an order that is assigned to a customer that doesn't exist, but you can have an order that is assigned to no one by entering a **Null** value in the CustomerID field.
- You can't delete a record from a primary table if matching records exist in a related table. For example, you can't delete an employee record from the Employees table if there are orders assigned to the employee in the Orders table.
- You can't change a primary key value in the primary table, if that record has related records. For example, you can't change an employee's ID in the Employees table if there are orders assigned to that employee in the Orders table.

If you want Microsoft Access to enforce these rules for a relationship, select the **Enforce Referential Integrity** check box when you create the relationship. If referential integrity is enforced and you break one of the rules with related tables, Microsoft Access displays a message and doesn't allow the change.

You can override the restrictions against deleting or changing related records and still preserve referential integrity by setting the **Cascade Update Related Fields** and **Cascade Delete Related Records** check boxes. When the **Cascade Update Related Fields** check box is set, changing a primary key value in the primary table automatically updates the matching value in all related records. When the **Cascade Delete Related Records** check box is set, deleting a record in the primary table deletes any related records in the related table. For more information on **Cascade Delete Related Records** and **Cascade Update Related Fields** check boxes.

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1 word Question Answer

Sr. no.	Question	Answer
1	In which method we don't need to specify the field type and size while creating a new Table?	CreateTable By Entering Data
2	In which method we need to specify the datatype at the time of crwating table?	Table Design
3	Column in a database table	Field

4	Columns in a database that uniquely identify each row	Primary Key
5	____ name is must be unique in Database.	Table
6	What are the column in a Microsoft access table is called?	Field
7	A _____key is made up of two or more Field to uniquely identify record.	Composite key
8	In a datasheet, What does Each row represent?	Record.
9	What do you call a Primary key field included in another table?	Foreign key
10	Validation Rule in a Field will ___-	Check the value entered when user leaves the field

UNIT – 3 QUERIES & FORMS

QUERIES

Queries can be used to quickly analyze and sort information that is in an Access database. A query allows you to present a question to your database by specifying specific criteria.

Queries allow you to specify:

- The table fields that appear in a query.
- The order of the fields in a query.
- Filter and sort criteria for each field in a query.

Select queries are the most commonly used type of queries in Access. They allow you to choose which fields and records to display in a new datasheet. Other types of queries include crosstab queries and four types of action queries.

Queries have two views: Design view and Datasheet view. In the Design view, you specify which tables you want to see, which tables they come from, and the criteria that records have to meet in order to appear on the resulting database. Criteria are tests that records have to pass. In the Query Datasheet view, you view the records that are found to meet your criteria.

When you run a query, Access pulls data out of tables and puts the data in a database for you to see. The original table and database stay connected, so that if you make changes to the data on your database, the results of the query also change. When you save a query, you save the query design, rather than the results, so that you can ask the same questions again.

A select query can be used to select certain data from a table or tables. It basically filters and sorts the data and can perform simple calculations, such as summing and averaging.

An easy way to create a select query is to use the Simple Query Wizard. It allows you to select the table fields you want to include in a query. This type of query is very useful when you want to eliminate extra fields, but still want to view every record in a database table.

A limitation of the Simple Query Wizard is that it does not allow you to set sorting parameters for records in order to sort by particular criteria, such as less than, greater than, equal to, etc. You must use a create a query from scratch in order to be able to set parameters.

Types of Queries

We have worked with primarily one type of query: a select query, which chooses records that meet certain criteria. However, there are other types of queries that can affect the records in your tables. Once you have chosen to create a new query, you can alter it to the type of query you want from the Query Type button.

- SELECT QUERY - Selects and displays records based on criteria
- CROSSTAB QUERY - Using fields from the table, a cross tab query will cross data between different fields and make calculations
- MAKE-TABLE QUERY - takes the results from a query and creates a new table in the database
- UPDATE QUERY - Changes made in an Update Query will alter the records in the originating table, such as raising values or changing dates
- APPEND QUERY - takes the results from a query and adds them to an existing table or a new table
- DELETE QUERY - deletes the records from the originating table that match the criteria

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SELECT QUERY:-

Creating Queries using the Query Wizard

To Create A Query Using the Simple Query Wizard:

1. Open your Access database. (Note: Because Access uses data from previously created tables and queries to create new queries, the database must contain at least one table or query before a new query can be generated.)
2. Click on the **Create** menu in click on **Query Wizard.**
3. Double-click on Create Query by Using Wizard. The first dialog box of the Simple Query Wizard then appears.
4. Choose the table that contains the fields you want to select from the Tables/Queries drop-down list.
5. Click a field name in the Available Fields list; then click the Add (>) button to move the field name to the Selected Fields list. Add fields as needed, or move them all at once with the Add All (>>) button. Click Next to move to the next screen.
6. On the next screen, enter a title for the query. Then click Finish to view the query results.

Notes: Access automatically saves queries, so you do not need to do anything special to save your query. You can rerun your query at any time. This can give you updated results whenever data is edited. To rerun a query: open the database; select the Queries icon in the database window; in the Query list, double-click the query you want to run, or click it once and then click the Open button.

Creating Queries using the Query Design

APPEND QUERY

A Microsoft Access Append query inserts (appends) records from the database table that you are using to another database table. If you want to append records in a database, the table that you want to append records to must exist. Records can be appended to a table in the current database that you are working in, or into another Microsoft Access database.

Microsoft Access append queries are good for adding data to a different table where the data is based upon a selection criteria. However, append queries are not always the most efficient way of adding records to another database. If you need to add all records and fields from one table to another table, the append query is not the best way to do it. Using Copy and Paste options in this case would be the best solution.

How to create a Microsoft Access Append Query:

1. Create a SELECT query to determine the records that will be appended. Apply any required query criteria
2. In the query design view, click on the drop-down arrow to the right of the Query Type button and choose Append Query
3. In the Append dialog box, select the table that you want to Append To from the list of tables in the current database, or select to append this to another database and either Browse to this, or enter the full file path including the database name
4. If needed, modify the query further so that the correct fields will be appended with the desired new data
5. Click on the Run (!) button to run the action query
6. When informed of the number of records to be appended in the Microsoft Access dialog box, click Yes
7. Close the query, saving if required

UPDATE QUERY

A situation may arise where we need to update many records in a database table when certain information changes or needs to be modified. A Microsoft Access Update Query updates specified values in a table for all records or for those records that match specified criteria.

It is possible to update records manually in a database table, either via a form or through the tables datasheet, however this may take a very long time. Changing records manually is not only time consuming, it is also inefficient, and lends itself to errors as you update the records.

The best way to handle this type of event, the updating of many records in a database table, is to use an Update Query to make the changes to data in one operation. You will save yourself time, and eliminate the possibility of manual errors.

How to create a Microsoft Access Update Query:

1. Create a SELECT query to determine the records that will be updated. Apply any required query criteria, and view the data that will be updated by pressing the Datasheet button.
2. In the query design view, click on the drop-down arrow to the right of the Query Type button and choose Update Query.
3. After you are satisfied that the information to be updated is correct Run the query using the Run Icon

DELETE QUERY

A Microsoft Access delete query deletes records from a single database table or database tables. Of all of the different action queries available in Microsoft Access (Append Queries, Update Queries, Make-Table Queries and Delete Queries) the delete query is one of the most dangerous. Unlike the others mentioned, the Microsoft Access delete query will remove records from your tables permanently and forever.

As with the other types of action queries, the delete query will work with a group of records that meet specified criteria that you apply. You can use the delete query to remove all records or only records that meet the defined criteria.

If you wish to use the delete query to remove records from multiple tables rather than just a single database table, you will need to ensure that:

- You have relationships defined between related tables in your Microsoft Access database
- You have enforced the Referential Integrity for the relationships between your chosen tables.
- You have opted to Cascade Delete Related Records for the relationship type

How to create a Microsoft Access Delete Query:

1. Create a SELECT query to determine the records that will be deleted. Apply any required query criteria
2. In the query design view, click on the drop-down arrow to the right of the Query Type button and choose Delete Query
3. If needed, modify the query further so that the correct fields will be deleted with the desired new data
4. Click on the Run (!) button to run the action query
5. When informed of the number of records to be deleted in the Microsoft Access dialog box, click Yes

6. Close the query, saving if required

MAKE TABLE QUERY

The Make-Table query is classed as one of the Action Queries; however this is different from the other types. Rather than modifying the data contained in an existing database table, a Make-Table query creates a new database table from the results of the query.

We can create the new table based upon limiting criteria using the make-table action query. If we take a look at the following scenario, and example, we can see why and how to use this object.

1. Create a new query; use the Customers and Orders tables.
2. From the Query Type button on the toolbar, select Make Table

The Make Table dialog box appears where you should enter the name for the new table. Here we can also select whether we want to create the new table in the current database or in another database. Ensure that the current database is selected and click OK.

3. Select the mailing information fields, in our case CustomerTitle, CustomerName, Address, City, Postcode from the Customers table, and OrderDate from the Orders table.
4. Specify the chosen City criteria in the City field and add the criteria required in the OrderDate field to only show records from the last 12 months - using the DateAdd function:>=DateAdd("yyyy",-1,Now()) The query design should appear like the example below:
5. To check that the results are returned that we expect, click on the datasheet button on the toolbar. Once you have verified this, switch back to query design view.
6. In query design, deselect the Show: property for the OrderDate field, as we do not need this to be visible in our new table.
7. Click on the Run button on the toolbar. Microsoft Access now displays a message to indicate how many records will be copied to the new table.
8. Click yes to complete the query, and create the new table.

After completing the Make-Table query action, check your results by opening the new table that you have created in the database window.

CROSS TAB QUERY

A Microsoft Access crosstab query presents summary information in a compact format that is similar to a spreadsheet. These types of queries can present a large amount of summary data in a format that is usually simpler to analyze than viewing the information in a database form. Each attribute (field) in a table typically contains a category of data. A crosstab query summarizes the data from one or more of these fields that are separated into groups based on one or more fields.

When to use a Microsoft Access Crosstab Query

For example, if you wanted to analyze the number of hours per project per month, it might be difficult to use a select query because you would have to scroll through the records of the many employees who had worked on various projects, and then try to make a comparison between the projects. A cross tab query would reduce the number of records presented by adding up the total hours per individual project.

In the cross tab query, which is a special type of Totals query, the Total row that appears in the query design grid will always be active. You cannot toggle the Total row off when using a cross tab query.

A cross tab query can be produced by you, however, it is usually quicker to make use of the Cross tab Query Wizard available in Microsoft Access. The Crosstab Query Wizard has some limitations, but you can work around most of them by having the Wizard create the query and then modifying it to suit your needs.

Whichever way you decide to go, you must specify the following three items:

- Row heading field: The name of the field selected as the row heading begins the first column in the query results datasheet. Each value in this field is displayed in the first column as a row title.
- Column heading field: The values in the field selected as the column heading are displayed as headings for the remaining columns in the query results datasheet.

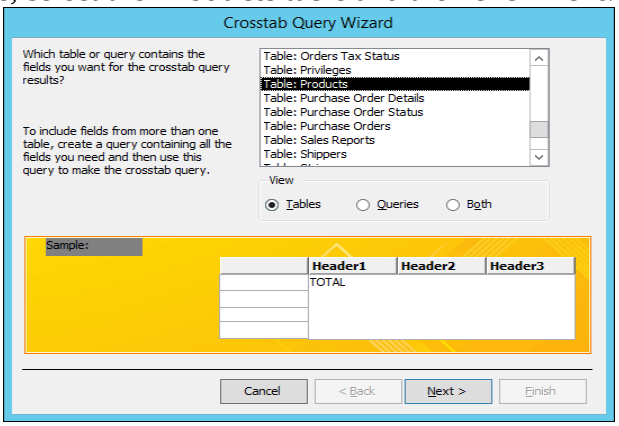
Value field: The values in the selected field are summarized by the values in the rows and columns. You must designate the summary operation to be performed. For example, you might want to sum or average the values in a field.

CROSSTAB QUERY WIZARD

1. On the **Create** tab, in the **Queries** group, click **Query Wizard**.
2. In the **New Query** dialog box, click **Crosstab Query Wizard**, and then click **OK**.

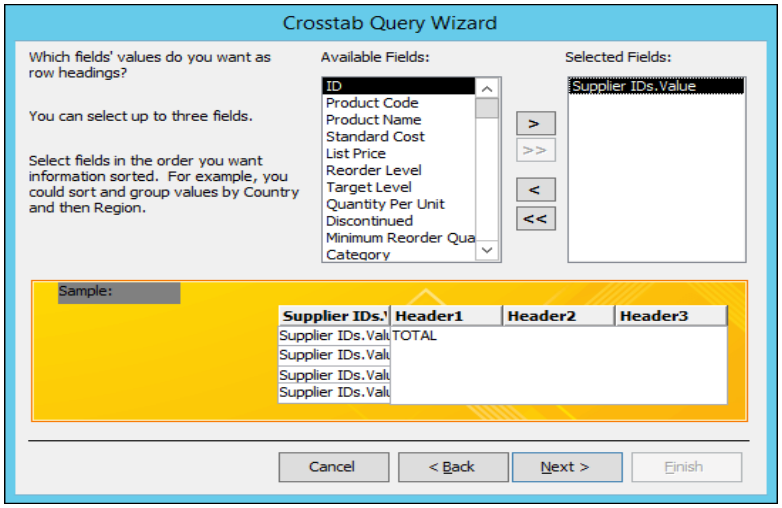
The Crosstab Query Wizard starts.

3. On the first page of the wizard, choose the table or query that you want to use to create a crosstab query. For this example, select the **Products** table and then click **Next**.



4. On the next page, choose the field that contains the values that you want to use as row headings. You can select up to three fields to use as row headings sources, but the fewer row headings you use, the easier your crosstab datasheet will be to read. If you choose more than one field to supply row headings, the order in which you choose the fields determines the default order in which your results are sorted.

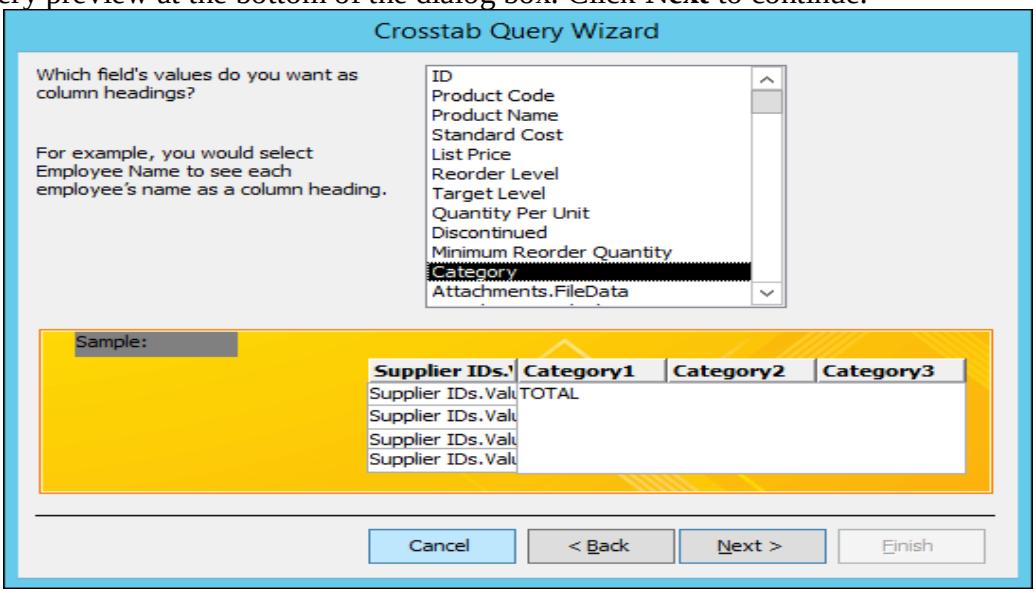
For this example, select **Supplier IDs.Value** and then click the button labeled with a > symbol. Notice that Access displays the field name along the left side of the sample query preview at the bottom of the dialog box. Click **Next** to continue.



5. On the next page, choose the field that contains the values that you want to use as column headings. In general, you should choose a field that contains few values, to help keep your results easy to read. For example, using a field that has only a few possible values (such as gender) might be preferable to using a field that can contain many different values (such as age).

If the field that you choose to use for column headings has the Date/Time data type, the wizard adds a step that lets you specify how to group the dates into intervals, such as months or quarters.

For this example, select **Category** and notice that Access displays category sample names along the top of the sample query preview at the bottom of the dialog box. Click **Next** to continue.



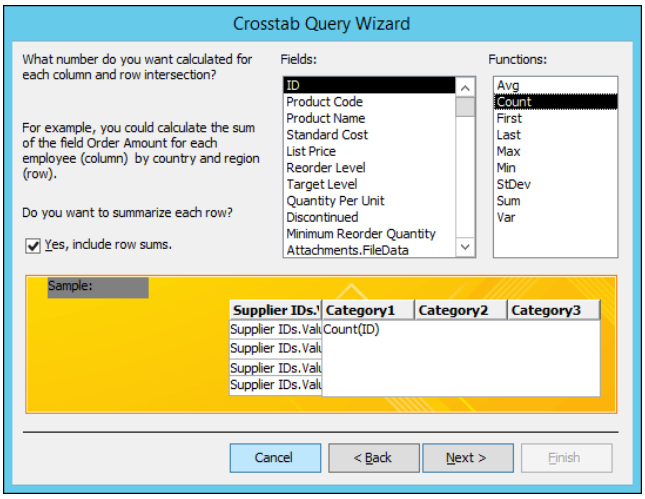
6. If you choose a Date/Time field for column headings, the next page of the wizard asks you to specify the interval to use to group the dates. You can specify **Year**, **Quarter**, **Month**, **Date**, or **Date/Time**. If you do not choose a Date/Time field for column headings, the wizard skips this page.
7. On the next page, choose a field and a function to use to calculate summary values. The data type of the field that you select determines which functions are available.

On the same page, select or clear the **Yes, include row sums** check box to include or exclude row sums. If you include row sums, the crosstab query has an additional row heading that uses the same field and function as the field value. Including a row sum inserts an additional column that summarizes the remaining

columns. For example, if your crosstab query calculates average age by location and gender (with gender column headings), the additional column calculates the average age by location, across all genders.

For this example, select **ID** in the **Fields** box and **Count** in the **Functions** box in order to have Access count the number of products in each intersection of supplier and category. Leave the **Yes, include row sums** check box selected. Access will create a column that totals the number of products from each supplier

8. Click **Next** to continue.



9. On the last page of the wizard, type a name for your query and then specify whether you want to view the results or modify the query design.

You can change the function that is used to produce row sums by editing the crosstab query in Design view.

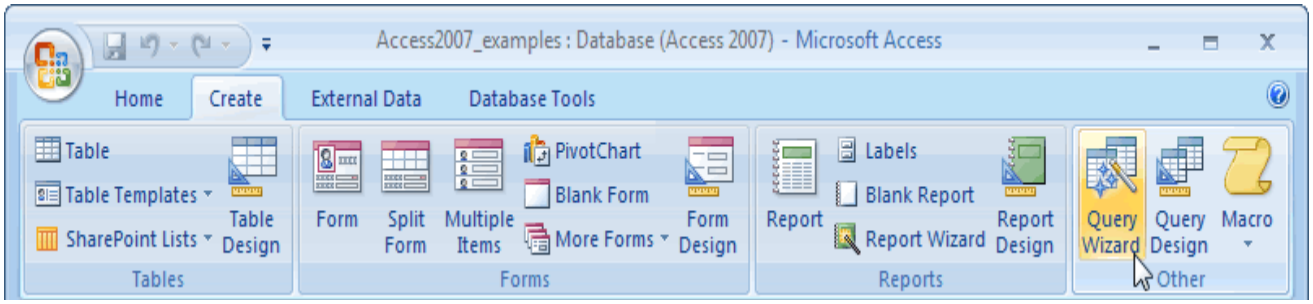
10. If you've walked through this example using the Products table from the Northwind database, the crosstab query displays the list of supplier names as rows, the product category names as columns, and a count of the number of products in each intersection.

Products_Crosstab

Supplier IDs.Value	Total Of ID	Baked Good	Beverages	Candy
Supplier A	9	4		
Supplier B	7			
Supplier C	2		2	
Supplier D	3		3	
Supplier E	1			
Supplier F	15			
Supplier G	4		1	
Supplier H	3			
Supplier I	1			
Supplier J	5			1

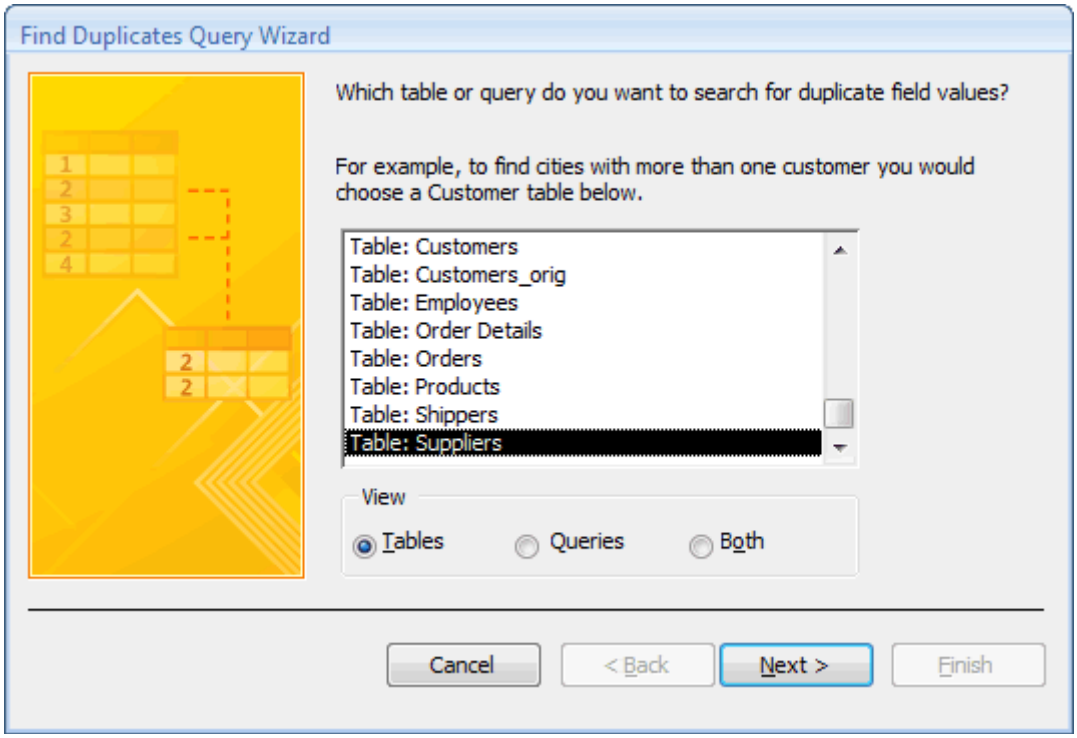
FIND DUPLICATE QUERY WIZARD

1. Select the **Create tab** in the toolbar at the top of the screen. Then click on the *Query Wizard* button in the **Other group**.

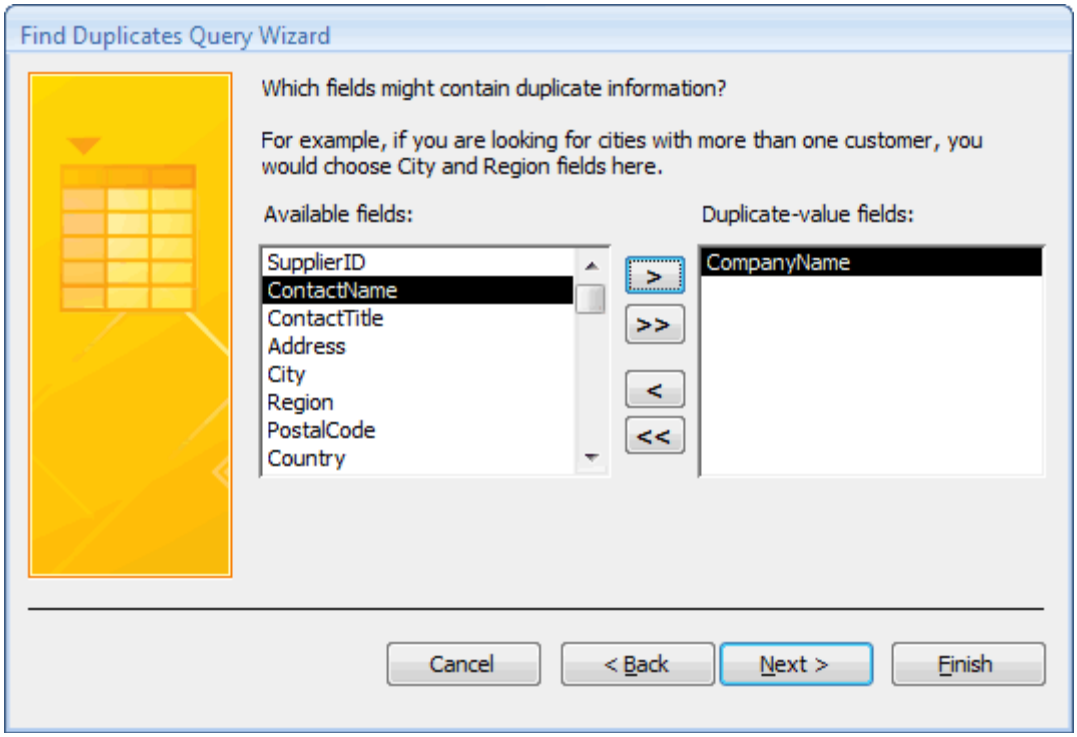


2. When the "New Query" window appears, select "Find Duplicates Query Wizard" and click on the OK button.

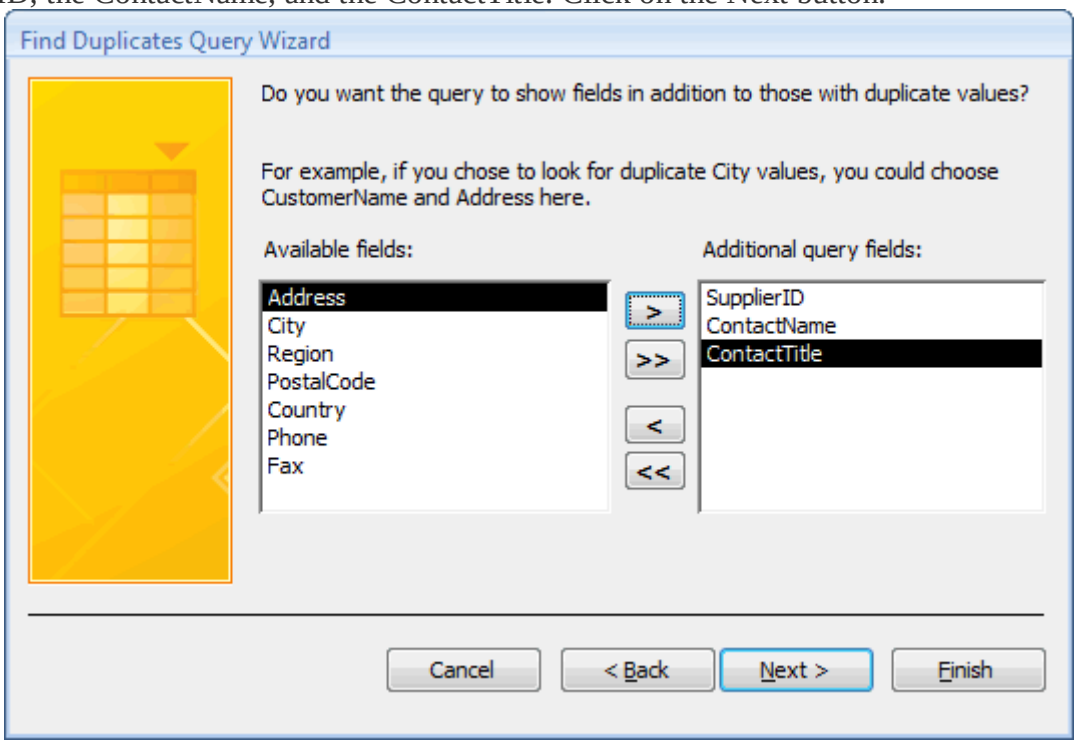
3. Select the table that wish to search for duplicates. In this example, we are searching the Suppliers table. Click on the Next button.



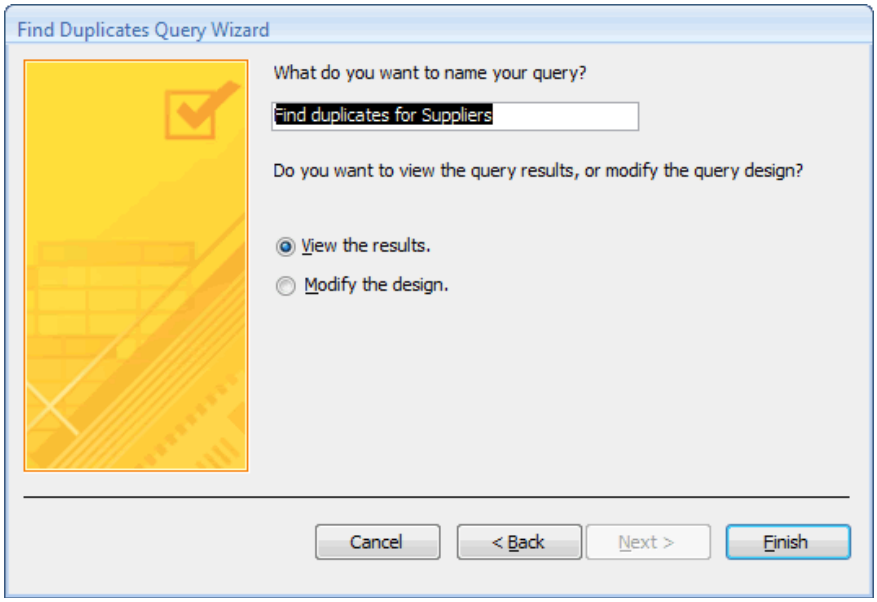
Select the field(s) that might contain duplicates. In this case, we are looking for suppliers with the same CompanyName. So we selected the CompanyName field and clicked on the right arrow to send the CompanyName to the right box on the screen. Click on the Next button.



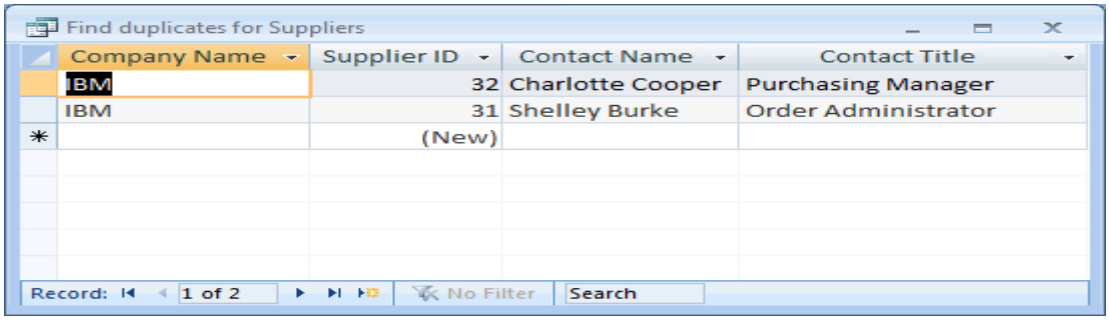
Next, select the others fields that you would like to see in the query result set. In this case, we wanted to see the SupplierID, the ContactName, and the ContactTitle. Click on the Next button.



Next select the name of your query. In this example, we chose the name "Find duplicates for Suppliers". Then click on the Finish button.



Finally, the query results will display. In this case, we see two records that have a Company Name of "IBM". The additional fields (Supplier ID, Contact Name, and Contact Title) just help us identify the records.



PARAMETER QUERY

Most of the queries that you will create in Microsoft Access will have pre-entered criteria in the query design grid to select a group of records. This article will show you how to enable the database user to input criteria to be used by the query.

In many cases, it would be useful if the user could select a group of records when required (on the fly), by supplying a criteria value for a field when running the query.

If you regularly need to retrieve all records of Customers based in a particular location, you do not want to write different queries for each Town or County.

It is far better to create a query that will ask the user for the Town or County that they would like to see the results from.

Designing the system this way will save you development time, and allow you to create a leaner database. A parameter query is a flexible query that prompts the database user for additional criteria.

A message or command is placed in the criteria row beneath the applicable field, with opening and closing brackets [ ] around it.

When the query is run, this text appears as a prompt to the user, asking for input. A parameter query can prompt for multiple criteria, with a separate input box displayed for each criterion.

An example of the design for a single parameter query, which generates a prompt for the user to enter Customer Town criteria.

How to Create Parameter Query

1. View the query in design view
2. In the criteria cell for the appropriate field(s), type in the desired expression within the square brackets ([ ]) For example, using a parameter to query for date values:
   When the query is run, Microsoft Access displays this text to prompt the user for the criteria. The text of the prompt must be different from the field name, although it can include the field name.
3. Run the parameter query
4. When you are prompted to enter a parameter value, enter the value of the data that you want to view and click OK.

FORMS

A form is nothing more than a graphical representation of a table. You can add, update, and delete records in your table by using a form. NOTE: Although a form can be named different from a table, they both still manipulate the same information and the same exact data. Hence, if you change a record in a form, it will be changed in the table also.

A form is very good to use when you have numerous fields in a table. This way you can see all the fields in one screen, whereas if you were in the table view (datasheet) you would have to keep scrolling to get the field you desire.

FORM WIZARD

To create a form using the assistance of the wizard, follow these steps:

1. Click the Create form by using wizard option on the database window.
2. From the Tables/Queries drop-down menu, select the table or query whose datasheet the form will modify. Then, select the fields that will be included on the form by highlighting each one the Available Fields window and clicking the single right arrow button > to move the field to the Selected Fields window. To move all of the fields to Select Fields, click the double right arrow button >>. If you make a mistake and would like to remove a field or all of the fields from the Selected Fields window, click the left arrow < or left double arrow << buttons. After the proper fields have been selected, click the Next > button to move on to the next screen.
3. On the second screen, select the layout of the form.

- Columnar - A single record is displayed at one time with labels and form fields listed side-by-side in columns
- Justified - A single record is displayed with labels and form fields are listed across the screen
- Tabular - Multiple records are listed on the page at a time with fields in columns and records in rows
- Datasheet - Multiple records are displayed in Datasheet View Click the Next > button to move on to the next screen.
- Select a visual style for the form from the next set of options and click Next >.

4. On the final screen, name the form in the space provided. Select "Open the form to view or enter information" to open the form in Form View or "Modify the form's design" to open it in Design View. Click Finish to create the form.

CREATE FORM IN DESIGN VIEW

To create a form from scratch without the wizard, follow these steps:

- Click the New button on the form database window.
- Select "Design View" and choose the table or query the form will be associated with the form from the drop-down menu.
- Select View |Toolbox from the menu bar to view the floating toolbar with additional options.

Add controls to the form by clicking and dragging the field names from the Field List floating window. Access creates a text box for the value and label for the field name when this action is accomplished. To add controls for all of the fields in the Field List, double-click the Field List window's title bar and drag all of the highlighted fields to the form.

Adding Records Using A Form

Input data into the table by filling out the fields of the form. Press the Tab key to move from field to field and create a new record by clicking Tab after the last field of the last record. A new record can also be created at any time by clicking the New Record button at the bottom of the form window. Records are automatically saved as they are entered so no additional manual saving needs to be executed.

FORM CONTROLS

Controls are objects on a form, report, or data access page that display data, perform actions, or are used for decoration. For example, you can use a text box on a form, report, or data access page to display data, a command button on a form to open another form or report, or a line or rectangle to separate and group controls to make them more readable.

All the information on a form or report is contained in controls. On data access pages, information is contained in controls in the same way as it is on forms and reports. However, information can also be typed directly on the data access page.

TEXT BOX

You use text boxes on a form, report, or data access page to display data from a record source. This type of text box is called a bound text box because it's bound to data in a field. Text boxes can also be unbound. For example, you can create an unbound text box to display the results of a calculation or to accept input from a user. Data in an unbound text box isn't stored anywhere.

LABELS

A label can be attached to another control. When you create a text box, for example, it has an attached label that displays a caption for that text box. This label appears as a column heading in

the Datasheet view of a form. When you create a label by using the Label tool, the label stands on its own — it isn't attached to any other control. You use stand-alone labels for information such as the title of a form, report, or data access page, or for other descriptive text. Stand-alone labels don't appear in Datasheet view.

LIST BOXES, COMBO BOXES AND DROP-DOWN LIST BOXES

In many cases, it's quicker and easier to select a value from a list than to remember a value to type. A list of choices also helps to ensure that the value that's entered in a field is correct. If you have enough room on your form or data access page to display the list at all times, you might want to use a list box. When you want to create a control that displays a list but requires less room, use a combo box if you are working in a form, or use a drop-down list box if you are working in a data access page.

List boxes The list in a list box consists of rows of data. In a form, a list box can have one or more columns, which can appear with or without headings. If a multiple-column list box is bound, Access stores the values from one of the columns. In a data access page, a list box has one column without a heading.

COMMAND BUTTONS

Command buttons provide you with a way of performing action(s) by simply clicking them. When you choose the button, it not only carries out the appropriate action, it also looks as if it's being pushed in and released.

CHECK BOXES

You can use a check box on a form, report, or data access page as a stand-alone control to display a Yes/No value from an underlying table, query, or SQL statement. For example, the check box in the following illustration is bound to the discontinued field in the Products table. The data type of the discontinued field is Yes/No. If the box contains a check mark, the value is Yes; if it doesn't, the value is No.

OPTION BUTTONS

You can use an option button on a form, report, or data access page as a stand-alone control to display a Yes/No value from an underlying record source. For example, the option button in the following illustration is bound to the discontinued field in the Products table of a database. The data type of the discontinued field is Yes/No. If the option button is selected, the value is Yes; if not, the value is No.

What Is a Sub form?

A sub form is a form that is placed in a parent form, called the main form. Subforms are particularly useful to display data from tables and queries that have one-to-many relationships. For example, in the sample below, data on the main form is drawn from an item information table while the subform contains all of the orders for that item. The item record is the "one" part of this one-to-many relationship while the orders are the "many" side of the relationship since many orders can be placed for the one item.

The remainder of this page explains three methods for creating subforms and they assume that the data tables and/or queries have already been created.

Subform Wizard

If the main form or both forms already exist, the Subform Wizard can be used to combine the forms. Follow these steps to use the Subform Wizard:

1. Open the main form in Design View and make sure the Control Wizard button on the toolbox is pressed in.
2. Click the Subform / Subreport icon on the toolbox and draw the outline of the subform on the main form. The Subform Wizard dialog box will appear when the mouse button is released.
3. If the subform has not been created yet, select "Use existing Tables and Queries". Otherwise, select the existing form that will become the subform. Click Next to continue.
4. The next dialog window will display table relationships assumed by Access. Select one of these relationships or define your own and click Next. **On the final dialog box, enter the name of the subform and click Finish.**

DRAG-AND-DROP METHOD

Use this method to create subforms from two forms that already exist. Make sure that the table relationships have already been set before proceeding with these steps.

1. Open the main form in Design View and select Window|Tile Vertically to display both the database window and the form side-by-side.

2. Drag the form icon beside the name of the subform onto the detail section of the main form design.

SWITCHBOARD

A switchboard is a form that allows the user to move around in an application. When you use Access database wizard to create a database application, the wizard creates a switchboard automatically.

To change switchboard options (Wizard created switchboard)

When switchboard appears, an option “Changing Switchboard Items” will available within it. When you click on “Changing Switchboard Items”, switchboard manager will appear.
Switchboard manager displays the names of all pages included in switchboard.

Close : Click on “Close” after modifying switchboard.

New : Creates a new, blank switchboard.

Edit : To edit the selected page of switchboard.

Delete : To delete an item of switchboard.

Make Default : It makes currently selected switchboard as default switchboard.

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1 word Question Answer

SR. NO.	QUESTION	ANSWER
1	Database object that asks a table a question	Query
2	Database object that enables stored data to search and retrieve	Query
3	Query design window has 2 part. The upper part show..	Table with field and relationship between table.
4	In one-to-many relationship the table in ‘one’ side is called____ and ‘many’ side is called_____.	Parent, Child
5	To create Relationship between two tables……	Drag the Primary key of a table into Foreign key of another table
6	A____ enable you to view data from a table based on Specific Criterion.	Query
7	The task of arranging data in order is called____.	Sorting
8	Which is used to get data from user?	From
9	Database object that simplifies the process of entering, editing, and displaying data	Form
10	Query can be used to select data from single and___	Multiple Table
11	Query can be Created in access by using___	Query Wizard.

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BBA SEM – 2
MACRO ECONOMICS

Sr. No.	Unit Name
1	DEMOGRAPHIC ISSUES
2	INFLATION
3	NATIONAL INCOME
4	INTERNATIONAL TRADE

UNIT 1 DEMOGRAPHIC ISSUES

Topic: Explain the terms Birth Rate, Death Rate, Density of population and discuss various Demographic trends in India

BIRTH RATE:

- The birth rate (technically, births/population rate) is the total number of live births per 1,000 of a population in a year.
- The rate of births in a population is calculated in several ways: live births from a universal registration system for births, deaths, and marriages; population counts from census, and estimation through specialized demographic techniques.
- The birth rate (along with mortality and migration rate) are used to calculate population growth.

DEATH RATE:

- The death rate, also known as mortality rate, is most commonly measured by crude death rate, which is the number of deaths per 1,000 people in the midyear population.
- When used to make comparisons, crude death rates are often misleading because they do not take into account differences in age structure.
- Two ways of dealing with this are to calculate the age-adjusted death rate (which uses a single standard age structure in order to isolate the effects of mortality alone) or to calculate the life expectancy (a hypothetical measure of how long a group of people could expect to live on average if their risk of dying at each age continued to be as it is now).

Density of population:

- One of the important indices of population concentration is the density of population.
- In the Indian census, density is defined as the number of persons,living per square kilometer. Density of population in India in 1901 was 77 persons/sq.km.but in 2001, 324 persons/sq.km.

DEMOGRAPHIC TRENDS IN INDIA

- Demography is the scientific study of human population.
- A slogan for family planning-"Delay the first, postpone the second and prevent the third" India is the 2ndmost populous country in the world, next only to China, whereas 7thin land area.
- With only 2.4 % of the world's land area, India is supporting about 16.87 % of the world's population.
- India's population is currently increasing at the speed of 16million each year.
- India's population numbered 238 million in1901, doubled in 60 years to 439 million (1961); doubled again, this time in only 30 years to reach 846 million by 1991.India's population to crossed 1 billion

mark on 11 May 2000, and is projected to reach 1.53billion by the year 2050.This will then make India the most populous country in the world, surpassing China.

- The theory explains the growth of population through three different stages of economic development:

1. The First Stage:

- The first stage relates to the most backward stage of a country.
- It is primarily applicable to an Agrarian economy with no sign of industrial development.

High Birth rates and death rates:

- The birth rate is high as a result of widespread illiteracy, early marriages, absence of knowledge of family planning methods, big size of a family etc. is more than 40 to 1000.
- The death rate is also high during this stage on account of poverty, poor diet, primitive sanitation, absence of medical facilities etc. is more than 40 to 1000.

2. Second Stage:

- This stage relates to a developing nation when the resources are utilized and industrial development also sets in.
- The death rate reduces considerably on account of improved medical and health facilities, fall in the infant mortality rate and assured food supply, a better standard of living.
- A high birthrate matches with a sharp decline in death rate caused by rapid increase in Population.
- This stage is called as the stage of population Explosion.
- This stage is very dangerous. The population outpaces production.
- The population has been growing until recently at an increasing rate.
- The growth rate of population is a function of migration, birth rate and death rate in a country.

3. Third Stage:

- Here the rate of population growth remains low.
- The birth rate falls sharply on account of mass literacy, high standard of living.
- Instead of homes, women prefer jobs outside.
- The large size of the family obstructs free mobility, hence a general preference for a small family prevails. A recent empirical study on the subject confirms that couples in rich countries want on average two children, whereas in the poor countries, the average varies between three and five children, a new equilibrium is established between the low birth rate.
- In short population of a nation grows at a slow rate.

Topic: Discuss the reasons/Causes for Population Explosion

Decline in the Death Rate:

- The fall in death rates that is decline in mortality rate is one fundamental causes of overpopulation.
- Owing to the advancements in medicine, man has found cures to the previously fatal diseases.

- The new inventions in medicine have brought in treatments for most of the dreadful diseases.
- This has resulted in an increase in the life expectancy of individuals. Mortality rate has declined leading to an increase in population.
- Owing to modern medications and improved treatments to various illnesses, the overall death rate has gone down.
- The brighter side of it is that we have been able to fight many diseases and prevent deaths.
- On the other hand, the medical boon has brought with it, the curse of overpopulation.
- The main reasons for the decrease in death rate are as follows:

1. Control of Epidemics:

- Epidemics such as plague, small pox, TB and malaria which at one time used to cause a toll of heavy deaths, now have been effectively controlled.
- Thanks to the advancement in medical science that all these epidemics have now been within control and so now they no longer pose a serious health threat to mankind.
- So death rate has reduced to a large extent.

2. Urbanization of Population:

- In 1911, hardly 10.3 percent of population lived in urban areas.
- The percentage of population living in towns and cities went up to 26 in 1991 and 27.8 in 2001.
- Better health, hygiene and sanitation facilities in the town are expected to have lowered the death rate.

3. More Medical Facilities:

- Medical facilities have increased in different parts of the country.
- Communicable diseases like diphtheria, tuberculosis and malaria have been properly controlled.
- During Five Year plans more than Rs.2000 crore was spent on medical facilities.

4. Spread of Education:

- Literacy among woman is progressing rapidly. Educated Women bring up their children with utmost care.
- This rapidly brings down the infant mortality rate. Working women enjoy better economic status and as such they are healthier.

5. **Late Marriage:**

- Minimum eligible age for marriage has been fixed at 21 year for men and 18 for women by law.
- It has done away with the evil of early marriage.
- It has helped in reducing the death rate of women and children.

6. Control over famine:

- Besides the famine of 1943, no other serious famine has occurred in this century.
- Although famine like conditions emerged in 1987 in states of Gujarat, Rajasthan, Haryana, Bihar and Madhya Pradesh yet these were effectively combated to cause any serious loss of life.

7. Balanced Diet:

- People are now getting more and more nutritive and balanced diet than before.
- Govt. is also paying more attention to it.
- This has helped in reducing death rate.

8. Decline in Social Evils:

- Due to spread of education several social evils like purdah system, drugging of the female children are on the decline.
- This has reduced the death rate.

9. Change of habits:

- People's habits have undergone a quite change.
- They now pay more attention to health and cleanliness.
- They have become more health conscious and invest in health related products and services.
- This has increased the mortality rate and has kept the products and death rate low.
- In brief decline in death rate has been more than birth rate.

Rise in the Birth Rate:

- Thanks to the new discoveries in nutritional science, we have been able to bring in the fertility rates of human beings.
- Medicines of today may boost the reproductive rate in human beings.
- There are medicines and treatments, which can help in conception.
- Thus, science has led to an increase in birth rate. This is certainly a reason to be proud and happy but advances in medicine too.
- The main reasons for the increase in Birth rate are as follows:

1. Early and Universal Marriage:

- In India, marriage is a social compulsion.
- It is not only universal but takes place at an early age.
- About 80 percent girls are married during the most fertile period of 15 to 20 yrs. of age.
- But in developed countries like U.K., the percentage of unmarried girls is aged 30 and aged 41 in USA which is quite high.

2. Preference for Male Child:

- Male child is a religious necessity among the Hindus.
- Son is eligible to perform certain religious rites e.g. last rites.
- Daughters cannot perform these rites. So a couple without son is looked down upon in the society.
- So people take chances to be blessed with son. This increases birth rate.

3. Joint Family System:

- India is mainly an agricultural country.
- The social structure is dominated by the joint family system.
- An additional child born causes no immediate hardships to the parents.
- This factor is also responsible for high birth rate.

4. Climatic Factor:

- India is a tropical country, where girls attain puberty at an early age.
- They achieve motherhood at in the age group of 12-15 yrs.
- Hence a woman in India delivers 6 to 7 children on an average.
- Whereas a woman in Japan delivers 5 and in America 3 children.

5. Poverty:

- Another factor to the rising birth rate is poverty of the people.
- Poor people have to spend little on the upbringing of their children.
- Besides, the children supplement the family income by engaging themselves in some odd jobs at an early age.

6. High Infant Mortality:

- Infant mortality rate is very high in India due to hunger, malnutrition and poor living conditions.
- So the fear of early death of their infants encourages the parents to have more children.

7. Inadequate Supply of Family Welfare Services:

- There is inadequate supply of family welfare services eg. Contraceptives.
- Poverty and ignorance deter people from using contraceptives to practice small family norms.
- It adds to high birth rate.

8. Inadequate Recreational Facilities:

- Due to poverty, people have very little entertainment facilities.
- Sex is the only entertainment with most of the people.
- So birth rate increases.

9. Effect of Religion:

- In India, religion plays a major role in large size families.
- A son is must to provide continuity to family legacy.

- Even after so many girls in the family, the desire for one son prompts parents to continue with their child producing activity.

10. Agricultural Occupation:

- India is an agricultural country. Even children get some sort of work in agriculture.
- Thus they do not prove to be burden on the family.
- So rural population in India has the tendency to have large families.

Topic: Discuss the effects/Problems of rapid population growth in India

1. Providing employment to growing population:

- This is so because in developing economies majority of the population is illiterate.
- The burden of school aged population has already shown signs of becoming unbearable.
- The proportion of children in schools is increasing fast and, vast numbers are still not covered. The absolute number or illiterate persons increases every year.
- This is only an indication of the wastage of human resources for want of appropriate development opportunities.

2. Problem of utilization of manpower:

- Better educated manpower aspires for occupations of greater prestige, which are opened up by the new development efforts.
- Because of its capital intensive nature, the ability of the new economy for employment generation becomes restricted. Simultaneously, it renders many of the old occupations out of date and redundant.
- As a result, under- employment and unemployment, including unemployment of educated persons, increases.
- There is thus wastage of even developed human capital.

3. Over-strained infrastructure:

- Facilities such as housing, transportation, health care, and education become inadequate.
- The worst symptoms of congestion in every aspect of living conditions are manifested in the urban areas.
- In countries such as India, a situation of "over urbanization" prevails which puts unbearable strain on urban amenities.
- Overcrowded houses, slums and unsanitary localities, traffic congestion and crowded hospitals have become common features in the developing countries.

4. Pressure on land and other renewable natural resources:

- Common properties such as forest and water are over- exploited.
- This results in deforestation and desertification with permanent damage to the renewable resources.

5. Increased cost of production:

- Human ingenuity and technological advancement makes it possible to increase production of goods and services.
- But, it must be kept in mind that, the cost of production of the basic necessities of life, such as food, increases when the population is growing fast and worse lands are brought into cultivation with costly irrigation etc.

6. Inequitable distribution of income:

- Both at the international and national levels income disparities increase.
- The increase in gross national product (GNP) is greatly reduced in per capita terms on account of the rapidly growing population.
- In the face of a rapidly growing population, the major concern of a developing country tends to be focused more on economic growth as such.
- Considerations of unequal distribution of income are pushed to background.
- So inequalities within the country tend to widen further.

7. Inflation:

- Rise in population increases the demand for the goods and services.
- The people in less developed nations become aware of the requirement and as a result the demand increases.
- But the supply rises at a slow rate and as a result the price increases.

8. Food scarcity:

- The increasing population in India has also led to the scarcity of food grains. India has to often import food grains from neighboring countries whenever there is natural calamity or scanty rainfall.
- Food grain production is not adequate enough for the whole population.

9. Problem of foreign exchange:

- The rise in population increases the consumption and as a result reduces the savings and investment level.
- The low per capita income reduces the level of savings and investment.

10. Low IQ level:

- The problem of population reduces the quality of human index.
- It makes the children weak, mentally and physically.
- This is attributed due to poor and non-nutritious diet among women of poor families.

UNIT 2 : INFLATION

Topic: what is inflation? Discuss various types of inflation in detail

Introduction:

- Many economists who had tried to define inflation.
- We cannot give a perfect definition for inflation.
- The simple meaning of inflation is the situation of rapid price rising.
- Price rising always reduces the purchasing power of money.
- It is believed that price rise happens due to too much currency in circulation.
- The supply of money is related to the price level in economy.
- Now let us try to give the definition of inflation

Definitions:

- In the words of E. W. Kemmeser, "Inflation is too much currency in relation to the physical volume of business being done."

- In the words of R. G. Hawtrey,"Inflation is the issue of too much currency."

TYPES (OR) FORMS OF INFLATION

The inflation can be divided into the following types or forms:

(A) On the basis of rate of inflation:
(1) Creeping inflation
(2) Galloping inflation
(3) Hyper inflation

(B) On the basis of Degree of Control
(1) Open inflation
(2) Suppressed inflation

(C) On the basis of Causes:
(1) Credit inflation
(2) Currency inflation
(3) Budgetary inflation
(4) Demand pull inflation
(5) Cost push inflation

(D) On the basis of employment
(1) Semi-inflation
(2) Full inflation

Now let us discuss the above said types in detail:

(A) On the basis of rate of inflation:

(1)Creeping Inflation

- Creeping or mild inflation is when prices rise 2-3 percent a year or less.
- According to the Federal Reserve, when prices increase 2 percent or less it benefits economic growth.
- This kind of mild inflation makes consumers expect that prices will keep going up. That boosts demand.
- Consumers buy now to beat higher future prices. That's how mild inflation drives economic expansion. For that reason, the Fed sets 2 percent as its target inflation rate.

(2)Galloping Inflation

- When inflation rises to 8-10 percent or more, it wreaks absolute havoc on the economy.
- Money loses value so fast that business and employee income can't keep up with costs and prices.
- Foreign investors avoid the country, depriving it of needed capital.
- The economy becomes unstable, and government leaders lose credibility.
- Galloping inflation must be prevented at all costs.

(3)Hyper Inflation

- Hyperinflation is when the prices of goods and services rise without control.
- The severity of price increases distinguishes it from the other types of inflation.
- In galloping inflation, prices rise ten percent or more a year.

(B) On the basis of Degree of Control:

(1) Open inflation:

- In open inflation, the inflation is allowed to develop without government controls and checks.
- The prices rise openly and boldly

(2) Suppressed inflation:

- Under this type of inflation, the price rise is under the control of government.
- The government, through monetary policy, controls the rising prices for some period.
- According to Paul Einzing, " Inflation is evented by government measures such as rationing, price control etc. from producing its effects on pricing, it is suppressed inflation"

(C) On the basis of causes

(1) Credit Inflation:

- This inflation exists due to large scale of expansion of credit money from the banks.
- Large credit increases money supply and becomes the root of inflation.

(2) Currency Inflation:

- When the flow of money increases in circulation, it become currency inflation.

- When government issues more currency, such inflation starts in economy.

(3)Budgetary Inflation:

- When the government shows more expenditure than the level of revenues (the gap between expenditure and revenue), such inflation begins.
- The Government raises money supply to overcome the expenditure.

(4) Demand-pull Inflation:

- When effective demand increases more than the supply goods and services in the economy, it affects price level.
- The price increase due to shortage of supply.
- This inflation can be controlled monetary and fiscal policy of the Government.

(5) Cost-push Inflation

- This inflation exists due to increase in the cost of production.
- Such increase in cost of production happens due to an increase wages, increase in profit margin.
- When wages are increased due to the demand of unions without increasing productivity of labour, the cost of production increases.
- Secondly, when the producers increase the profit margin that effect on production cost which effect on price level in the market because they add extra profit in the price of the commodity.
- Besides the increase in raw material, transportation, taxes also effects production costs.

(D) On the basis of employment

We can divide this inflation into following types:

(1) Semi-inflation:

- As J. M. Keynes has said, "Semi-inflation exists when price level rises partly due to an increase in the cost of production and partially due to the increase in the supply of money before the point of full employment, it is known as semi-inflation or Bottleneck inflation."

(2) Full-inflation

- When the economy has of full employment level with any increase in money supply, full-inflation will increase in the economy.
- It means the prices rise because the production cannot be increased due to the fully employed situation of all the factors.

Topic: What are the main causes of inflation and Discuss its impact on various classes of society in detail

- According to Pigou and Keynes, the prices of commodities & services do not change until there is a state of full employment in economy, with every increase in the money supply.
- If money supply changes regularly beyond its limit, the state of inflation starts. Let us examine the different causes of inflation.

Causes of Inflation

(1) Upward Shift in Demand

- When effective demand in the economy increases by any reason and on the other hand, the supply of goods and services do not increase similarly to the demand, it creates the state of price rising.
- It happens due to the shortage of supply of goods and services.
- In other words, we can say that if there is upward shift in demand, it becomes the basic cause of inflation.
- There are some reasons why the demand increases as follows:

(a) Increase in money supply:

- Increase in money supply will increase the people's money income.
- The expansion of paper currency by the government is because of the deficit budget and the government wants more money to make up excess expenditure.
- For the economic development, the government makes plans, for different economic schemes.
- For that purpose, the government requires more money.
- Sometimes the money circulation also increases.
- The credit creation of banks also push up the money circulation.
- If the people have much more disposable income or the government reduce the rate of taxation.
- All these become the reason of upward demand.
- The increase of foreign demand for domestic goods and services or the rapid growth of population also becomes one of the causes of excess demand in economy.

(b) Downward shift in supply:

- Another important cause of inflation is downward shift in supply.
- When the effective demand increases, the supply means the level of production of goods and services do not increase at the level of demand.
- It creates shortage of supply. As a result the prices of goods and services increase and inflationary pressure starts.
- This situation happens due to following factors.

(a) Shortage of factor supply:

- During this situation the factors of production as skilled and technical workers, capital equipment, raw materials and managerial knowhow etc. become the bar in the course of increase production.
- Factor inefficiency becomes the bottleneck to production.

(b) Increased Exports:

- When the exports of goods and services increase, there will be a gap for the domestic consumers for goods and services.
- The shortage of supply pushes the price level.

(c) Diminishing returns or increasing costs:

- There are three stages in production activities.
- First is increasing returns, second is constant returns and third is diminishing returns.
- When the third stage (i.e. diminishing returns) starts, the costs of production increases.
- The firms cannot increase their output.

(d) Hoarding of goods by producerss and traders in anticipation of further rise in prices:

- This is also the cause why the shortage of supply exists in the market.
- To earn more profit in future, some producers and traders create an artificial shortage of supply in running market.
- Naturally, such tendency create a great shortage of goods in economy.

There are some other factors also which affect supply and they create shortage in supply:

(1) Higher wage rates
(2) Higher profit margins
(3) Higher taxes
(4) Administered higher prices of inputs
(5) Natural factors
(6) Government policies

Conclusion:
The effects of all above said factors create inflation in economy. Imbalance between the demand force and supply force is the root of inflation.

EFFECTS OF INFLATION ON DIFFERENT CLASSES OF THE SOCIETY

- Inflation has different effects on the different classes of the society.
- Some people earn and get unexpected benefits of inflation and similarly some people suffer much due to inflation.
- They suffer even if they have done no wrong to the society.
- Let us study the effects of inflation in detail.

(1) Producers, traders and speculators:

- During inflation the producers, traders and speculators gain unexpected positive gain.
- They earn bulk profits.
- This is because the prices of goods and services rapidly increase than cost of production.
- On the other side, the rent, wages, interest etc. do not change so fast. They are pre-decided.
- The cost of production does not rise as price rises.
- So the producers and traders earn more profit. The cost of production rises after some period.
- During that time, the trends is of prices rising fast.

- Producers have raw materials with lower prices but selling prices are higher which help the producers and traders to get the best benefits to earn more and more

2) The persons with fixed income groups

- The persons with the fixed income groups have to face the most adverse effects on them.
- They live on past savings and get fixed interest, rents, pensioners and other fixed income group suffer much by hyperinflation.
- The people who get fixed salaries are also affected.
- Their money income are fixed and on the other side, the purchasing power of money has reduced too much due to rising prices.
- The middle class people of the society have to face the worst condition.
- Kemmerer has said, "The middle class, however, which by hard work and thrift seems built up a fund of savings to educate its children and to provide a livelihood for times of sickness and for old age, find itself in a desperate situation in a time of serious inflation. The cost of living rises disproportionately to income. Savings are wipped out and hard work, independence and thrift seem to be false Gods. Under such conditions the middle class is all too often overwhelmed by a sense of futility and desperation."

3) The working class and the wage earners

- Between the rising prices and wages, there is a long period.
- Price rise is fast when wage rise takes some period of time.
- Secondly, the wage rise is proportionately less than the proportionate change in economy.
- So, the effects of price rise starts earlier than the wage rise.
- Today, due to unions, the wages are increased as earlier as with the price rise in the market, but the worker classes which have no unions, they suffer more during inflation.

4) Debtors and Creditors

- When inflation starts, the debtors gain much more.
- During this time, the value of money falls rapidly but the debtor has to repay the same amount of money, he had borrowed few years before.
- In this way he less purchasing power to the creditor than what he actually borrowed.
- Creditors, on the other hand are losers during this time because they get money back with lesser purchasing power than what amount they had given to the borrower in the past.

6) Investors:

- There are two types of investors.
- First, the people who invest in equity shares and second, the people who invest in fixed interest schemes.
- Due to inflation, the first type investors get more benefits because the equity dividends increase with increasing profits.
-

- The Second type investors get only fixed dividend on preference shares or bonds or debentures.
- They have no benefits in inflation period.
- They do not earn more even if the prices are rising.

(6) Farmers

- Farmers get more benefits in the period of inflation.
- They get higher selling prices for agricultural products compared to the inputs they use in farming.
- Sometimes, farmers are debtors too.
- So, as debtors, they also get benefits as explained above.

Conclusion:

Inflation is somewhat helpful to redistribute income and wealth in the society. In the same way, it also increases inequalities of income and wealth in society. On the second hand, inflation becomes a great curse for consumers, labourers, creditors, small investors and fixed income groups. Similarly, it comes as a blessing to businessmen, debtors and farmers as well.

Topic: Discuss effects of inflation on the Economy and suggest remedies to control inflation

Introduction:

- Inflation has a great effect on functions of the whole economy.
- The system of price determination and forces of demand-supply change from the root and create many problems in economy.
- As a result, the economic growth becomes a challenge.
- Inflation changes the pattern of use of resources.
- These resources change the track. Now these resources turn towards production of useless luxury items instead of necessary consumption goods.
- Producers and rich persons and rich persons want to earn super profits by producing luxury items.
- They do not care for common people.
- Now, let us see more effects of inflation.

(a) Savings of the people:

- Due to inflation, the prices of goods and services increases.
- On the other hand, income of the people does not change as rapidly as the level of rising prices.
- Secondly, higher price level reduces the value of their savings.
- So, they are discouraged to save more. Higher price level disappoints them.
- The saving ratio reduces during this period.

b) Lack of confidence

- Inflation breaks down the spirit of the people because they have to live a hard life.
- Especially the middle and poor class faces severe trouble to maintain their family.

- They feel unrest in their hearts.
- On the other hand, the rich class enjoys their lives happily due to their higher incomes.

c) Inflation disturbs the pattern of investment:

- During inflation, the flow of investment increases.
- But the tendency changes.
- The businessmen invests in resources in those types of business from which they get maximum profits.
- They do not care about investment in the production of essential goods for common people.
- They invest money to purchase land, buildings, gold, Silver and foreign currency. In this way, the money and other resources are used for the betterment of a few but not for all.

(d) Inflation increases imports but not exports

- For the purpose of development of production, sometimes the industries tend to import more raw materials from other countries.
- The aim of this activity is only for more production, more selling and more profits.
- Due to increase in imports, the producers create imbalance is balance of payments

(e) Inflation increase income inequalities in the country:

- We have said that in inflation the producers get super profits in their businesses.
- They become richer from rich.
- Thus, inflation creates a big gap between the rich and poor.
- The rich with less efforts gain more income and wealth.
- On the other side, the poor make more efforts to earn but they get less income and they cannot come out of their poverty.
- It is a great injustice in the society. Prof. C. N. Vakil has said, "Inflation may be compared to a robber. Both deprive the victim of some possession with the difference that the robber is visible, inflation is invisible, the robber's victim may be one or few at a time, the victim of inflation is the whole nation; the robber may be dragged to court of law, inflation is legal."
- In this way, during inflation, the moral of the people goes down up to some extent and people lose the trust in the government. Inflation creates unrest in the hearts of the people.
- For example, Germany during the period of Hitler and China after the Second World War.
- The Chinese proverb says, "If the price goes beyond the reach of common man. Heaven decrees the change ruler."
- Inflation is as a whole a cruel lion which kills the people, the economy and the country at the same time.
- Let us sum up with Robertson's views, "Money which is a source of so many blessings to mankind becomes also, unless we can control it, a source of peril and confusion."

MEASURES TO REGULATE INFLATION

- Inflation is a great evil for economy.
- It effects various sectors of economy like agriculture, industries, service, transportation and communication.

- It creates many problems for the people and it is necessary to regulate it by hard and fast measures for the welfare of the countrymen.
- Now, think how to regulate it?
- Inflation can be regulated by following three major measures. They are-

(1) Monetary measures
(2) Fiscal measures
(3) Other measures

Let us discuss each one in detail:

(1) Monetary measures

- These measures are important to regulate inflation to control money supply in the economy.
- These measures directly affect inflation.
- The Central Bank is the apex power to take some measures.
- Money supply means the running currency and bank credit.
- Bank credit plays a major role in money supply.
- So, it becomes necessary to control it.
- It can be controlled by the following measures:

(a) Bank Rate:

- The Central Bank allots money to the commercial banks to make credit creation at a certain bank rate.
- If the Central Bank wants to control credit creation of the commercial banks, it can increase the bank rate.
- Due to increase in the bank interest rate, loans and advances will become dearer which will affect credit creation and which in turn will reduce the supply of bank credit and currency.

(b) Open-market operations:

- This is one of the important measures to regulate inflation.
- At the time of inflation, the Central Bank purchases and sells securities to control inflation.
- Central Bank sells government securities and other securities to commercial banks.
- As a result, money flows from commercial banks to Central Bank.
- It will hit the cash reserves of commercial banks and credit creation will reduce.

(c) Higher reserves requirements:

- The Central Bank can increase the Cash Reserve Ratio of the commercial banks.
- That will affect the lending capacity - that in turn will reduce credit creation.

(d) Consumer Credit Control:

- Commercial Banks help consumers to purchase consumer goods like consumer durables, vehicles, etc. by providing different loans.
- It can be implemented by increasing down payment or by reducing the number of instalments or length of paying period.

(f)Higher Margin Requirements

- Central Bank sometimes uses a selective credit control system.
- According to that system, the borrowers have to keep more margin for the loans.

- Generally, the banks keep certain securities against the amount of loans.
- The banks can fix more margin requirements and can control the inflation.

(2) Fiscal Measures:

- Fiscal policy is also one of the important measures of the government.
- It is the budgetary step to regulate inflation.
- This policy can reduce public money from the market as well as it can reduce purchasing power of the people.

(i) It is necessary to cut down public expenditure done by the States that will reduce money circulation. The government should stop unnecessary expenditure.

(ii) The government should increase the rate of taxation or impose new taxation to reduce the purchasing power of the people. It is important to carefully chose the taxation in direct or indirect taxes.

(iii) The government should control public borrowings and should reduce the purchasing power of the people. This will create pressure on rising price level.

(iv) The government should manage public debt. It should stop further credit expansion. This will control the power of commercial banks

Now we can see some other measures.

(3) Other measures:

Under these measures

(i) The first is output adjustments. It is important to increase production. Secondly, due to mismanagement of the output, inflation increases. So the perfect management of output is required.

(ii) The government should make large scale imports of consumer goods for necessary supply in the market. Imports will solve the difficulties for domestic production.

(ii) It requires efficient and satisfactory labor management and to remove the disorder in production activity.

(iv)The government should justify the wage policy with the help of trade unions.

(v)The price control and rationing are important measures. It is a direct method to control price level. The main aim of this policy is to stop further rise or price level. The particular goods should not be allowed to be a victim of price rise. The government should have enough stock of goods to give people with controlled prices. Some related goods should be controlled through rationing. Mostly, the goods must be distributed among lower income group people.

Conclusion

Various measures are examined, whatever measures the government takes should be implemented properly by the management. On the other hand, the people also should co-operate with the government to control inflation in the country

Topic: What is the Deflation? Discuss the causes and measures to control deflation

Introduction and Meaning:

- According to Crowther, "Deflation is that state of economy where the value of money is rising or prices are falling.
- We can easily understand the meaning of deflation through the above definition.
- Deflation is quite opposite state to inflation.
- On one hand, the value of money is rising and on the other hand, prices are falling.
- According to Pigou, "Deflation is that state of falling prices which occurs at the time when the output of goods and services increases more rapidly than the volume of money income, in the economy.
- In this way, deflation appears at the time when production of goods and services is increasing at a rapid rate than the money income. In the above definition, it becomes clear that fall in price level is resulted by the contraction in money supply.
- It is not the only reason due to fall in money supply but contraction in money supply also plays an important role.

Einzing has said, "Deflation is a state of disequilibrium in which the contraction of purchasing power tends to cause or is the effect of a decline of the price level."

CAUSES OF DEFLATION

Following are the main causes of deflation.

(1)Increase in production:

- The important cause for deflation is increase in production.
- The rapid increase in production goes over and above the demand which affects general price level.

(2) Anti-Inflationary Measures:

- The Government takes some measures to control inflation.
- For example, higher bank rates, open market operations, higher taxation etc.
- These measures become the base of deflation.
- By these steps, money supply contracts or reduces the disposable income of the people

(3) Inflation:

- As we have said, inflation is the base of deflation.
- During inflation income, profits, credit creation, investment and businesses, production etc. everything rises rapidly but after reaching up to the highest point, the time period starts to fall.

- The time of falling begins and leads towards deflation.
- Everything like income, profits, investment, business activities reduce day by day.

(4) Money Shortage:

- During deflation, the money supply reduces and therefore, the purchasing of goods and services also reduces.
- With that situation, the price level falls too.
- Currency notes are not issued further and commercial banks contract deposits and credit creation.

(5) Fall in disposable income:

- Disposable income is that income which is used to buy goods and services.
- When this income falls, it will affect the money supply and deflation rises.
- This happens when national income falls of taxation increases.

Conclusion

Inflation or deflation - both the situations are not a blessing for economy, Both the conditions have lasting effect on the economy and household life of the people. In both the conditions, the common people suffer much. Inflation is over limit and deflation is under limit

MEASURES TO CONTROL DEFLATION

- Either inflation or deflation -the measures to control them have are similar.
- Some measures like monetary, fiscal and other measures are similarly used to control deflation.
- Let us see in detail-

(1) Monetary measures:

- Various monetary measures like low bank rate, open market operations, credit control and increased margins etc. are used to control deflation.
- They must be applied in such a way that the bank credit may expanded.
- They are used to increase investment in productive purposes.
- That will create more opportunities for employment.
- Such steps will be improve economic conditions and the dead economy will be alive again.
- If deflation is beyond limit, it becomes difficult to revive the economy only by monetary measures.

(2) Fiscal Measures:

- This policy is a part of budgetary function, which can re-manage income and wealth. J. K. Keynes has said that to improve the deflationary condition, public spending becomes important.
- This will push up the economy. Income of the people must increase through employment.
- Then, the government must reduce the level of taxation, So that the disposable income may increase.
- The government should expand the public expenditure that will increase money supply.
- It can construct roads, dams and parks etc. The banks should finance more money to businessmen.
- They should be inspired to invest more and more. Finance should be cheaper.
- This will increase the demand in the market and the whole economy will turn to expected progress.
- Due to more production, the national wealth will increase. Investment will also increase with slow progress and that will become a light to reduce deflation.

- The supply will create its own demands.
- The basic idea of fiscal policy is to extend demand for goods.
- It is thus considered the most important policy for economic stability.

3) Other Measures:
There are some other measures to improve deflationary situation.

i) Price support programmes (to prevent the falling beyond a limit).

ii) To make a plan of easy availability of goods on higher purchase to uplift the demand.

iii) Provision of subsidies or other economic help.

iv) To keep cost of production under limits.

Conclusion:
To control deflation, the government should take such measures which can give effective results. Any how the total demand of the community must increase. The above measures should be taken at time. The implementation of all the measures is in the hands of economic authorities.

Topic: What are Index Numbers? Discuss the types of Index Numbers

Meaning of price index number

- Index number is a statistical instrument to calculate the changes in a variable or a group of variables between the two periods or places.
- It indicates either increase or decrease in the variable.
- It will present average changes because the perfect changes cannot be indicated.
- It shows the trend of price changes.
- There are some definitions about this subject

"Index numbers are a series of numbers by which change in the magnitude of a Phenomenon are measured from time to time and from place to place". - Horace Secrist

"An index number is a special type of average which provides a measurement of relative changes from time to time or from place to place." - Wessel and Willet

An index number is a statistical measure designed to show changes in a variable or group related variables with respect to time, geographical location or other characteristics."- Murray Spigel

Features of index numbers:
1) This tool is useful to compare between two places of periods.

2) It indicates relative measures of a variable or a group of related variable. Individual or absolute measurement is impossible.
3) It presents an average change in percentage.
4) Index number presents qualitative measurement of changes cannot be measured with the help of index numbers.

TYPES OF INDEX NUMBERS
There are many types of index numbers. They are as follows:

1) Price-level or purchasing power of money index number:
- Such type of index number are meant for the study of the general price level of the two periods or two places.
- We know the level and the value of money means the purchasing power has negative relations.
- The function of index number is to compare the difference of two periods.
- For this comparison, some sample goods are to be taken.
- Here, their average prices are to be taken in account.

2) Consumer price index number or cost of level index numbers:
- Under this type, the cost of living index numbers are to be considered related with the people.
- The aim of this index number is to measure the magnitude of change in the cost of living.
- It can be prepared for a particular class at a particular place.
- Which goods or services are used by the particular class is the base of this index number.
- This index number can be prepared at retail prices.
- We have to give the priority to the goods used by the people.

3) Wholesale price index numbers
- Such type of index numbers are used to measure the magnitude of changes in wholesale prices.
- Generally, the wholesale prices of agricultural and non-agricultural products.
- The prices of raw materials and intermediate goods are considered.

(4) Simple index numbers:
- In this method, no priority is given to any particular good.
- The goods which are generally used by the people are taken and the comparison is made between two periods of time.

5) Weighted index numbers:
- The main limitation of the simple index number is that this index considers all the goods equal.
- This base is not proper.
- Due to equal weights, the importance of the primary goods do not get priority.
- Such manner will represent false index number.

(6) Physical Quantity Index Numbers:

- The main function of index number is to measure the change in the quantity of various goods during the certain period.
- It becomes necessary to show the price changes in the relation with quantity changes between two periods.
- Such index numbers are found generally in industrial production index numbers.
- So, at the time of preparing index numbers the quantity, level and price level both are equally important for consideration.

Conclusion:
The different types of above said index numbers are used for different objectives. This device is most important for modern economy of the country.

Topic: Discuss process to prepare price index numbers
Introduction:

- Index numbers are the most important too to measure changes in economy.
- The process to prepare index numbers is a systematic effort.
- Now, how to prepare price index numbers is the subject of our discussion.

(1) Defining the purpose:

- At the time of preparing index number, we have to define the aim.
- It is because one index number cannot be for all purposes.
- The money value is also different according to different sections of the society.

(2) Choice of the base year:

- The second important point is the selection of the base year.
- The base year means, the basic year with which we want to compare the average price level with running average price level.
- It should be a too old." It should be nearer to the current year. In this year, no war or normal year.
- This is that year in which the price level has minimum fluctuations or has changed at the minimum.
- This year should not be any national dispute should have happened.

(3) Choice of goods:

- The next step is the selection of goods and services.
- It becomes the base of price index number.
- It is impossible to include all the goods to prepare it.
- So we have to select certain primary goods.
- We have to be careful about –

a) We should select such goods and services to which they are used by that class for which we are preparing the index numbers.
b) We must have clear picture about the aim of the index numbers.

c) We should select medium quality of goods which are used by that class.

(4) Selection of prices:

- This is also an important point. We have to find out the prices of selected goods in the base year and the current year.
- General average prices exists in the market in the past and in present becomes the standard price.
- The prices can be divided into two types.
- First is wholesale prices and the second is retail prices.
- Now, if we want to present the general changes in prices, we have to mind wholesale prices but if we want to present the changes in cost of living of common consumers, we have to mind retail prices.
- In this way, prepare index number, we have to focus either on wholesale prices or on retail prices.

5) Representation of prices in percentage:

- We have to present the price changes of basic year and current year in the terms of percentage.
- See the following formula to find out the percentage changes.

$$\text{Price Changes (\%)} = P1/P0 \times 100$$

- Here P1 means prices of the current year, Po means prices of base year.
- With the help of this formula, we can find out the difference between the base year and current year in percentage.

(6) Finding out average of prices:

- The last step is to find out the average of the total of percentage of prices of the base year and current year.
- We use 100 for the base year.
- The current average price may be greater or less than the base year.
- If the average price of current year is more than 100, it means that the price level has gone up.
- But if it is less than 100, the price level has gone down.

Topic: Discuss the limitations of index numbers

Introduction:

- In the economic world, index numbers have proved an important tool to measure economic changes.
- They are useful to set economic policies, economic planning, even if index numbers have certain limitations.
- The main limitations are as under-

(1) Limited use:

- All the index numbers are made with certain objectives.
- They can be used only to study the changing price level and nothing more.

- They also study the changing prices of different variables.
- Suppose, we want to study the economic standards of the poor people, we have to make different index numbers.
- Same way if we want to study the situation of the middle class or rich. For both, index numbers will differ.
- Index numbers made for poor people will not be helpful for rich people. It will not be useful for the other community.

(2) Time Lag:

- The main function of index numbers is to show difference between price levels of two periods the basic year and the current year.
- The habits and preference of the people changes with the time.
- Some people leave old habits and their demand also changes.
- Therefore the comparison will not give satisfactory result.

(3) Accurate information:

- To prepare an index number, whatever information we have must be perfect and accurate.
- The correct information about different prices may help to prepare perfect index number.

(4) Use of wholesale prices:

- Index numbers are based on wholesale prices.
- The information about wholesale prices can be obtained easily.
- But for common people, wholesale prices are not important because they purchase limited retail goods and services within their limited income.

5) Arbitrary weights

- For the preparation of index numbers, the weights assigned to different goods and services are arbitrary.
- We have no systematic base for assigning 'weights' to different goods and services.
- So, it becomes difficult to present a correct change.

Conclusion

Even if there are many limitations, index numbers have a great utility in economics. Index numbers are the only equipment which can measure economic changes between two periods. Today, index numbers are used in every sector of economy. Index numbers show economic trend in the country. However, we should prepare and use them with alert mind.

Topic: Discuss the Difficulties in preparation of price index numbers

Introduction

- Price index numbers are the most useful tool to measure price changes in the economy.
- However, it is a general experience of some difficulties in preparing price index numbers.

- They can be divided into two parts as follows

(a) Conceptual difficulties
(b) Practical difficulties

Now let us see these difficulties in detail

(a) Conceptual difficulties:

- The consideration of money value is rather uncertain and accidental itself .
- The money value depends upon the general price level.
- The general price level and money value have direct relation.
- The effect of general price level cannot be visibly seen.
- General price level includes prices of all goods and services.
- It is difficult to make a list of and include all the goods and services.
- So, it becomes impossible to note the changes in price level or the value of money.
- We have to depend on seperate index numbers for different section of the communities.
- As a result, there will be various price index, like index for cost of living, index for retail prices, index for wholesale prices etc.
- The calculation of average price level has some difficulties too.
- It may be possible that prices of certain goods may not fall or rise at all or it is possible that the prices of certain goods may turn to opposite direction as indicated in index number.
- In this way, with the help of index number, we cannot calculate the general price level or the value of money accurately.
- The result of index number becomes true partly and false partly.

(b) Practical difficulties

(1) Difficulties in the choice of base year

- To prepare index number we require a basic year.
- It becomes difficult to identify such a year which can be said economically normal.
- In each year some economic fluctuations are possible more or less during a year.
- In this way, to find out normal year as a base year is a difficult task.
- Economic conditions are always changing.

(2) Difficulty in the choice of goods:

- We cannot select all goods and services to prepare index numbers.
- So we have to select certain goods and 'services as representative goods.
- Here, we can not decide those goods because different sections of society may give priority to different goods
- There will be no common consumption goods.
- The society may change during the period of time which will change the pattern of consumption.

- So the representative goods may not give a correct form of consumption which will affect the perfectness of the index number

(3) Difficulty of prices

- The question arises before the maker of the index number.
- That is, which prices either wholesale prices or retail prices should be used to prepare index number.
- Generally, the wholesale prices are preferred because they are easier to get.
- But the retail prices are difficult to get because the different factors effect on retail prices.
- So, we find in, because the different retail prices from market to market.

(4) Difficulty in assigning weights

- To assign the weight is also a difficult work.
- Assigning weight is important to prepare index numbers.
- There is no such requirement of assign weights to different goods.
- The weight may differ from consumer to consumer according to his income.

5) Difficulty in proper averaging:

- We must have a proper method of averaging the prices.
- There are unlimited averages.
- For example, arithmetical average, geometrical average, harmonic average, median average etc.
- The problem is that each method will give different results. We should take great care at the time of selecting the method of averages.

Conclusion

We have gone through various practical difficulties. They can be reduced by our skill and measures, even if it becomes highly difficult to trace out the changes in prices correctly and properly.

UNIT 3: NATIONAL INCOME

Q.1: What is National Income? What are the methods to calculate the National Income? Explain the difficulties in the calculation National Income.

1. Introduction:

- The concept of National Income is very important for the study of economy of any country.
- The economic achievement / growth may be ascertained from the concept of its National Income.
- It may be said that the higher the National Income is, the happier and the developed the country and its people are.
- The National Income is a barometer of economic development of any country.

The Concept of National Income (N.I.):

The following points should be considered to understand the concept of National Income

(I) Gross Domestic Production (GDP):

GDP is the total volume of final goods and services produced in the country.

(II) Gross National Product (GNP):

The earning of national resources in the foreign countries is added to and payment to foreign resource is deducted from GDP. Such a figure is called GNP.

(III) Net National Product (NNP)(Generally known as N.I.):

The depreciation of capital resource is deducted from GNP and the remaining figure is NNP. Generally, NNP itself is known as National Income (NI).

(IV) Monetary National Income / Money Income (MNI)

MIN is obtained by multiplying the production of final / finished goods and services during a certain year by the current prices. (GDP X Current price)

(V) Real National Income (RNI):

RNI is expressed in the terms of current prices and the base year prices to compare the figures of National Income of different years in the country.

(VI) Per-Capita (National) Income (PCI):

PCI is obtained by dividing the total National Income of a country, during a given year, by the total population of the country. We can say:

$$\text{Percapitaincome} = \frac{\text{TotalNationalIncome}}{\text{Totalpopulationofcountry}}$$

Per capita income gives the general idea of the economic condition of the people. It shows an average income of people of the country.

Methods to Calculate the National Income:

(1) Calculation of N.I. Based on Production:

- In this method, first of all the sum total goods and services produced in the country is found out.
- Then, their monetary value is put up.
- Thereafter, a profit from foreign trade is added to this figure and production cost, debt and other such expenditures are deducted from this figure.
- Thus, the remaining figure is known as "Net National Income".
- Only the final goods are considered in this method.
- Raw material and semi-finished goods are not included in this method.
- Moreover, free services are not taken into consideration.
- There is a possibility of double calculation in this method.

(2) Calculation of N.I. Based on Individual Income :

- The information of the income of the people, who are the tax payers, is collected from the government department.
- Then, estimation is put up for the income of the people who don't pay taxes.
- The profit, the unshared profit, is considered.
- The credit to the General P.F. is also considered. They all are totalled and it becomes the national income.
- There is a possibility that only rough estimation may be taken as figures.
- The more reliable figures are, the more reliable the concept of National Income will be.

(3) Calculation of N.I. Based on Expenditure:

- Here, the total expenditure and total savings of the people are added and it is tried to know the N.I.
- Here the information about the income and savings of individual is important, but practically, it becomes very difficult to get such information.

(4)Difficulties in Calculation of National Income:

- One has to face many difficulties while calculating National Income.
- Sometimes, it happens that the production has not increased but only the prices have gone up. At such a time, the figures of National Income would be, unnecessarily bigger.
- Moreover/ some people have compound, multiple or more than one income. At such a time, there is a possibility of misleading calculation.
- Moreover, it is difficult to have an exact idea about debt and profit from foreign trade.
- It is remarkable here that there is differed income, national resources, national wealth and National Income. Moreover, we may not have the idea about the property of people from the concept of national resources. There may be a lot of natural resources in developing and under developed country, but if they are inactive, non productive, the National Income would be less.

Conclusion:

Thus, a country may be wealthy from the view point of national resources but its National Income may be less. In this context, it is rightly said, " There are poor people in rich India". Thus, not the National resources but the National Income gives the idea of economic condition and progress of the country. The concept of the National Income is always at the centre to show the difference among developed, developing and under-developed nation.

Q. 2: What is National Income? Evaluate / Analyses the trend of National Income India.

The trends of National Income in India :

- Net National product when calculated at factor cost is called national income.
- To examine the trends of national income, the calculation national income is made as fixed costs of some years

Year	National income (in crores)	CAGR of income 56 year
1950-51	2,19,779	
2006-07	27,60,325	4.6%

Compound Annual Growth Rate of National Income ; [C.A.G.R] :

The 56 years period from 1950-51 to 2006-07 C.A.G.R. was 4.6% Instead of annual average, annual compound average gives the clear idea increase in national income.

Unequal Increases in National Income :

In India, we find unequal increase in national income instead of uniform increase in national income e.g. In 1970-71, the average annual growth Rate was 4.08%, where as in 198-81, it was only 3.43%. In 2000-01, the rate increased to 7.1%, were as in 2001-02,it decreased to 6.18%. Thus, it can be found that the average annual grow rate of National Income remains unequal. It reached 9.9% in 2006-07.

Slow Growth Rate of GDP as compared to other Nations :

Up to 13 years period of 1990-2003 average growth of GDP in India has been 5.8%. During the same period, the growth rate in China, Singapore and Malaysia had been 9.5%, 6.3%, and 5.9%, respectively. Though presently, the growth rate of GDP in India is around 8%.

Increased share of industrial and service sector:

In 1950-51, the share of agriculture, industry and service sector was 55.4%, 16.1% and 28.5% respectively. There was considerable change in 2006-07 in it. Their share in 2006-07 was 17.2%, 26.8% and 56% respectively. This fact proves that there is substantial economic progress in the country. In the economy of the country, infrastructural changes help increase the momentum of economic development. It is indicated by this process.

Trends of per capital income:

- ✓ Per capital income is per-capital NNP which can be obtained by dividing NNP with population. Here the figures of per capital income have been given at the fixed cost of 1999-2000=100

Years	Per capital income	CAGR of per-capital income during 56 years
1950-51	6,122	-
2006-07	24,256	2.5%

- ✓ From 1950-51 to 2006-07, during the 56 years CARG for per capital income was 2.5% thus. The real idea of per-capital income growth can be obtained Not on the basis of arrange annual calculation but on the basis of CAGR.

UNIT 4 : INTERNATIONAL TRADE

Topic: Discuss the terms, "Devaluation", "Dumping", "Exchange Rate", "Tariffs" and "Quotas"?

Devaluation:

- Devaluation is a deliberate downward adjustment to the value of a country's currency relative to another currency, group of currencies or standard.
- Devaluation is a monetary policy tool used by countries that have a fixed exchange rate or semi-fixed exchange rate. It is often confused with depreciation, and is the opposite of revaluation.
- Devaluing a currency is decided by the government issuing the currency, and unlike depreciation, is not the result of non-governmental activities.
- One reason a country may devaluate its currency is to combat trade imbalances.
- Devaluation causes a country's exports to become less expensive, making them more competitive in the global market.
- This, in turn, means that imports are more expensive, making domestic consumers less likely to purchase them, further strengthening domestic businesses.
- While devaluating a currency can seem like an attractive option, it can have negative consequences.
- By making imports more expensive, for example, it protects domestic industries who may then become less efficient without the pressure of competition.
- Higher exports relative to imports can also increase aggregate demand, which can lead to inflation.

Examples of Devaluation

- The devaluation of currencies arises in many situations, but comes about due to specific government action.
- For example, Egypt has faced constant pressure from a black market for U.S. dollars (USD). The rise of the black market came about due to a foreign currency shortage that hurt domestic businesses and discouraged investments within the economy.
- To stop the black market activity, the central bank devalued the Egyptian pound in March 2106 by 14% when compared to the USD.

Dumping

- Dumping, in reference to international trade, is the export by a country or company of a product at a price that is lower in the foreign market than the price charged in the domestic market.
- As dumping usually involves substantial export volumes of the product, it often has the effect of endangering the financial viability of manufacturers or producers of the product in the importing nation

Exchange Rate

- An exchange rate is the price of a nation's currency in terms of another currency.
- Thus, an exchange rate has two components, the domestic currency and a foreign currency, and can be quoted either directly or indirectly.

- In a direct quotation, the price of a unit of foreign currency is expressed in terms of the domestic currency.
- In an indirect quotation, the price of a unit of domestic currency is expressed in terms of the foreign currency.
- Exchange rates are quoted in values against the US dollar.
- However, exchange rates can also be quoted against another nations currency, which are known as a cross currency, or cross rate.

Tariffs

- Tariffs are taxes imposed on imported goods; they will increase the price of the good in the domestic market.
- Domestic producers benefit because they receive higher prices.
- The government benefits by collecting tax revenues.

Quotas

- Quotas are numerical limits imposed on imported goods.
- Consumers are harmed by quotas, while domestic and foreign producers benefit by receiving higher prices.

Topic: Explain the difference between internal trade and international trade

Point Of Difference	Internal Trade	International Trade
Meaning	Internal Trade refers to the buying and selling of goods within the geographical limits of a country	International Trade refers to the buying and selling of goods beyond the geographical limits of a country
Definition	Internal trade is trade that involves buying and selling taking place between two parties which are located within the political and geographical boundaries of a country	International trade is referred to as a trade that involves buying and selling of goods between two individuals or businesses located in two different countries or it can be trade between two different countries
Countries Involved	Internal Trade involves only one country	International trade involves minimum two countries
Currency exchange	There is no exchange of currency as trade takes place within the boundaries of the nation	Exchange of currency is there between the two countries/individuals/businesses involved in the trade
Trade Restrictions	No trade restrictions for internal trade	International trade has different restrictions as the two countries involved in trade have different policies with regards to trade

Risk	Involves less degree of risk	Involves higher risk comparatively
Transportation Cost	Transportation cost is less when trade is taking place within the borders of a country	Comparatively higher transportation costs as goods need to be transported across the world
Goods traded	Only those goods and services are traded that are available in the country	Helps countries to trade goods that are produced in surplus or purchase goods that are scarcely available
Foreign reserve	Does not generate any foreign reserve	International trade generates foreign reserves for the two trading countries

Topic: Discuss what is Balance of Trade & Balance of Payments?

Balance of Trade

- Balance of trade (BOT) is defined as the difference between the value of goods and services sold to foreigners by the residents and firms of the home country and the value of goods and services purchased by them from foreigners.
- In simple words, it is the value of goods and services exported minus the value of goods and services imported by a country.
- When imports and exports value of goods and services are equal, the balance of trade is said to be in equilibrium.
- When imports value is more than exports value of goods and services, there is deficit balance of trade.
- And when imports value is less than the exports value of goods and services, there is surplus balance of trade.

Balance of Payments

- It consists of three balances - merchandise balance, services balance and unilateral transfers balance.
- It is also referred to as net foreign investment because the sum of the three elements represents the contribution of foreign trade to GNP.
- It is to be noted here that balance of payments on current account contains all the receipts due to earnings and all the payments which emerged due to spending.

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BBA SEM – 2
EMERGING TRENDS & CONTEMPORARY MANAGEMENT

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UNIT–1SCHOOLSOFMANAGEMENTTHOUGHTSANDMODERN MANAGEMENT

IntroductiontoManagement:

"Managementisthe**artandscience**ofpreparing,organizinganddirectinghumaneffortsto**controltheforces andutilize**the material ofnaturefor thebenefitsof men."

-AmericanSocietyofMechanicalEngineers

In the past times, human needs and wants and resources were quite limited, which were enough to satisfy theselimited needs and problems. Due to industrialization, production started on a large scale and view has now beenchangedto profit maximization. Thesewill turn theworld into onemarket.

"Scientific Management **means knowing exactly what you want men to do and seeing** that they do it in the bestandcheapestway."

-F.W.Taylor

DevelopmentofManagementConcept:

Managementdoesnotmeanjustpressingtriggertomakeoptimumuseofmachineries,toprovideorders,check theannualaccounts orrulesand regulations.It'sa developmentphasebycontributions ofanumber ofexperts.

1) **FredrickTaylor**–America20th century
   Concept:FatherofScientificManagement
2) **HenryFayol**–France20th century
   Concept:FatherofModernManagement
3) **EltonMayo**–20th century
   Concept:FounderofHumanRelations.Contribution:HawthorneExperiments
4) **RensisLikert**–20th century
   ClassificationofManagementStyle
   a. ExploitativeAutocratic
   b. BenevolentAutocratic
   c. Participative
   d. Democratic
5) **PeterF.Drucker**–Mid 20th century
   PioneerofModernManagement
   Concept: Innovation,MBO,OrganizationalDesign,Creativityetc.

Management: MeaningandDefinition

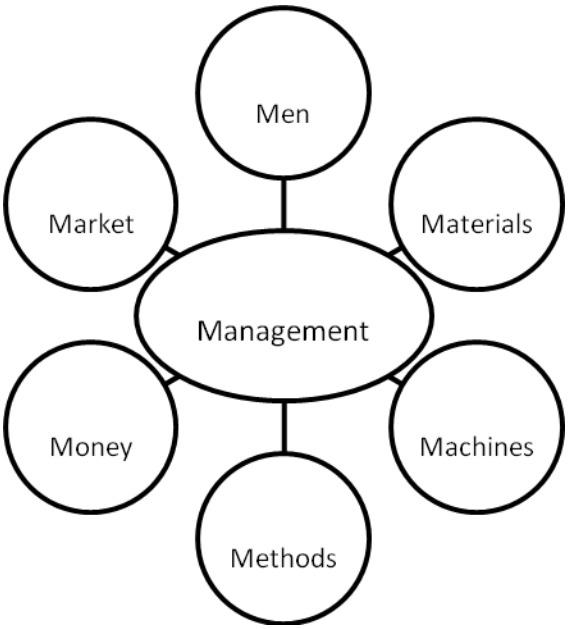
- **Theword'Management'isusedinmanywaysinmoderntimes**.Therefore,itisjustifiedthatitsmeaningisn ot universal.
- It's used in a wide context in Economic, Social, Political, Business and Non-business areas.'**Trade**meansexchangeorpurchaseandsaleofgoodsagainstmoneyorgoodswithgoods'.**Commerce**i ncludestradeandallitsauxiliaryserviceslikeTransportation,Insurance,Banking,Communication,Wareho using,PostandTelegraph.
- **Business**meansanyeconomicactivitywhichisundertakenwithanexpectationofprofit.
- **Management**meanscombinationofthefunctionslikeplanning,arrangement,organizing,staffing, directing, co-ordination andcommunication.

Harold Koontz : "Management is **the art of getting things done through and with the people** in formallyorganized groups. It's creating an environment in which people can **perform and individuals** could co-operatetowards attaining of group goals. Its help in **removing blocks to such performance**, a way of optimizingefficiencyinreachinggoals.

The French Industrialist and the father of Modern Management, Henry Fayol :"To manage is to**forecastand plan**, to organize, to command, to co-ordinate and to control."

Dr. George R. Terry : "Management is a **distinct process** consisting of planning organizing , activatingand controlling performed to **determine and accomplish the objectives** by the **use of human beings and otherresources**likemachines,materials ,markets, moneyand methods.**"**

Dr.Terrycallsthesebasicelementsasthe**Six–Ms**



CLASSICALTHEORY/APPROACH:

Classical means which is already accepted and traditionally long established before. But it is not staticwithrespect to time bound limit.

Elements:

1. **Integrated Functions: Management consists of planning, Organizing, Directing and Controlling**functionswhich areinterrelated and interdependent.
2. **Principles:**Classicalapproachmainlyfocusonorganizationalefficiencytoincreasethemaximizationofsuccess ratio.
3. **Bureaucratic Mechanism:Organizationalshouldfocusontaskcompletions**.Togetmaximumproductivity**,** work should be divided into smaller, simple and respective tasks. The similar tasks should begrouped together to form departments with manager/H.O.D**.** and under him limited number of subordinates areallocated (span of control). The commanding authority must be one for subordinates. There must be a structureofRules,Regulations,Procedures,etc.Eachandeveryindividualisspecifiedwithhis/herdutiesandauthorities.
4. **Appreciation-controlling Structure:** It is but natural that if you follow your rules and regulations,giveyour best results then definitely you will receive appreciation and rewards.Ifyou lack behind, thenyouwillnot get anything.

Classical theoryincludes-

(A) Bureaucracy(MaxWeber)
(B) ScientificManagement(F.W.Taylor)
(C) Administrative(HenryFayol)

(A) BUREAUCRACY:

- Divisionofworkintosmallertaskswithspecialization
- Formalmechanismofrulesandregulations
- Centralizedauthority
- Limitedspanofcontrol.

ThistheoryfillsupthegapofTaylor approachwiththedevelopmentofindustrialengineering.

Components(CharacteristicsofBureaucracy):

i. **Divisionofworkandspecialization:-**
Foraworksimplification.Itisnecessarytodividethetotalworkintosmall, simple and respectivetasks with specialization.

ii. **HierarchicalChain:-**Itis**rankingsystem**fromtopto bottomofanorganizationaspertheirposition.

iii. **ComplexMechanism:-**
In**anorganizationtheremustbeacomplexmechanism**ofrulesandregulationsandprocedures for controllingbehavior of theemployees.

iv. **Records:-**There**mustbeefficientrecord keepingfor everytaskperformedbyeveryone**.Itcanbeuseful infuturereference.

v. **InterPersonalRelationships:-**
Inorganizationallare**equalintermsofrulesandtreatments**.Thereisnospacefor emotions and favourism.

Merits:

- **BenefitsofSpecialization:-**
In**bureaucracyworkisdividedintodifferentfunctionaldepartmentsinorganization**.Employeecanbes pecializedin hisparticularfieldandgivethebestperformance.
- **Rationality:-**
In**bureaucracydecisionmakingisbasedonobjectivecriteria**.Itbringsclearcutauthoritiesand reporting relationships with a hierarchicalchain of command**.**
- **Accuratepredictionsandsustainability:-**
Thestructuralaspectsofbureaucracyi.e.rules,regulations,procedures,specialization etc.providesgood predictionsand sustainabilityto theorganization.

Democraticstructurein bureaucracy:-

- Decisions**arebasedonrationalapproachwithsetpolicyandstandards**.
- Strict**adherenceof rules andregulations**bringsconsistencyintheworkingoforganization.
- Work**prioritiesarebasedontime schedule.**
- Selectionisbasedon**knowledge,degree, experience,skillandmerits**.
- **Biasedapproach,favoritism**etc. wouldbe**totallyavoided**.

1. SCIENTIFICMANAGEMENTTHOUGHTS:

It isan**approachthatfocusesonimprovingtheefficiencyofworkerthroughscientificwayofworking**.

F.W.Taylorconsideredasrealfatherofthisapproach.Scientificapproachincludesexperimentsandprinciples.

FeaturesofScientificManagement:

1. **SeparationsofPlanningfromactualdoingwork :-**

Tayloradvocatesthataworkershouldbefreefromplanningaspects.Planningtasksshouldbeperformedbysupervisorsand managers.

2. **FunctionalForemanship:-**

Taylorwantstostrengthenhisfirstprincipleofseparationofplanning.Thatiswhyhehasformulatedthe functional foremanship. It was based on specialization of different functions performed by the workers andforeman.

3. **JobAnalysis: -**

Taylorsuggeststhe conceptsof jobanalysis forfindingoutthebestpossiblewayto performthejob.

- Timestudyincludes **calculation of theexacttimerequired to perform ajob**.
- Motion studyis **involvedTN thestudyofmovements forperforming ajob**.
- Fatigue**studyis involved in decidingtheresttimeand the frequencyof testperiod forworkers**.

4. **Scientificselectionandtrainingofworkers:-**

Tayloradvocatestheselectionofworkersshould**bemadeonascientificbasisbyconsideringtheirwork experience, qualifications, skill andknowledge, ability,etc**.

5. **Monetarybenefits:-**

Taylorsuggestedthat**monetarybenefitscanbeusedasasourceofmotivationforworkers.**Healsoprovides asystem ofdifferential piecerate system.

PRINCIPLESOFSCIENTIFICMANAGEMENT:

1. **Replacingruleofthumbwithscience:** Tayloradvocates**theWorkApproachscientific waybystandardization,differential piecerate system etc.** Instead of ruleof thumb.
2. **Harmony:**Taylorgive**morefocusongroupharmonyinsuchawaythatwin-winconditionscanbedevelopedamonggroupmembers**.
3. **Co-operation: Co-operationcanonlyachievedthroughmutualunderstanding**.
4. **MaximumResults:**Tayloremphasizedonincreasing**thescaleoftheperformanceoftheorganization,and remove theinefficiencyin performance**.
5. **Worker'sDevelopment:** Developmentof**workerscanbepossiblethroughscientificselectionandthroughworking**.

Criticisms:

1. It is only **concerned with technical and manufacturing** aspects not with human aspects likehealth andphysicalfitness of the workers.
2. Financial**incentivesandwagesarenotmatchedwiththetechniquesofproduction**.

A. ADMINISTRATIVESCHOOLAPPROACH:

French industrialist Henry Fayol **who is considered as a real father of Modern Management provides"Administrative Approach" in his book 'Administrative Industrially at General'-1916**. This approach focuses onprinciplesandpracticethatcanbeapplicable for managerstobetter managementofthe organizations.

I. ScienceofManagement:

(1) Technical: Production/manufacturing.
(2) Commercial: Buying–selling-exchange.
(3) Financial: Searchforcapitalwithitsbetterutilization.
(4) Security: Itisconcernedwithpropertyand person.
(5) Accounting: Statistics,profit-loss,balancesheet.
(6) Managerial: Planning,organizing,directingandcontrolling.

II. ManagerialQualitiesandTraining:

(1) Physical(health**)**
(2) Mental(Abilitytolearn,understand andjudgement)
(3) Moral(energy,firmness,dignity)
(4) Educational(qualificationtoperformajob)
(5) Technical(particulartothefunctionbeingperformed)
(6) Experience(arisingfromthework)

III. PrinciplesofModernManagement:

- **Division ofWork: Division of work requires at every levels of organization to get the benefits ofspecialization**, bythe division ofwork.
- **AuthorityandResponsibility:** Authoritymeans**righttogiveordersandresponsibilitymeansobligations to obey orders**. Formal authority derives from hierarchy structure. Informal authority derives frominformalrelations, qualities, experienceetc.
- **Discipline:**All the **employees should be in discipline in their service**, It is an outcome of

effectiveleadership.Discipline means respect, obedienceand good manners atwork.

- **Unity ofDirection:**It means that **for performing a job, one manager- one plan with same objectiveshouldbeformulated**.
- **UnityofCommand:**It means**employeesreceive ordersand commandsfromauthority**.
- **Subordination ofindividual to general interests:**For **efficient management of an organization,individualinterestsshouldnotovercomeorganizationalobjectivesandinterests**.Foravoi dingconflicts,individualinterests should becorrelated togeneralinterests.
- **Remuneration of personnel:Remuneration standards of organization should be fair and satisfactoryforall the levels ofemployees**.
- **Centralization:**Everything that **goes down to reduce the importance of sub-ordinates is called ascentralization**.Increasing roleof sub-ordinates is calleddecentralization.
- **ScalarChain:Scalarchain meansthelineof communicationfrom toplevelto thelowerlevel**.
- **Order:**This is related to proper arrangement of concerned resources. **Materials should be placed at theright place, with the right men at the right time for everyone**. All the **requirements should be fulfilled in advancewithconstant balancerequirements and resources**.
- **Equity: Manager should not act partially or unfairly while dealing with employees in decisions making**.Itrequires**good understanding,knowledgeand loyaltyof employees towards theorganizations**.
- **Stability:**Employees should **feel safe and stable in the organization**. Employees should not havecontractual or short term employment in the organization. Sufficient time should be given to the employees forunderstandingandgettingused to with the work/job.
- **Initiative: It is responsibility of the managers to encourage and motivate their employees to takeinitiative**.Somemistakesofemployeesshouldbe toleratedtomotivateandcreateconfidenceinthe employees.
- **E spirit-De-Corps: Thisprincipledevelopsteam-spiritandpromotes‘unionstrength’amongemployees**.

IV. ElementsofManagement:

(1) Planning:

- Whatistobedone?
- How,whereandwhen itis tobedone?
- Whowillperformtheaction?
- Howtheresults willbeevaluated?

(2) **Organizing: Itistheprocessofdividingtheactivitieswicharenecessaryforanypurposeandarrangingthem in agroup which are assigned to individuals**.
(3) **Commanding: Itisnecessaryforeffectiveimplementationofplans**.
(4) **Co-ordination:** Itis**consideredasasoulofmanagementandnecessaryforverifying**thatalltheemployeesshould work together.
(5) **Controlling:**Control verifiesthat everything**worksas perpre-decidedplans andschedules**.

V. Contributionof Fayol:

(1) Classificationof**sixactivitiesincludingmanagement**.
(2) Fayol also**providestheelementsofmanagement**.
(3) He gives**14 principlesofmanagement whichcanbeuniversallyapplied**.
(4) This**approachprovidesastrongconceptualframeworkofmanagement**whichprovidesastrongguidelineand direction for other experts and writers.

VI. Limitations/criticisms:

(1) Someofthe **conceptsand conditions arenot properlyverified bytheFayol**.
(2) **Humanfactorsareignored**.
(3) **UnrealisticAssumptions**.
(4) **Bias**.
(5) **Dynamicnatureof environment**

NEO-CLASSICALTHEORY:

In the beginning of **20th century**, many management experts felt that the classical thoughts areincomplete,asscientificmanagementonlyfocusonworkersandadministrativeapproachonmanager'sactivities.

The human relations approach fill up this gap of classical theory and modify it with psychology, sociologyandanthropology.ThistheorybecomespopularespeciallywhenHawthorneExperimentswereconducted at **Western ElectricCompany(1924-35), Chicago**.

[A] HawthorneExperiments:

- The Hawthorne plant is located at Chicago at **General Electric Company (GE)**, manufacturingbell of telephone system. **Approx., 50,000 employees are working at the plant**. Before, this experiment, it wasfound that though Company provided benefits like material benefit, pension plan and sickness benefits, etc.

- Stillemployees felt dissatisfaction and productivity was not at standard level. Afterwards, the company invitedexperts from national Academyof Science forproductivitystudy. Theyconductedfourstudies, named:

(1) IlluminationExperiments
(2) RelayAssemblyTestRoomExperiments
(3) InterviewPhase
(4) BankwiringobservationRoomExperiments

I. IlluminationExperiments:

This experiment was **conducted during 1924-27** to find out the effect of different degree ofilluminationontheproductivity.Itconsideredasalightingattheplantandphysicalfactorsaffectedproductivity.

- Researches**preparedtwogroupsofworkers**.
- Thenameof**one groupwasexperimentalgroup and anothergroupwascontrolgroup**.
- On**experimentgroup,intensityofilluminationvaries atdifferentlevel**.
- As**theilluminationlevelincreaseonexperimentalgroup,productivityincreased**.Ifitsdecreasedthenvis e-a-versa.

II. RelayAssemblyTestRoomExperiment:

- Thisexperimentwas**conducteddur ing1927-28tostudytheeffectofdifferentjobconditionsongroupproductivity**.
- The experts **selected two girls for the study**. These girls were allowed to select four more girls. As agroup,theywereinvolved in assemblingtelephonerelays.
- **Expertsmadethe changesinjob conditionsfromfourtotwelveweeks**.
- **One supervisorwas appointed on the group**. Before applying any changes, supervisorfirst discussedwith the girls. Girls could freely share their views with supervisors. In some of the concerns, they couldalsomakedecisions.
- **Expertsmadesomechangesinjob conditions:**

I. Change in rest period : The**earlier system of rest period was two to five minutes**, one in morning andother in the evening. This time was increased from five to ten minutes. It showed that productivity ofgirlsimproved.

II. Changes in incentive system : For**extra work, extra pay as incentive was provided to the girls based onotherco-workers**.

III. Changes in working days and working hours: Experts made changes in working days by removingSaturday as a working day. They also reduced one hour of working. The results showed productivityimprovedbychanginginworkinghours.

Findings:

- At**everyphaseofchange,productivityincreases,confidencelevelraises,absenteeismdecreasesandt hereis not much neededtosupervision**.Its a positivefactors of job conditions.

III. MassInterviewing

The **interviews around 20,000 workers were conducted during 1928-30 to study the behaviour ofemployees** towards organization policies like wages, promotions, security and supervision. But by this method,the root of problemcould not identified. Afterwards, format of questions was changed and more focus wasgivenon listeningand understanding.Itprovides a sound baseofhuman behaviour study.

- Inanorganization, **thesocial structure determine satisfaction or dissatisfaction ofemployeeswithrespectto status and rewards expected**.
- The**needforsocialrelations isaffectedbyemployee's experienceinternallyaswell asexternally**.
- Based**on thework,its meaning,values, salary,workinghours etc**.
- Bytheseexperiments,**expertsconcludedthathumanbehaviourwillbeinfluencedbygroup behavior**. But thisconclusion wasnot satisfactoryso theyconduct another experiments.
- Bank**WiringRoomObservation Experiments**.
- This**experimentwasconductedduring1931-32**toanalyzeasmallgroupeffectsonbehaviourofeverymemberspersonally.
- **Expertsformagroupoffourteenmale employees**.
- Theyare**combiningtimebasewageratewith piecebasesystem**.
- But**theactualoutcomewasquitesurprising**.Theyproducedlessascomparedtostandardssetbytheorganiza tion.Thereasons forthat are:

(1) Theworkers **feltunsaferegardingtheirjob**.
(2) The**workers think aboutif theyachievethe target, nexttimestandards willbeincreased**.
(3) **Faster workers protectslower workers**byproducingless.

Byperformingin theseways, theyset certain standards and norms.

1) Every**worker has to restrict the output**.
2) Every**worker should not reducethe output at lower level**.
3) Every**workers shouldnot complain his supervisorregardinganyof his co-worker**.

By these experiment, those workers who are producing output at a certain level with goodsocialrelations were gettingacceptance.

Findings:

- Hawthorne**experimentsprovideanew wayofmanagementthinkingforimprovingproductivity throughmotivation**, teamwork andgood humanrelations.
- Thereis**asignificanteffectofgrouponindividualbehaviour**.Everygroupformscertainnormsandcodeo f conductforits members.
- Socialfactorsofanorganizationhas**goodimpact ontheproductivity**.
- Inanorganization,**theremayariseaconflictbetweeninformalgroupofemployeesandmanagement**. Mainreasons are:
- Different**objectivesofgroupandmanagement**.
- Adjustment**problemofgroupand management**.

Criticism:

1) The**Hawthorneexperimentslakescientificobjectivityandresearchers**havebiasedandpre-determinedassumptions.
2) The**conclusionoftheseexperimentsweresupportedbythefewexperiments**onlyuptotheplaceofexperim ent.
3) This**experimentsdonothighlightedthefactorbywhichemployee** cametotheparticular workplace.

[B] HumanRelationsApproach:

This**behaviour science approach developed form Hawthorne experiments and suggests that thereisacontributionofemotionalfeelingsandhumanbehaviourinorganizationalperformance**.Theexpert sbelievesthat employeesaresocialrelationswillimprovetheirjob performance and opportunitylevel.

Contributors:

A. AbrahamMaslow:

1. Hierarchicalstructure ofhumanneeds.
2. Motivationalconcepts.

B. ChrisArgyris,DouglasMegregor,RensisLikert:

1. There**is aneed tomodifythe existingpracticesbyrestructuringandredesigningworkingofemployees**.

2. Employees**arebasicallygood,managementshouldhavehumanizeworkingapproach**tostimulatetheirapproachto stimulate their efficiency.

3. There**must beself-evaluationandself-control mechanismemployees**.

4. Thisapproachisalsoknownas**"HumanBehaviorApproach"**or **"BehaviorScience Approach."**

Thisapproachcanbedividedintofollowingareas:

- **Inter-personalBehaviourApproach**
- **GroupBehaviourApproach**

Features:

- Managersshould**properlyusevariousdirectingtoolslike motivation,leadership,communication,etc**.
- Itisclearthat**theorganizationalobjectives canbeachievedonlythroughcollectiveeffortsofallemployees**.

Merits:

- For**managerialdevelopment,humanrelations approachishighlysignificant**.
- This**approachproves thatemployees arean importantassets ofan organization**.
- Through**thisapproach,managersmayimprovetheirefforts forjobsatisfactionofhisemployees**.

Limitations:

1. This**approachissimpletounderstandbutdifficulttoimplementinregularpractice**.
2. With**humanrelationfactors,otherorganizationfactorsshouldalsobeconsidered**.
3. Itleadsto**inefficiencyandignoranceofworkfromtheemployee'sside**.

[5] **ModernTheory**

During 1950's **management scholars pays more attention to organizational theory**. In 1959 **symposiumheld by the foundation for research in human behaviour**. Michiganhas publisheda modern organizationaltheory.

[A] Contingency(Situational)Approach:

This approach suggests that management actions are situations. The same actions cannot be applied toothersituations.

1. That**is not beingpossible to workin one particularwayfor managingtheorganization**.
2. Every **organization differs from one to another w.r.t their way of managing, technology, employees andexternalfactors**.

Contributorsof thisApproach:

JamesThomason-Lawrence-Lorsch-Woodward-Selznik-Bums–Stalker-Fiedler-Lauthans.

"When a sub-system in an organization behaves in response to another system, we say that response iscontingent on environment. Hence, a contingency approach is an approach where the behavior of one Subunitis dependent on its environmental relationship to otherunits."

-HammerandTossi

Features:

- Management**actionsarecompletelysituationalwithrespecttointernaland externalfactors andsystem**.
- Organizational**actionsdifferfromsituationtosituation**.

Advantages:

This**approachprovidesabasetostudycomplexphenomenonoforganizationanditsdynamicnatureunderdifferent kind ofsituations**.

- **ContingencyApproachdesigns appropriatesolutionsforparticularmanagerialactions**.
- It**relateswithinternalandexternalenvironments**.

Limitations:

- TheContingencyApproachstresson**"ifandthen"**philosophy.
- It's a **reactiveandnotproactivew.r.tagivensituations**.

[B] SYSTEMSCHOOLAPPROACH:

Thisapproachwasdevelopedafter1950's.ThisApproachconsideredasanintegratedapproachof management.

Characteristics:

Asystemisa combinationofvariousinter-relatedpartstoformacomplexunity.

- A**systemis abasic combinationofvarioussub-system**.
- Foranysystem, **the arrangements ofpartsis veryimportant**.
- Every**systemworksinisownfixedboundary**.

TypesofSystem:

- Open**systemincludesfeedbacksystemtomaintaintheequilibrium**.Ex.,human body.
- Open**systemcandirectlyinteractwithenvironmentalvariables.**
- Everysystemconvertsinputintooutput.

Implications:

- This**approachadvocatestheintegratedthinkingofmanagement**asatotalityand sub-elements.
- Itvisualizesthatinmanagement,**variousforcesinfluenceinanintegratedmanner**.
- It**developsteamspirit(synergy)intheorganization**.

Limitations:

- Formanagers,**itisdifficulttoapplythisapproachinpractice**.
- **Sometimes, if managers do not concentrate on framing systems, then many systems they are developing**, willcreatecomplexityin theorganization.

[C] QUANTITATIVEAPPROACH

Itincludes–

- ManagementScience
- OperationsManagement
- ManagementInformationSystem

1. **ManagementScience:**

It suggests **the application of mathematical and statistical techniques in decision making**. It focuses ontechnical issues and not much on human behavior issues. Use of computer is quite an advantage to increasespeedand accuracy.

2. **OperationsManagement:**

It is relevant with **manufacturing and delivery of quality products/servicesto the end users**.ItincludesInventorymanagement,facilitylocation, qualitycontrolandscheduling.

Operationalissueslike-

- Linearprogramming-**Input/outputAnalysis**
- Quereingtheory -**Inventorycontrol**
- Samplingtheory -**Manpowerplanning, salesplanning,profit planning**.
- Informationtheory–**Systemdesign,DateStructuringandprocessing**.

3. **ManagementInformationSystem:**

It **focuses on designing and implementation of computerized information system for managerial decisionmaking**. Data is a raw concerns and has to be proceed to convert is into information for all the levels ofmanagement.

Benefits:

- Usefulto**identifyproblemsand itsrelevant variablesfor findingout the Best PossibleSolution** .
- It**suggestholisticanddisciplinedthinkingamongmanagerstoanalyzemultidimensional**factorshavingi nfluenceon managerial decision making.

Limitations:

- Ifany**part ofinformation is missingthen quantifiable analysis maynotbepossible**.
- Itis**onlyfocusondatacollection,processingetc**.
- Ifthe**data isinaccurate,outdated andinadequatethen itwillnot servethepurpose**.

UNIT-2MANAGINGEMPLOYEEMOTIVATIONAND MORALE

Introduction of employee motivation:

Employee Motivation is an integral part Management and it plays acrucial role in the long-term growth of an organization. Motivation can be defined as the inherent enthusiasmand driving force to accomplish a task. **It can be used in directing employees' behavior and actions for aconstructive vision or goal**. Proper motivation turns an employee into a loyal asset and helps in maintaining theretentionrate.

Employee motivation is defined as the commitment, the energy levels, and the creativity that the employeesbringtotheirjob.Eventhoughemployees'motivationdoesn'tdirectlyinfluenceorganization'sgrowth,itislike a necessary pre-condition because lack of motivation among the employees can have a detrimental effect ontheirperformance. Motivationmaybegiveninform of orderbasiseither directionbasis ormotivation basis.

MOTIVATION:MEANING,DEFINITION, CONCEPT:

Meaning:

Motivation is an important factor which encourages persons to give their best performance and help in reachingenterprise goals. A strong positive motivation will enable the increased output of employees but a negativemotivationwill reducetheirperformance. Akeyelement in personnel managementis motivation.

Definition:

According to Virgil K. Roland, **"motivation is an activity of stimulating employees to perform the work as perthedesires of themanagement."**

According to Dr. George Terry, **"motivation is the internal desire lying within a person which stimulates him totakeeffectivesteps."**

Motivation is a psychological phenomenon which generates within an individual. A person feels the lack ofcertain needs, to satisfy which he feels working more. The need satisfying ego motivates a person to do betterthanhenormallydoes.Motivation is also…….

- **Aninnerfeelingwhich energizesaperson toworkmore.**
- **Theemotions ordesiresof aperson prompt himfordoing aparticular work.**
- **Thereareunsatisfiedneeds ofapersonwhich disturbhis equilibrium.**
- **Apersonmoves tofulfill hisunsatisfiedneeds byconditioninghisenergies.**
- **Therearedormantenergies inapersonwhich are activated bychannelizingthem intoactions.**

Characteristics/ Formsofmotivation:

1. **MotivationIsPersonalAnd PsychologicalConcept:**
   - **Motivation is a personal as well as psychological concept; hence, the managers have to study the mental andpsychologicalaspects ofindividual.**

2. **Motivation IsAProcess:**
   - **Motivation is a process of inspiring, energizing, reducing and activating the employees for higher level ofperformance**.
   - This process starts with unsatisfied needs, moves through tension, drives and goal achievement,finallyitends with thereduction oftension aroused byunsatisfied needs.

3. **MotivationIsAContinuousProcess:**
   - **Motivation is continuous on-going process rather than one shot affair**. Because and individualhas unlimited wants and needs.
   - As soon as the existing need is fulfilled, another will appear. Hence, motivationshouldgo continuously.

4. **Motivation IsAComplexSubject:**
   - **Motivation is a complex subject in the sense that the individual's needs and wants may be unpredictable**.
   - Thelevelof need ofapersondependson his/herpsychologicaland physiological aspects.

5. **MotivationIsGoalOriented:**
   - **Motivation should be directed towards the achievement of stated goals and objectives**.
   - From the view point oforganization,the goal is to achievehighproductivitythrough better job performance.

6. **IntrinsicAndExtrinsicMotivation:**
   - **Asindividualcanbemotivatedeitherbyintrinsicfactorsorextrinsicfactors**.Theintrinsicfactorsinclude recognition, social status, self-esteem and self-actualization needs which are related to inner aspects ofindividual.
   - On the other hand, the extrinsic factors are physiological and social needs such as food, shelter,health,education, salaryand benefits etc.

7. **PositiveAndNegativeMotivation:**
   - By **the term motivationwe mean positive motivation which is related tothe process of stimulating employeesfor good performance**.
   - But it is not necessary that all the time motivation must be positive, rather sometimes itcan be negative also. The negative motivation is also known as punishment which is not desired by theemployees.

8. **MotivationIsBehavior-oriented:**
   - As **motivation is person specific, it is related with the personal behavior of an employee**. Behavior is a series ofactivities undertaken by an individual in the organizational work place.
   - The behavior is directed towards theattainmentof goals and objectives.

OtherCharacteristics

- **Needis thebasis ofmotivation.**
- **Motivationisdynamic–eversharingforce.**
- **Motivationisofdifferent types.**
- **Motivationisfluctuating.**
- **Motivationkeepschanging.**
- **Differentpeoplehavedifferentneed levels.**
- **Humanbeingsdeprivedofmotivation.**
- **Motivationhaslargeandwidescope.**
- **Lackofmotivationisdepression.**

Financialandnonfinancialmotives/Incentives:

Generally in actual, **motivators are give two types of motivation to their workers and employees i.e, financialincentivesand non financial incentives**.

Financialincentives:

- Suchtypesof**incentivesareprovidedsothattheemployeeshaveinterestandenthusiasm**. Such types of incentives provide zeal and interest in the minds of employees.
- Financial incentiveslikesalaryrises, profit sharing, bonus, retirement scheme etc.

Non financial incentives:

- Only **economic or financial benefits are not only enough to provide morale to theemployees**.
- For this, the managers adopt many othernon financial incentives like training to employees ,opportunityforgrowthanddevelopment,awardstoemployees, employeewelfareprogrammeetc.

JOB ENRICHMENT:

- The **Job Enrichment** is the job design technique used to increase the satisfactionamong the employees by delegating higherauthority andresponsibility to them and thereby enabling them touse their abilities to the fullest.
- Job enrichment is the opportunity given to the employees to explore theirabilities when some tough task is assigned to them. The job enrichment is the vertical restructuring of moralexcellence in which more authority, autonomy, control is given to the employees to perform a given set of a job.
- This concept is in contrast to the job enlargement which considers the horizontal restructuring, where more andmoretasksget added,and the challengeremains thesame.

Definition:

"Job enrichment is a common motivational technique used by organizations to give an employeegreater satisfaction in his work. It means giving an employee additional responsibilities previously reserved forhismanageror otherhigherrankingpositions."

AdvantagesofJobEnrichment

Thereareseveral benefitsofjob enrichmentfor employeesatworkplace.Some ofthekeyadvantagesare:

1. Jobenrichmentgives**employeesmoremotivationatworkplace**withaddedresponsibilities.
2. Itreducesrepetitiveworkandplaysanimportanthandin**reducingattrition atworkplace**.
3. Jobenrichmentpaves**wayforcareer growth**foranemployee.
4. Moredecisionmakingcapabilitieshelpstheemployee**developleadershipqualities**.
5. Jobsatisfactionis enhanced when ajob is **enriched bymoreskills.**

DisadvantagesofJobEnrichment

Therearealsoseveraldrawbacksofjobenrichment.Someofitsdisadvantagesare:

1. With**too muchresponsibility&power with the employee, thecompanycanlose control**.

2. Job **enrichment can overburden an employee and can adversely cause dissatisfaction**.Hence,this

concludes thedefinitionofJob Enrichment alongwithits overview.

TechniquesofJob Enrichment:

(i) Addnew tasks to thejob for increasingthescopeof thejob.

(ii) Assignanatural workunitto anemployee.

(iii) Allowtheemployee tosethisownstandards ofperformance.

(iv) Minimizethecontrolstoprovidefreedomtotheemployees.

(v) Make anemployeedirectlyresponsibleforhisperformance.

(vi) Providefeedbacktotheemployees.

(vii) Encourageparticipationofemployeesindecidingorganizationalgoalsandpolicies.

(viii) Introducingnew,difficultandcreativetaskstotheemployees.

(ix) Makethepersonnelunderstandhowtaskscontributetoafinishedproductoftheenterprise.

MeasuresUndertakenForJobEnrichment:

Inordertoenrichthejob,managementshouldtakethefollowingmeasures:

- **Organizationgivesmorefreedomtoworkersindecidingaboutworkmethods,sequence etc**
- **Itencouragesparticipation.**
- **Helpstoprovidetofeedbacktoemployees.**
- **Organizationincreasesthe responsibilityof jobholders.**

DIFFERENCEBETWEENJOBENRICHMENTANDJOBENLARGEMENT:

BASIS FORCOMPARISON	JOBENLARGEMENT	JOBENRICHMENT
Meaning	A technique of job design in which the task related to a single job is increased is known as Job Enlargement.	A management tool used to motivate employees, by adding responsibilities in the job is known as Job Enrichment
Nature of Job	It involves horizontal loading, expansion and addition of tasks of same nature.	It holds vertical loading of tasks and responsibility of job holder.
Concept	Quantitative expanding the scope of a job.	Quantitative expanding the range of activities perform by a job.
Objective	To decreases the boredom in performing a redundant task.	To make the job more challenging, interesting and creative.
Outcome	May or may not be positive.	The results of the job enrichment is always positive.
Requirement of additional skills	No	Yes
Expansion	Horizontal	Vertical
Supervision	More	Comparatively less

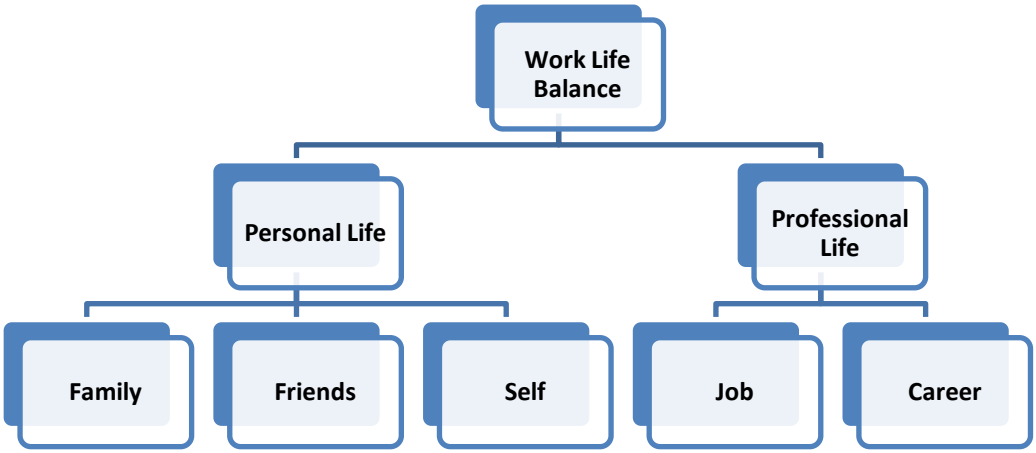
CONCEPT OFWORKLIFEBALANCE:

Definition:Work LifeBalance

- **Worklifebalanceisamethodwhichhelpsemployeesofanorganizationtobalancetheirpersonalandprofessional lives**.
- Work life balance encourages employees to divide their time on the basis on priorities andmaintain a balance by devoting time to family, health, vacations along with making a career, business traveletc.

- It is an important concept in the world of business as it helps to motivate the employees and increases theirloyaltytowardsthe company.

The below image depicts a work life balance scenario, where an employee has to balance his/her life betweenpersonal(family, friends&self) and professional (job, career) commitments



SIXCOMPONENTSOFWORKLIFEBALANCE:

1) Self-Management

- **Sufficientlymanagingone'sselfcanbe challenging,particularlyingettingpropersleep,exercise,andnutrition**.Self-management is the recognition that effectively using the spaces in our lives is vital, and that availableresources,time,and lifearefinite.
- It meansbecomingcaptainofourown ship; nooneiscomingtosteerfor us.

2) TimeManagement

- **Effective time management involves making optimal use of your day and the supporting resources that can besummoned – you keep pace when your resources match your challenges**.
- Time management is enhancedthrough appropriate goals and discerning what is both important and urgent, versus important or urgent. Itentailsknowingwhatyoudobestandwhen, andassemblingthe appropriatetoolstoaccomplishspecifictasks.

3) StressManagement

- Bynature,**societiestendstobecomemore complexovertime**.Inthefaceofincreasingcomplexity,stressonthe individual is inevitable.

- More **people, distractions, and noise require each of us to become adept atmaintaining tranquility and working ourselves out of pressure-filled situations**.
- Most forms of multi-taskingultimatelyincreaseour stress, versus focusingononethingatatime.

4) ChangeManagement

- In our fast-paced world, change is virtually the only constant. **Continually adopting new methods and re-adapting others is vital to a successful career and a happy home life**.
- Effective change management involvesmaking periodic and concerted efforts to ensure that the volume and rate of change at work and at homedoesnotoverwhelm or defeatyou.
- Change is accelerating, brought on by vendors seeking expanding market share.
- Often there is no choice but tokeepupwiththetechnologicalJoneses,butyoumustruletechnology,notviceversa.

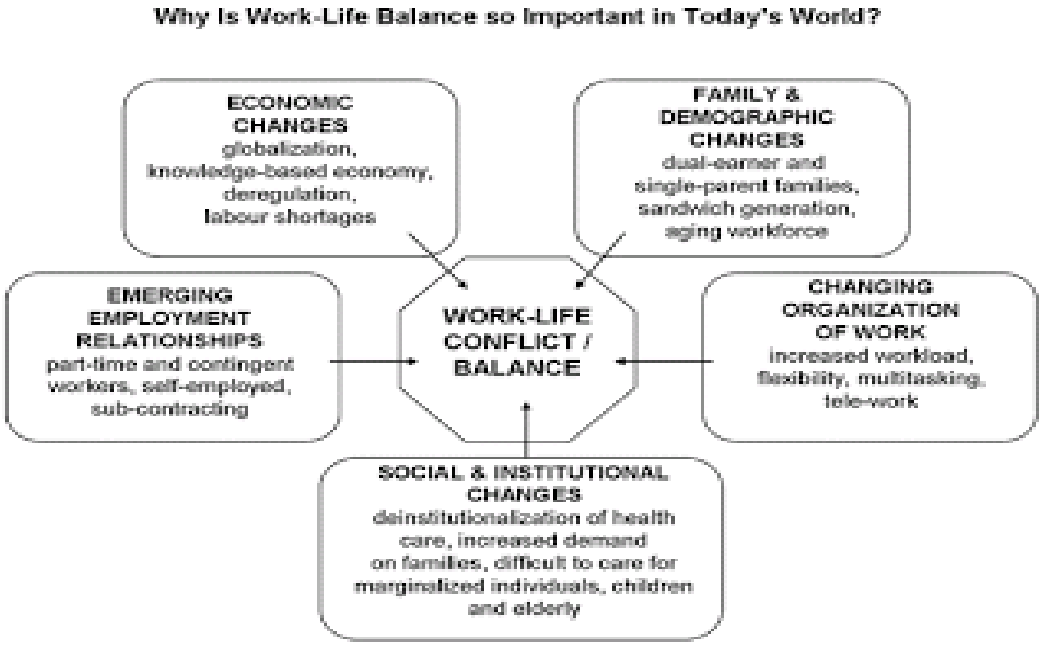
5) LeisureManagement

- The **most overlooked of the work-life balance supporting disciplines, leisure management acknowledges theimportanceofrestandrelaxation-thatonecan'tshort-changeleisure,andthat"timeoff"isavitalcomponentof the human experience**.
- Curiously, too much of the same leisure activity, however enjoyable, can lead tomonotony.Thus, effectiveleisuremanagement requiresvaryingone's activities.

IMPORTANCEOFWORKLIFEBALANCE:

- In today's fast paced lifestyle, **it is very difficult to achieve work life balance**. Employers expect too much fromemployees and on the other hand the pressure is ultimately felt by the employees to achieve greater targets.
- Thus, maintaining work life balance is not only important for personal reasons but is is inevitable for theperformance at the work front also. There are there important reasons that tell why work life balance is to veryimportant:
- **Organizationcanfocusonthematterswhichrequirehigherattention.**
- **Employeesarehappyand satisfied atthejob whichdoes not allowmoreconflicts andconfrontation.**
- **Healthproblemscan beavoided, likestress anddisappointment.**

The below mentioned figure explains how the person is interlinked with the various phases, and thus it becomesveryimportant to strikeabalancein work life:



Positiveeffects/benefitsachievedfromworklifebalance:

Worklifebalanceprovesbeneficialatboththelevelsorganizationalaswellasindividuallevel.Itcanbeunderstoodwith thehelpof followingtable:

Benefits Available from organizational Perspective	Benefits available from individual perspective
Reducedabsenteeismandturnover	Greatersafetyatwork
Betterproductivityandcorporate image	Autonomy
Increasedemployeeloyalty	Reducesstress
Improvesworkplaceclimate	Improveshealth
Improvestalentretention	Morerewards
Achievesbetterperformance	

Managerialactions:

Followingaresomeofthewaysormanagerialactionsthatemployerscanpromoteworklifebalanceintheoffice without compromisingproductivityor efficiency:

1. **Company outing:**

- **The best way to get stress free and boost employee morale by offering an occasionalcompany outing**.
- Happy hours, holiday parties, birthday celebrations are other fun ways to get out of theofficeand bond anontraditional set up.

2. **Team building exercises**:

- **Team building exercises do foster a much needed sense of team work aroundthe office**.
- If employees feel that they can depend on each other for support, they fill feel like they havesomeoneto go to when feelingstressed.
- This helps them to relaxand perform better.

3. **Creating "Quiet space":**

- **Every employee has a bad day, one or the other time, so its nice to have aspace for employees to go to when they just need a step way for a moment**.
- Management can create suchaquiet officespacewhentheyneed to.

4. **Allowing schedule flexibility**:

- **Employees can be given the option to work remotely, when they reallyneed to because of an emergency that requires them to make up their time later**.
- Facilities life work fromhome, overtime weekend etc; this way employee don't have to worry about missing work and wagesfromtakingthetime offand meetingthe deadlines.

5. **Encouraging short breaks**:

- **It has been surveyed that short breaks during the working hours helps theemployees to perform better**.
- It's important to workers mental and physical health to stake frequentbreaks thoughts the day.
- Because taking short breaks at work helps them to be more focused, less burnedoutand moreproductivein thelongterm.

6. **Encourage vacations:**

- **Employees working in small companies often feel the most pressure to workevery day without regard to personal time and self- rejuvenation**.
- Management can give vacations to theemployeesfortheir ownbenefits to implement a"useit orloseit"vacationpolicy.

7. **Allowunpaidtimeofflifeevents:**

Managementneedstobemoreconsiderateaboutemployeesemergency family needs and their desires to better themselves. Such time offs for the purpose like takingcare for the parents with serious illness or extending maternity leave for couple of months to attend childafterbirth.

8. **Taking care of senior employees:**

There are many ways the senior employees can be taken care of tohelp them balance their work life. For e.g., flexible hours, free telecommunication, good health coverageetc.

DIFFERENCEBETWEEN:QUALITYOFWORKLIFE(QWL)ANDWORKLIFEBALANCE(WLP):

- The term**Quality ofWorkLife(QWL)** aims atchanging the entireorganizationalclimateby humanizingwork,individualizingorganizationsandchangingthestructuralandmanagerialsystems.Ittakesi ntoconsiderationthesocio-psychologicalneedsoftheemployees.
- Itseekstocreatesuchacultureofworkcommitment in the organizations which will ensure higher productivity and greater job satisfaction for theemployees.
- **Quality of work life** refers to the favorableness or unfavorableness of the job environment of anorganization for its employees.
- It is generic term which covers a person's feelings about every dimension of hiswork e.g. economic incentives and rewards, job security, working conditions, organizational and interpersonalrelationshipsetc. Theterm QWLhas different meanings for differentpeople.
- **While work life balance means the work life affecting the personal life**. Due to working life, one does not haveenough time to spend with the family.
- Thus, if the work life and personal life are out of balance, the stress maybe running high. When one face challenges in one's personal life or professional life, one of the sides getsaffected.

JOBSATISFACTION:

Concept and meaning:

- **Job satisfaction can be defined as an employee's attitude towards the job. It is not sameas motivation, rather it is concerned with the attitude and internal state of an individual regarding a particularjob.**
- Itcould,forexample,beassociatedwithapersonalfeelingofachievement,andhence,shapedordetermined by pay, supervisory style, and age factors.
- If the existing job fails to provide psychological orphysiological need of an individual, satisfaction

from the job might be low.

- More specifically, job satisfactioncanbeexplainedasanemployee'sgeneralattitudetowardsthejob.Itisapleasurablefeelingthatresultsfroman employee's perception of achieving the desired level of need or satisfaction.
- Job satisfaction fulfills anindividual's psychological and physiological needs through organizational process. It is a multidimensionalattitudewhichismadeupoftheattitudetowardspay,promotions,co-workers,supervision,theworkenvironmentandsoon.
- Highjobsatisfactionimpliesthattheemployeesarelikingthejob,whereas,lowjob satisfaction relates to the disliking of the job by individuals. Job satisfaction is an intangible variable which isexpressedthroughemotional feelings.

Definition:

"Job satisfaction is defined as the extent to which an employee feels self-motivated, content &satisfied with his/her job. Job satisfaction happens when an employee feels he or she is having job stability,career growth and a comfortable work life balance. This implies that the employee is having satisfaction at jobasthe work meets theexpectations of theindividual."

Factors affecting / determinants of Job Satisfaction:

- **Job satisfaction is related to the psychology of anemployee**. **A happy & content employee at a job is always motivated to contribute more**.
- On the other hand, adissatisfied employee is lethargic, makes mistakes & becomes a burden to the company.
- The elements & factorswhichcontributeto job satisfaction are:

1. Compensation & Working conditions:

- **One of the biggest factors of job satisfaction are the compensationand benefits given to an employee**. An employee with a good salary, incentives, bonuses, healthcare options etcis happier with their job as compared to someone who doesn't have the same.
- A healthy workplace environmentalsoadds value to anemployee.

2. Compensation & Working conditions:

- **One of the biggest factors of job satisfaction are the compensationand benefits given to an**

employee. An employee with a good salary, incentives, bonuses, healthcare options etcis happier with their job as compared to someone who doesn't have the same.

- A healthy workplace environmentalsoadds value to anemployee.

3. Work life balance:

- **Every individual wants to have a good workplace which allow them time to spend withtheir family & friends**.
- Job satisfaction for employees is often due a good work life balance policy, whichensures that an employee spends quality time with their family along with doing their work.
- This improves theemployee'squalityof work life.

4. Respect& Recognition:

- **Any individual appreciatesand feels motivated if they are respected at theirworkplace**. Also, if they are awarded for their hard work, it further motivates employees.
- Hence recognition isoneof thejob satisfaction factors.

5. Job security:

- **If an employee is assured that the company would retain them even if the market is turbulent, itgivesthemimmenseconfidence.**
- Job securityis oneofthe mainreasons forjob satisfactionfor employees.

6. Challenges:

- **Monotonous work activities can lead to dissatisfied employees. Hence, things like job rotation,jobenrichmentetc**can help in jobsatisfactionofemployees as well.

7. Career Growth:

- **Employees always keep their career growth part as a high priority in their life.**
- Hence, if acompany helps groom employees and gives them newer job roles, it enhances the job satisfaction as they knowtheywouldget a boost in their career.

IMPORTANCEOFJOBSATISFACTION:

1.Higherproductivity:

- **Irrespectiveofthejobtitleandpaygrade,employeeswhoreporthighjobsatisfactiontendto achievehigher productivity.**

2. Increasedprofit:

- **Keepingemployeessafeandsatisfiedemployeescanleadtohighersales,lower cost**.

3. Loyalty:

- **Whenemployeesfeelthecompanyhastheirbestinterestsatheart,thenoftensupportitsmissionandwor k hard to help achieveits objective.**
- Theybecome loyaltowards company.

4. Lower turnover:

- **Turnover can be one of the highest costs attributed to the HR department, retaining workershelp creates better environment and makes it easier to recruit quality talent and save money**.
- The bottom line issatisfiedemployees aretypicallymuch less likelyto leave.

MEASURES/WAYS TOINCREASEJOBSATISFACTION:

1. **Greater freedom:**

- **It is the single most effective method to increase job satisfaction.**
- If the employee isgiven greater autonomy,hewillwork hardand derivesatisfaction.

2. **Short hours of work:**

- **Short work hours often lead to higher production, reduced absenteeism and alsoaccident rates.**
- The conceptof the whole jobgives satisfaction toa worker, that he playsa significantpartin thework processas awholeandthat the process itself is important.

3. **Scheduled rest periods:**

- **It has been revealed through many researches that scheduled rest periods notonly help to increase the productivity but also increases the morale.**
- Planned rest periods help employeesinmanyways and that inturn helps to achievethe job satisfaction.

4. **Job rotation:**

- **To remove the job boredom, job rotation is the best technique.**
- This practice provides morevariety and gives chance to employees to learn additional skills.
- Again company gets the benefit sincetheemployees arequalified to perform number of tasks.

5. **Job enlargement:**

- **It is the way to increase job satisfaction, as more amount of work encourages theperson**to havegreater job satisfaction.

UNIT– 3 MANAGEMENTOF CHANGE

Introductionofmanagement:

Everything in the world is subject to change and so is the case with the most organization. Change is anyalternation of status quo. It's act or process through which something becomes different. Change is somethingwhich substitutes, something else. The term change refers to any variations which occurs in the overall workenvironmentof an organization.

An organization exists in such a business environment where in nothing is static or permanent. Fromtechnical breakthroughs economic shocks every single day there is a change noticed. Thus, change is veryimportantcharacteristicsofmostorganization.Itistherequirementoftheorganizationtodevelopadaptabilityto change or the result would be swept away by forces of change. Thus, change in organization is not desirablebutalso inevitable. Anychangedisturbs theexistingequilibrium of enterprise.

Characteristicsornatureof change:

1. **Change is dynamic process :**

- **The 'ages' indicate that society has been constantly changing overthe time**. This suggests that change is, and always has been a continuous process.
- It's a dynamic rather thanseriesof events.

2. **Change can bring about the best work :**

- **Change always gives hope for the betterment, andthishopebrings outthe best of aperson**.
- It helps togrow and develop theskills within theperson.

3. **The change takes place at the forward and fast pace :**

- **We have seen in the last decades thatthe speed change has increased many folds**.
- The change is all round. And, there is no chance of slow orbackwardpaceof the change.

4. **Change does not take place in a vacuum :**

- **Change is when there is something to change andsomeonetofeelchange**.Change cannottakeplaceinvacuum.
- Itoccurslikeasystemandgradualvariations.

5. **Change is Natural Phenomenon :**

- **The change anywhere is natural, it cannot be static**.Itinitiatesfromthe nature.

- Assunrise andsunsetare natural,sois alsochange,which isanatural phenomenon.

Conceptoforganizationalchangeandchangemanagement:

- **Successful organization has to adopt and change continually in order to stay ahead of others in thecompetitive race.**
- So the organizational changes may be required on the persistent basis. It's a way of modifyingexistingorganization.
- Themotiveofsuchmodificationsmaybetoincrease theorganization'seffectiveness.

Thus,changemanagementcanbedefinedasanyapproachtotransitioningindividual,teamsandorganization using methods intended to re-direct the use of resources, business process, budget allocation orothermodes ofoperations that significantlyreshapeacompanyor organization.

ChangeManagement:

- **Managing change is certainly not a new aspect in management of organization**. **Change Management isthe process, tools and techniques to manage the people organization.**
- The change management is necessary toachievetherequiredbusinessoutcomes.Thus,Changemanagementnotonlymanaging**"technical"**sideof change but also help employees to adapt the change.
- Application of organizational change is intentional andplanned.
- **It has been observed that the Change management is based on a broad set of discipline ranging fromsocial sciences to information technology**.
- Any change is strategy driven in the organization. Thus changemanagementisanyattemptundertakentomeet the modificationoccurring,maybeaccidentalorintentional.

Needfortheorganizational changes:

Organizational changes are desirable to cope up with changing circumstances. Organizational changeslead to effectiveness and efficiency in the operations of the organization. Following describes the reasons fororganizationalchange.

1. **TheChangingexternalenvironment:**

- **Thebusinessorganizationhasitssurvivalintheexternal business environment which changes continuously.**
- Moreover the pace of change is also very fast.These changes may be due to globalization, highly increasing international trade, telecommunications, internet,satelliteTV and mobile phones which haveactivated thechange.

2. **The changes in internal environment :**

- **An organization may be required to have a structuralchanges,administrativealterations,redesigning,innovativemarketingstrategiesetc.**
- Thesearetheuncontrollablechanges of business environment.

3. **Tosharpenthecompany'scompetitiveedge:**

- **Duetorapidgrowthinscientificandtechnological knowledge and cut throat competition, it is very important to have the due changes in one's ownorganization.**
- Strengthening its core competencies and leading towards the competitive advantage over otherenterprises.

Importantaspectsofchangemanagement:

- For a **change management, to be successful, the emotional, behavioural and operational aspectsmust be addressed thoroughly**.
- Change of work culture at micro levels, and change of mindset and approach atthemicro level is necessary.
- **Change unfolds in a reasonably predictable manageable series of dynamic phases, known as thechange curve**. There are five phases of fundamental change, begning with stagnation, proceedingthroughpreparation,implementation, determination and endingwith completion.
- **Organizational life would be complete without studyingthe way changes affect** it and how thatchange can bemanaged.
- **Most people agrees that organizational life** is getting more uncertain asthe speed of change
- **Increasesand futurebecomes morevolatile**.
- The word change may evoke anxiety, fear and hopelessness. But change should not be regardedasall **'doomandgloom'**.Iteventuallyleads tothepositiveresultsand forwardlooking.
- **Managing change has always been charming and exciting**, though it is a tough and delicateactivityfor anymanager.
- **ManagingChangeislikemanagingtwo opposite forces-desirefor stabilityand desire**for change.

Organizational changes do not occur in their own or spontaneously.They only occur when

forcesencouraging change becomes more powerful than those resisting the change. These forces to change can beeither internal or external. The internal forces originate from within the organization and external forces are allthosecomingfrom outsidean organization.

Internalforces:

a) **Changesinmanagerialpersonnel:**

- **Oldmanagersareoftenreplacedbynewonesbecauseofretirement, promotion, transfer, etc.**
- Eachmanager bring his own ideas and way of working in theorganization.

b) **Changesinoperativepersonnel:**

- **Thenewgenerationofworkersarehavingbettereducationalqualification and so they place greater human values.**
- Therefore, the profile of the workforce is changingfast.

c) **Deficiencies in existing structure :**

- **Changes may be needed to make up deficiencies in the presentorganizationalsetup.**
- Theremaybemanyreasonslikespanofmanagement,largernumberofmanageriallevels, lack of co-ordination etc. thatmaydemand thechange.

d) **Change in size :**

- **Increased specialization, growing complexity, forces the organization to expand.**
- Astheorganization prosperand grow in size,theygenerate moreresources.

Externalforces:

a) **Technology :**

- **It is the greatest and the profound drive for change**.
- Computer technology and automationhavemade aremarkableimpact on thefunctioningof organization.

b) **Market condition :**

- **Changing market situation is common phenomenon.** It includes consumers, theirneedsand preferences.
- Changes in qualityaregrowingatan exponential pace.

c) **Socialandpolitical:**

- **Organizationhavenocontroloverthesefor cesbutinordertosurvive,theyhaveto adapt to meet the changes.**
- There is direct and indirect impact of the social as well as politicalconditionsprevailingin thestateor country.

d) The Domino effect :

- **Domino effect is one change touches off the sequence of related and supportingchanges.**
- It's always in organization that one change may affect the series of changes in the variousdepartmentof the organization.

Typesof organizationalchanges:

Changescanbeseeninavarietyofways.Dependinguponthevarioussituations,itsoriginandnature. Thetypes oforganizational changescan be categorizedin thefourmajortypes.Theyareas under-

1. **Anticipatorychange:Thesetypeofchangesaresystematicallyplannedchanges.**Thechangesintendtotakethe directadvantages of expected situations.
2. **Relativechange: Theyareallthosechangeswhichareforcedontheorganizationbyunexpectedenvironmentevents or pressures.**
3. **Incrementalchanges:Theyarechangeswhichinvolvestheadjustmentsinsubsystemneededtokeepthe organization onits chosen path.**Thechangeevolvesslowlyin asystematicand predictableway.
4. **Strategic change :**Theyare intentional changes undertaken by the organization to alter the overallshape or direction of the organization. These types of change may bring a dire and overall change to thestructureof the company.

Other than the above major typesof change, the organizational changes can becategorized in thefollowingtypes. Theyareas under :-

Onthe basisofTarget Change:

1. **Individual change : Organizations bring in change through people. Individuals are made to learn toadapttheir attitude, to bewillingto meet changing environment**.

2. **Organizational Change : Organization change means process of growth, decline and transformationwithin the organization.** Organization change can be brought in through behavioural approach that ischangingattitudesandbehavioursand non-behaviourapproachlikechangeinpolicies,structure, etc.

On thebasisof Speed:

1. **Evolutionary:Itrevealsthesteadygrowth.Mostofthechanges,occurringintheorganizationareevolutionary.**Evolutionarychangeis not likelytomakeanyfundamental change.

2. **Revolutionary:Theyareallradicalchanges.Revolutionarychangeisseenasajerktothesystem.**Asares

ult nothingwill bethesame again.

OnthebasisofCompliance:

1. **Reactive : Reactivechangemeans passive compliance to theenvironment. These changesare broughtbythe management dueto pressureof external forces.**

2. **Proactive:Whereasproactivechangeisintentional,goalorientedandplannedchange.**Theyareinitiated bythemanagement.

On thebasisof certainty:

1. **Closedended:Closedendedchangemeans,oneisableto,clearlysaywhathappened,whyithappened and what arethe consequences**.

2. **Open-ended:Open-endedchangemeansunpredictablesurprises.Inthiscasehappened,oneis ableto sayonlywhat possiblyhappened.**Thereare chances of uncertainty.

On thebasisof Scale:

1. **Strategicadjustments:Thisreferstocreateabalancebetweentheorganization'sstrategy,structure,pe opleand processes.** This changeismadeat thelevel of departmentor division.

2. **Incrementaladjustments:IncrementalChangeinvolvesdistinctmodifications,butnotradicalchange tocorporate strategies, structures and management processes**.

3. **Modulartransformation:Modulartransformationinvolvesmajororganizationalchangethroughma joralignment likerestructuringof oneor moredepartments.**

4. **Corporate transformation : Corporate transformationrefers to corporation while change by way ofradicalshiftsinbusinessstrategy**likechangeinmissionandcorevaluesreorganizationnewmanagement, etc.

PlannedChange

Meaningof plannedchange:

Any displacement in the existing situation is the change which may be necessitated by the pressure ofexternal forces or brought by deliberate and conscious efforts of the management.

- When the organization,implements the change that is designed in an orderly and timely fashion, in anticipation of future events isplannedchange.
- Plannedorganizationalchangeistheintentionalattemptbyanorganizationtoinfluencethestatusquo itself.
- Thus, throughplanned change,anorganizationcanachieveits goalsrapidly.

Definitions:

1. According to**WarrenBennis,"Plannedchangeencompassestheapplicationofsystematicandappropriateknowledgetohumanaffairs forthepurposeof creatingintelligentactionand choices."**
2. Anewandscientificwayofviewingchangeis**"Theplannedalternationinexistingorganizationalsystem."**

Featuresof plannedchange:

Theplannedchangeisadistinctprocessofchangeandthusischaracterizedbythefollowingpeculiarfeatures.

- Itisdeliberate,**systematicandintentionallyundertakenplanning**.
- **Ittakesplaceinalltypes oforganization**atdifferentspeedsanddegreeofimportance.
- Itcan**takeplace atallthe levelsoforganization**.
- It**challengesthepresentsetupandsetstheneworganizationpath**.
- **Itcanhavepositiveandnegativeimpacts**.Whenviewedpositivelyitisacceptedbytheemployeesenthusiastically.And ifnot, thechangeis resistedbytheemployees.

Typesofplannedchange:

1. **Structural change :**

- **It is any kind of change that aims at increasing effectiveness, through themodificationsin the organizational structure.**

2. **Redesigningtasks :**

- **They are all those changes focusing on increasing the scope or diversity of thejob.** It is designing the existing job profile of the employees.
- It includes upgrading, enlarging andenrichingajob.

3. **Changing technology :**

- **A technology change is directly related with the production process of theunit**.Competition compels thecompanyto introducenew equipment, tools, methods etc.

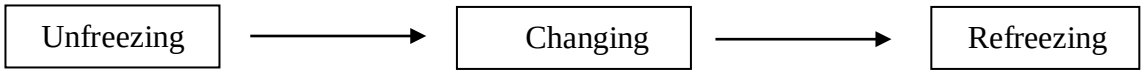
4. **Cultural /people change :**

- **It refers to a change in employee'svalues, norms, attitudes, beliefs andbehaviour**.
- Managers have to take up such a change when the performance gap occurs due toemployeerelated issues.

Processof plannedchange:

- Inanorganization,**eachbehaviouristheresultofequilibriumderivedbetweenthedrivingandrestraining forces**. **The driving forces push one way, and the restraining forces push other**.
- At the endtheperformance is the result of settlement of the two sets of forces.
- **Anincrease in driving force may improve theproductivitybut in mightalso increasethe restrainingforces, which does notallow the positiveresults.**

Thus, to initiate the planned changes, managers have to remove weaken and restraining forces and worktowards creating and strengthening the driving forces in the organization. **Kurt Lewin, has proposed three stepsequentialmodel of thechangeprocess. Diagrammaticallyitcan beexplained in threestages:**



1. **Unfreezing:**

- **Unfreezinginvolvesmakingtheneedforthechangesoobviousthattheindividual,groupor organization can readily see and accept it**.
- Unfreezing is the breaking down of the existing situations.
- Traditionsandobsoletewaysofdoingwork.Thisisdonemakethepeopleready toacceptnewalternatives.

2. **Changing:**

- **Itisthephaseoflearning.Heretheindividualsareconvincedthattheirbehaviorisinappropriate and make them ready to change.**

The necessary conditions that various alternatives mustalsobe madeavailable inorder to fillthe vacuumcreated.

3. **Refreezing:**

- **During this phase, individuals accept the new beliefs, feelings and behavior, learned in thechanging phase.**
- He has to practice and experiment with the new methods of the behavior and blendswithother

behavioral attitudealso.

RESISTANCE TO CHANGE

Introduction

- **Resistance to change is a type of behaviour. It arises to protect oneself from the real or perceived effectsof change.**
- Man by nature avoids any change in his status quo. He always dislikes the ways of life that areunfamiliar and new to him. Man always fears the unknown changes and the results of the changes. 'Peopledonotresistchange.
- Theyresistbeingchanged.Butresistancetochangeisrealandnatural.Resistancetochangeisin fact **'resistancefrom change.'**

Resistance to change may be individual and group level. Employees resistance anything and everythingthat workers do which mangers do not want them to do, and that workers do not do that managers want them todo. Whileorganizational resistancemaybeavoidingchanging.

Resistancecomesin twoforms:-

a) **Systematicresistance: Itarisesfromlackofappropriateknowledge,information,skillsandmanageria lcapacity.**

b) **Behavioralresistance: Describesresistancederivingfromthereactions,perceptionsandassumptions .**

Reasonsorcausesofresistance:

As explained above the resistance to change is natural phenomenon and occurs very casually.There are varieties of causes leading to resistance at different level in the organization. The following are thevariouscauses of resistanceoccurringat individual/groupand organizationallevel.

Causesof resistancetochange –

Individual/Groupresistance	Organizationalresistance

1. Economicfactors 2. Psychologicalfactors 3. Socialfactors 4. Personalfactors 5. Obsolescenceofskills	1. Threatof losingpower 2. Organizationstructure 3. Resourceconstraints 4. Sunkcost

Individual/Groupresistance:

1. **Economicfactors:**

- New technological changemayreduce**theproportionoflabourinputs, leadingthemtomonitoryloss**.
- Theyfear that theywill be**left idle, dueto increased efficiencyof newtechnology**.
- Theymaybe**demotedbecauseofchange implemented**.

2. **Psychologicalfactors:**

- Employeesmaynot**likecriticisminvolvedwhileperformingwithnewtechnologicalchange**.
- Their**pridemaybereducedddueto feweropportunities available**.
- Monotonyin **work mayincreaseduetospecialization brought bynew technology**.

3. **Socialfactors:**

- New **adjustments maynot be liked bythe people,as it mayinvolvestrainand stress**.
- Again**theremaybefearthatthenewchangedsocialsetupmaynotbesatisfyingascomparedtopresentse t up**.
- **Employeemayfeelthat the changes maybeonlyidentifyingtheemployerand notthem**

4. **Personalfactors:**

- **Fearorunknown consequences**.When employeesarenotawarehow thechangeswillaffectthem.
- **Employeeslikestatusquobecausetheyhaveadjustedtothedemandsofajoboveraperiodoftime**.Thiski ndof emotional turmoil forces them to stayconnected to presentstate.
- **Employeestypicallyresist a changeastheybelieveit will taketheirself-esteem**.

5. **Obsolescenceof skills:**

- Changemayrender **existingemployees skillsand knowledgeobsolete**.
- Whatthe**employeeshavebeendoingsinceyearsmightbe underthreat**.
- Ifthereisa **senseof insecuritytheymayberesistance**.

Organizationalresistance:

1. **Threat of losing power and influence:**

- **Top management may consider a change as a potential threat totheirpowerandinfluences**intheorganizationduetowhichthechangeswillberesistedbytheorganization.

2. **Organization structure:**

- **In some bureaucratic structures the jobs is narrowly defined, lines of authorityare clearly spelt, and the information may flow from top to bottom.**
- In such an organization the innovativeideasarenot favored and often resisted.

3. **Resources constraint:**

- **Change may be resisted in the organization where the resources are scarce,which is critical situation for implementing change.**
- The organization may have inadequate financialresourcesto support thepotential change.

4. **SunkCost:**

- **Theheavycapitalinvestmentinfixedassetsmaybewastedifthechangeisintroduced**.For E.g.incaseof automation, the unit maylead to theproblem ofsunk cost.

Remedies/Strategiesforovercomingresistance:

Overcomingresistancetochangeisaproblemofgreatimportanceinintroducingchangeintheorganization. Following strategies can be used to overcome resistance by the people and the changes cansuccessfullyimplemented.

1. **Educationalandcommunication:**

- **Themanagementshouldeducateandcommunicateaboutthechange desirable in the organization.**
- When employees are informed the reason behind the change theycanbeconvincedeasilyandfears of changedconsequences,canalso be removed.

2. **Involvement and participation :**

- **Involving users and potential resisters in the change process havemany benefits.**
- If employees participate in the change process, they are given the chance to opine, cleartheirdoubts.

3. **Facilitation and support :**

- **To make the process of change easy and acceptable, mangers provides thesupportbylistening,providingguidanceand facilitatingchange.**

4. **Negotiations and agreement :**

- **For overcoming the resistance, negotiation with those resisting changeand offering them incentives may prove to be a useful tactics**.
- In many cases major resistance can beavoidedthrough negotiations.

5. **Manipulation :**

- **Sometimes the managers may turn individual away from the resistance by releasinginformation selectively.**
- At times the change agent is bought off from the resisting group which thenplaysimportant role inchangeprocess.

6. **Coercion:**

- **Here the managers use their formal power to force the employees to accept change or looserewards.**
- This approach may not be along term solution as the employees here feel as if they are thevictims.

7. **Groupdynamics:**

- **Attimesforcesoperatinginthegroupmaybeusedtoovercomeresistance**.
- Agroupcanbeveryeffectivein changingthe members attitude, values and behaviour.

CHANGE AGENT

MeaningofChangeAgent :

- **Achangeagentisapersonwhoinitiateschangeintheorganizationandmonitoritsimplementation to achieve the desired outcomes or goals.**
- Implementation of planned change requireschange agents. The change agent possesses the sound knowledge of behavioural sciences and acts as acatalystin helpingthe organization tosolve theoldproblems in anew andinnovative ways.
- **The managers of an organization may be termed as its change agents as they are continuouslyinvolved in the process of change in the organization**.
- They initiate and take steps to see that they areimplemented. The change agent is someone who serves as a leader during change development andimplementation.
- It is important to note that while change agents are leaders, not all leaders are changeagents.
- The change agent may have to change individual, structure, technology and evenat timesorganizational process.

- He does all these using different strategies and his own knowledge. Often hefaces resistance from different types of person while effecting the change but he has to make his way byremovingtheseimpediments.

Definition:

A Change agent is a person from inside or outside the organization who helps an organization transformitselfbyfocusingonsuch matters asorganizational effectiveness, improvement,and development.

Thus, a change Agent is someone who knows and understands the dynamics that facilitate or hinderchange.ChangeAgentsdefines researches,plans,build supportandpartnerwithorderstocreatechange.

Typesof changeagent-InternalandExternal:

Organization may select the managers to be the change agent most of the times. But the organization canalsousethe services of externalchangeagent at times. Thus, therearefollowingtypes ofchangeagents.

1. **Internal change agents:**

- **Internal change agents are generally the managers of the organization, who hasbeen constantly dealing with the various issues in unit.**
- They are continuously involved in the process ofchange.Theyinitiatechangesand seeto it that theyareperformed

2. **External change agent:**

- **The organization can also use the services of external agents. The externalagents are behavioral scientists who act as consultants to the organization and charge consultancy feefor their services.**
- They are specialists in the area and facilitate smooth change in the organization. Theydirectly report the top management of the organization.
- The role of external change agent is flexible andvariesaccordingto thenatureand scopeofactivitiesassigned to him.

Advantages and disadvantages of change agent:

As studied above there can be two types of change agents operating in the organization. Whichtype of change agent to be appointed and assigned depends on the task, its nature and type of the changes to beimplemented.

1. **Internal agents:**

Advantages:

- Beingthe internalpersonally, **hepossessbetterknowledgeoftheorganization**.
- Managersare generally**thechangeagents andthus theyarequicklyavailable**.
- Theyarea**knownentityin theorganization**.
- Beingapart ofthe organization, **hemayhavemorecontrol andauthority**.

Disadvantages:

- Hemaybe **too close to the problem, to solveit.**
- Hemay**hold biased views forindividual in theorganization**.
- Maycreate **additional resistanceif hehimself isnot convinced withthechange**.

2. **Externalagents:**

Advantages:

- Externalagent **maybeable to havemoreobjectiveviewof theorganization**.
- Heis **theexpert whois asked to renderhis services, as consultants thus, havemoreexperiencein dealingwithdiverseproblems.**
- Hecan**call upon moreindividualswith diverseexpertise ifrequired**.

Disadvantages:

- **Externalchangeagentsareconsultantsfromoutside**andthus,maynothaveenoughknowledgeoftheorganization.
- Hiringanagent maybea**costlyaffairand mayrequirehigher out-of-pocketcosts**.
- They**arestrangers tothe organization, andthusareunknownentities**.

EmergingroleofChangeAgents:

- **A change agent is basically a consultant, either from within the organization or brought in as anoutsider.**
- They often play the role of a researcher, trainer, and counsellor. Sometimes they will even serve as a linemanager.
- Asorganizationsofallkindsfaceunrelentingchangesintheirenvironment,theneedforindividuals who are capable of turning strategy into reality has created a new authenticity for the change agent role - which is often located within the Human Resources functions.
- Most business strategies require majorchanges in people related issues; **Human Resource professionals develop and manage the key "people" systemsneededto support organizational change.**
- **Enablingpeopleto workeffectivelyas theyplan**, implement and experiencechange.

- **Increasingpeople'sabilitytomanagefuturechangecompetenciesrequiredforeffectiveness**,despitethe multi-facetedandever changingdemands onHRprofessionals aschangeagents.
- Diagnoseproblems:**Understandingboththebusinessdriversandtheorganizationwellenoughtoidentif yperformanceissues and analyzetheirimpact onshort and longterm business results.**
- Superbcommunicationsability:**Heplaysthe roleofcommunicatorinalldirections.**
- Knowledgeofthebusiness:**Hehastobeaware abouttheproduct/servicesand coreworkprocesses**.
- Keepingabusinessperspective:Both**macro(mission/vision)andmicro(whatlinemanagerscopewith)**sh ouldbeadopted and followed byhim.
- As**changemanagerisalsotheplannerofthechangeimplementationprocess,planningandprojectman agementskills.**

It is evident that these are a blend of personal attributes and developed skill set that a change agentworkingat thestrategiclevel cannot dowithout.Changecannot be effectivewithout them.

Effectivenessinanyroleisacombinationofcompetence and confidence.

Fourcompetenceto becomean effectivechangeagent:

1. **Broadknowledge:**

- **Hemustnotonlyhavebroadindustryknowledgebutabroadrangeofmultidisciplinary knowledge, including conceptual knowledge**, diagnostic knowledge and ethicalknowledgeis necessary.

2. **Operationalandrelationalknowledge:**

- Onemustbeableto**listen,trust,formrelationships,observe, identify and report**.
- He must be flexibleto deal with different types of relationships andbehaviours.

3. **Sensitivity and maturity:**

- **He must not only be able to demonstrate sensitivity to others, but he mustalsobe sensitive and matureenough to beawareof his motivations**.

4. **Authenticity:**

- **One must be authentic. He must act in accordance with the values he seeks to promoteintheorganization.**

UNIT–4 SOME ISSUES IN MANAGING EMPLOYEES

CREATIVITYANDINNOVATION:

Creativity in Decision Making:

- **In order to make business decisions, creativity is one of the important tools**. Forexample, developing new products, entering into new markets, expansion and diversification of business etc. inall these business decisions, creativity plays a very important role.
- It is a mixture of unique ideas. Manager hasto be creative in decision making for getting solutions of various business problems.
- Creativity in generalcontextis considered as ideaswhich arequitefor theproblem solutions.

DEFINITION OF CREATIVITY:

"Creativity is the analysis of unique alternatives to the solution of businessproblems."

STAGESOFCREATIVEPROCESS:

1. **Saturation**:

- **At the first stage, manager must thoroughly understand the problem, its background, scopeand importance.**
- It will help the manager to find out a right solution of the problem.
- This will help themanagerto think in theright directionforgettingsolutions of problems.

2. **Preparation**:

- Atthisstage,**afterunderstandingtheproblem,managerwillcollectrelevantinformationforproblemsolution.**
- Hewillanalyzeallthelatestinformationaswellasoldinformationandexperiences.

3. **Incubation**:

- **If at the second stage, manager may not get the solution, then manager will forgot about it.**
- Hewilltotallydiverthismindsetfromtheproblemtoothernewactivities.Consciously,hewillbetotally disconnected with the problem.
- But it will be in the subconscious mind of the manager. So, fromthe first two stages, if the conscious manager does not get the solution then chances are, he may get thesolutionfrom thesubconscious

mind.

4. **Illumination**:

- **The state starts working, when manager gets a spontaneous solution from the subconsciousmind relevant to the problem at the incubation stage.**
- If the incubation stage runs properly, then thesolutionwill comein front of theconscious mind.

5. **Verification**:

- This stage, **the idea which manager gets subconsciously will verify, modify and thenapplyto theproblem forgettingthe solution.**

IMPORTANCEOFCREATIVITYFORMANAGERS:

- **Ithelpsmanagerstotakebusinessandoperational decisions.**
- **Itwilldevelopimaginationandalsodevelopsvariousalternativestoreachtothesolutionofproblems.**
- **Itdevelopsalternativeswhichprovideachoicetomanager fordecisionmaking.**
- **Itwillhelpthemanagerin solvinguniqueandnon-repetitiveproblems.**
- **Manager must be co-operative enough for generating new ideas and new systems to find out bestsolutionof theproblem.**

INNOVATIONINMANAGEMENT:

DefinitionofInnovation:

"Innovationisthesystematicdevelopmentandpracticalapplicationofanewidea."Itneeds alot ofunderstandingand timeto converta newideainto amarketableproductwith profitability.

PROCESSOFINNOVATION:

It consistsofthreephases:

1. **Conceptualization:**

- **Meansthatanewideadevelopsintosomeonewhichhefeelsissuitablefordevelopinganew product**.

2. **Product technology**:

- **Means conversion of a new idea into a physical from of a new product bydeveloping samples as a prototype**.
- If thisprototype works satisfactory then we have to go for the nextstageof production.

3. **Production Technology:**

- **Means developing a production process which will efficiently produce theproductin bulk with less cost**.

PROMOTINGCREATIVITYANDINNOVATIONTHROUGHINTRAPRENEURSHIP:

- Generally, **when we think about creativity and innovation, entrepreneur comes into our mind as a risk takingpersonwhostartshisownbusiness**.
- Itisanenergeticfacefortheinnovationanddevelopmentoftechnological environment in the country. But for an organization, entrepreneur is an important person.
- **"Entrepreneur is an employee who takes personal "hand –on- responsibility"** for pushing an innovative ideathroughtheorganization."
- Anorganization shouldfocus onfollowingaspectsfordevelopingentrepreneur:

Resultorientedapproach

- **Participationandteamwork**
- **Acceptnewchallenges**
- **Motivateinnovation**
- **Acceptsomemistakesandallowtoleranceforlearningaspects**

MANAGEMENTINFORMATIONSYSTEM(MIS):

- ManagementInformationSystem,commonlyreferredtoasMISisaphraseconsistingofthreewords:management,informationandsystems.
- **LookingatthesethreewordsIt'seasytodefineManagementInformationSystemsassystemsthatprovide informationtomanagement**.
- MISistheuseofinformationtechnology,people,andbusinessprocessestorecord,storeandprocessdatatoproduceinformationthat decision makers can use to make day to day decisions.
- MIS is a collection of systems, hardware, procedures andpeoplethat allwork togetherto process,store, andproduceinformationthat isuseful totheorganization.

DEFINITION OF MIS:

"The MIS is defined as a system which provides information support for decision-makingin theorganization."

MIS DESIGN:

- For generating different outputs, there is a need for different inputs of information. The use ofdata is for many purposes like advertising, expenditure etc. and is useful for both sales as well as financedepartment.
- So, a system is required for collection, processing and analyses of the information. The design ofMIS (steps of MIS) is developed byRobertandMurdik as……

1. **Problem analysis and Goal Identification:**

- First of all, manager has to understand the capabilities andstrengths of the organization and external environment for analyzing strategic goals.
- This will help themanagertounderstand operational,informational,and functionalobjectives oforganization.

2. **Determining Information Needs and Conceptual Design:**

- Managers working at different levels needdifferent information.
- The analysis of the information system helps the manager for conceptual design of MIS.

3. **Blue Print and Detailed Design:**

- After the conceptual design for MIS is set up, the other performanceparameters like equipment, information data base, computer flow charts will be set up.
- A sample MISmodel will be designed after all the reviews and analysis.
- Planners and designers of MIS should keep inmindthat the MIS canbeapplicable to alltypeofmanagersatall thelevels.

4. **Implementation:**

- At this stage, the design and equipment are tested. Software will be tested frequently.Now, the organizational data base are entered into the software and after a number of analysis, the MISwill be installed in the organizational system.
- The training programs for employees will be designed forMIS understanding and working.
- The whole implementation task will be performed by design managersandsystemanalyst.

FACTORSAFFECTINGDESIGNOFMIS(GUIDELINES FOREFFECTIVEDESIGNOFMIS):

1. **Information must be Relevant:**

- **MIS should be providing relevant and required information in accuratemanner to the managers for decision making**.

- Unnecessary information will add to the burden on themanagers.

2. **Management Involvement:**

- For designing MIS, there should be full involvement of users/operatingmanagers and system analysts.
- **MIS should be regularly updated by operating managers who provideinputdatatothesystem.**
- Thereshouldbe aproper co-ordinationbetweenmanagers andsystemanalysts.

3. **Cost – Benefit Analysis:**

- **The organization will get the benefit of MIS in the long run.**
- **MIS should beregularly updated to provide relevant information to the concerned managers.**
- The system analyst shouldevaluatethecostand benefit involvedin developingand installation ofMIS inthe organization.

4. **Testing and Cross –Verification**:

- **While installing MIS in the organization, there should be enough pre-testingand cross-verification ofsystem.**

5. **Operator's Training:**

- Training is required for operating managers for the objectives like to understandthe information requirements for managers at different levels in the organization and to understand theoperatingsystem of MIS.

6. **Role of Computer in MIS**:

- Now a days, **computer system is not a new thing for any person.** WhiledesigningMIS, computeris a basic electronicdevicefor……
- **Providinglargespaceforstorage**
- **Sharingof informationamongmanysystems**
- **Itwillprovidenecessaryinformationinaneffectivemannerwithgreataccuracyandspeed**
- **Itprovidesstoragefacilityinternallybyharddiskaswellasexternaldeviceslikependrive,CD,DVDetc.**

ROLEANDIMPORTANCEOFMISFOR MANAGERS:

ThemainbenefitofMISformanagersistoprovidestoragefacilityforlargedatacollectionandanytimeretrievalfacilitywhen will bebeneficial:

- **Formakingco-ordinationand sharingofinformationwithvariousdepartmentsoftheorganization.**
- **Toretrieveanyinformation at anytime with greatspeed.**

- **Toreducethe overallcostof nothavingMIS.**
- **Tomakerightdecisions atrighttime.**
- **Toprovideregularflowofupdatedinformationtomangersthiswillremoveduplicationofinformation.**

LIMITATIONSOFMIS:

- **IftheMISisnotregularlyupdated,thentherewillnotbeameaningfulusageofMIS.**
- **Itmayincreaseinformal communicationbetween variousdepartments and employees.**
- **ItisacostlyandtimeconsumingjobtodesignMIS.Itneedsasupportoftopmanagement, operatingmanagers and system analysts.**

Total quality management (TQM)

"TQM means responsibility of a quality is on all employees and accepting as a basic organization philosophy and strategy. "

Parameters of TQM;
1. Do it right from the first
2. Be customer centric
3. Continuous improvement as a way of life.
4. Building teamwork and empowerment

TQM tools/techniques
1. Quality circle
2. Benchmarking
3. Empowerment
4. Short operating cycle
5. Outsourcing