1 a)

What is demand?

Every want supported by the willingness and ability to buy constitutes for a particular product or service.

In other words demand refers to the quantity of a good or service that consumers are willing and able to purchase at various prices dealing a period of time.

For example: If I want a car and I cannot pay for it, there is no demand for the car from my side.

A product or service is said to have demand when three conditions are satisfied:

• Desire to acquire it

• Willingness to pay for it

• Ability to pay the specified price for it

Unless all these conditions are fulfilled, the product is not said to have any demand.

$Demand = Desire\ to\ acquire + willingness\ to\ pay + ability\ to\ pa$

Types of demand/Demand distinctions:

1. Individual and market demand: The quantity of a commodity which an individual is willing to buy at particular price of the commodity during a specific time period, given his money and income, his taste, and prices of other commodities is known as “Individual demand” for a commodity.

The total quantity which all the consumers of a commodity are willing to buy at a given price per unit, given their money income, taste, and prices of other commodities is known as “market demand”for the commodity.

2. Demand for firm’s product and industry’s products: The quantity of a firm’s produce that can be disposed of at a given price over a

time period denotes “the demand for the firm’s product”.The aggregate of demand for the product of all firms of an industry is known as the “market demand for industry’s product”.

3. Autonomous demand and derived demand: Autonomous demand refers to the demand for products and services directly. The demand for the services of a super specialty hospital can be considered as “autonomous demand”, where as the demand for the hotels around that hospital is called “derived demand”. So the demand for a product arises out of the purchase of a parent product.

Eg: If there is no demand for houses, there may not be demand for steel, cement, bricks, and so on. Demand for houses is autonomous where as demand for these inputs is derived demand.

4. Demand for durable and non durable(perishable) goods: Here the demand for goods is classified based on their durability.Durable goods are those goods which give service relatively for a long period (or) these goods which will meet your current needs.

Eg: clothes, shoes, houses, furniture, refrigerators, scooters etc.

Non-durable goods are those goods which can be used or consumed only once and their total utility is exhausted in a single use.

Eg: milk, vegetables, fish, rice, wheat, sugar etc.

5. Short term and long term demand: Short term demand refers to the demand for such goods are demanded over a short period.

Eg: fashion consumer goods, goods for seasonal use Long term demand refers to the demand which exists over a long period.

Eg: generic (groceries) goods

6. Joint & composite demand: When two or more goods are jointly demanded at the same time to satisfy a single want, it is called joint or complementary demand.

Eg: car and petrol, pen and ink, tea and sugar etc.

The demand for a commodity that has several alternative uses is known as composite demand.

Eg: coal is demand by railways, factories, households etc.

7. Direct demand and indirect demand: Demand for goods that are directly used for consumption by the ultimate consumer is known as direct demand.

Eg: bread, tea, readymade shirts, scooters etc.

The demand for goods is not used by consumer directly. They are used by producers for producing other goods. So, indirect demand is also known as producer goods demand.

Eg: plant, machinery, tools, steel etc.

8. Total market and market segment demand: The total market demand will be aggregate demand for the product from all the segments.Market segment demand refers to demand for the product in that specific market segment.

[The market may be segment on the basis of age, sex, geographical conditions etc]

2 b)

What Is Monetary Policy?

Monetary policy is a set of tools used by a nation's central bank to control the overall money supply and promote economic growth and employ strategies such as revising interest rates and changing bank reserve requirements.

In the United States, the Federal Reserve Bank implements monetary policy through a dual mandate to achieve maximum employment while keeping inflation in check.

KEY TAKEAWAYS

- Monetary policy is a set of actions to control a nation's overall money supply and achieve economic growth.
- Monetary policy strategies include revising interest rates and changing bank reserve requirements.
- Monetary policy is commonly classified as either expansionary or contractionary.
- The Federal Reserve commonly uses three strategies for monetary policy including reserve requirements, the discount rate, and open market operations.

Types of Monetary Policy

Monetary policies are seen as either expansionary or contractionary depending on the level of growth or stagnation within the economy.

Contractionary

A contractionary policy increases interest rates and limits the outstanding money supply to slow growth and decrease inflation, where the prices of goods and services in an economy rise and reduce the purchasing power of money.

Expansionary

During times of slowdown or a recession, an expansionary policy grows economic activity. By lowering interest rates, saving becomes less attractive, and consumer spending and borrowing increase.

Tools of Monetary Policy

Open Market Operations

In open market operations (OMO), the Federal Reserve Bank buys bonds from investors or sells additional bonds to investors to change the number of outstanding government securities and money available to the economy as a whole.

Interest Rates

The central bank may change the interest rates or the required collateral that it demands. In the U.S., this rate is known as the discount rate. Banks will loan more or less freely depending on this interest rate.

Reserve Requirements

Authorities can manipulate the reserve requirements, the funds that banks must retain as a proportion of the deposits made by their customers to ensure that they can meet their liabilities.

Lowering this reserve requirement releases more capital for the banks to offer loans or buy other assets. Increasing the requirement curtails bank lending and slows growth.

What Is Fiscal Policy?

Fiscal policy refers to the use of government spending and tax policies to influence economic conditions, especially macroeconomic conditions. These include aggregate demand for goods and services, employment, inflation, and economic growth.

During a recession, the government may lower tax rates or increase spending to encourage demand and spur economic activity. Conversely, to combat inflation, it may raise rates or cut spending to cool down the economy.

Fiscal policy is often contrasted with monetary policy, which is enacted by central bankers and not elected government officials.

KEY TAKEAWAYS

- Fiscal policy refers to the use of government spending and tax policies to influence economic conditions.
- Fiscal policy is largely based on ideas from British economist John Maynard Keynes.
- Keynes argued that governments could stabilize the business cycle and regulate economic output rather than let markets right themselves alone.
- An expansionary fiscal policy lowers tax rates or increases spending to increase aggregate demand and fuel economic growth.
- A contractionary fiscal policy raises rates or cuts spending to prevent or reduce inflation.

Types of Fiscal Policies

Expansionary Policy and Tools

The government takes up expansionary measures when there is an economic slowdown. Stagnant or recession hit economy causes unemployment, falling GDP, low aggregate demand and reduced consumer spending.

Thus, to enable economic growth and recovery, the government takes the following two actions:

1. **Decrease in Tax Rates**: The government cuts down direct and indirect tax rates to allow more money in the hands of consumers. This indeed enhances their purchasing power and the aggregate demand for goods and services. As a result, the GDP improves.
2. **Increase in Government Spending**: Also, by increasing public spending, the government ensures a higher level of employment to increase consumption.

Contractionary Fiscal Policy and Tools

When there is an inflationary wave in the economy and the GDP is growing fast, the value of money depletes. Thus, the government adopts a contractionary fiscal policy to reduce the **aggregate demand** and consumer expenditure by lowering their **disposable income**.
The two contractionary methods undertaken to curtail excessive inflation include:

1. **Increase in Tax Rates**: The government levies heavy taxes on products, services, and incomes of individuals or businesses to reduce a consumer's purchasing power.
2. **Decrease in Government Spending**: The other measure involves cutting down government's public expenditure. Government spends on subsidies, wages and public welfare projects like roads, hospitals or schools. Reduced spending leads to lower employment, leaving less money in the hands of people.

Below are certain points of difference between the monetary and fiscal policy

Monetary Policy	Fiscal Policy
Definition	
It is a financial tool that is used by the central banks in regulating the flow of money and the interest rates in an economy	It is a financial tool that is used by the central government in managing tax revenues and policies related to expenditure for the benefit of the economy
Managed By	
Central Bank of an economy	Ministry of Finance of an economy
Measures	
It measures the interest rates applicable for lending money in the economy	It measures the capital expenditure and taxes of an economy
Focus Area	
Stability of an economy	Growth of an economy
Impact on Exchange rates	

Exchange rates improve when there is higher interest rates	It has no impact on the exchange rates
Targets	
Monetary policy targets inflation in an economy	Fiscal policy does not have any specific target
Impact	
Monetary policy has an impact on the borrowing in an economy	Fiscal policy has an impact on the budget deficit

3 a)

the Functions of Management

Management is the process of getting things done through others.
This process is identified in a set of functions performed by managers to accomplish the goals.
Management in an organization plays a dominant role to achieve the targeted goals of profit maximization and increased market share.
The main aim of management is to achieve the organisational goals while using the organisational resources most effectively.
Henry Fayol, the father of principles of management, has classified managerial functions as follows:
(a) Planning, including forecasting, (b) Organising, (c) Commanding, (d) Coordinating, and (e) Controlling.
Gulick and Urwiik have classified management functions into seven. They coined the word 'PODSCORB' to describe the functions of management.
Each letter of this word denotes the initial letter of management functions, namely- (a) Planning, (b) Organising, (c) Directing, (d) Staffing, (e) Coordinating, (f) Reporting, and (g) Budgeting.
1. Planning:
Planning is the first and foremost function of the management. All other .functions are based on planning function. Manager has to determine in advance what it is to be done, when it is to be done, and how it is to be done.
Planning may be regarded as the process of determining objectives, discovering alternative courses of action and selecting an appropriate course of action for accomplishing goals.
The entire planning function revolves round the following:
i. Determination of objectives for the organization.
ii. Formulation of policies, budgets, programmes and schedules.
iii. Formulation of strategies.
iv. Forecasting.
v. Decision making.
2. Organizing:
The term 'organizing' generally connotes assembling men, money, material and technology together. organizing is the process of establishing harmonious relationship among the members of an organization and the creation of network of relationship among them. Under organizing function, work is assigned to employees, who are given authority to carry out the work assigned and made accountable for it.
Organizing involves the following activities:
i. Determining the total activities of business essential to accomplish organizational objectives.
ii. Dividing and sub dividing the total activities into groups.
iii. Grouping the activities of similar nature in terms of departments/sections/ units.
iv. Delegation of authority to respective departments.
v. Coordinating the functions of different departments for accomplishing the overall goals of an organization.

3. Staffing:
Once plans are put in place, and the structure of the organization has been designed, managers seek to fill up the organizational slots with suitable manpower.
This requires the following functions to be performed:
i. Determination of manpower requirements for the whole organization.
ii. Arranging to identify eligible candidates and persuading them to apply for the vacancies.
iii. Selecting suitable candidates.
iv. Formulating HR policies for governing manpower of the organization.
v. Periodical training of manpower and their development.
vi. Compensating the manpower and incentivising decisions.
vii. Installing grievance redressal mechanism.
viii. Periodical evaluation of human resources and promotion decision.
ix. Transfer, promotion, disciplinary actions and termination.
x. Motivation of employees.
xi. Putting in place employee well-being measures and career development opportunities.
All the aforesaid areas fall within the ambit of staffing domain.
4. Directing:
Directing denotes motivating, leading, guiding and communicating with subordinates on an ongoing basis in order to accomplish pre-set goals. Employees are kept informed of all necessary matters by circulars, instructions, manuals, newsletters, notice-boards, meetings, participative mechanisms, etc., in order to enable the employees to accomplish the organizational goals.
The process of directing involves the following:
i. Issuing orders and instructions regarding the work to be performed.
ii. Guiding, counseling, mentoring and educating the employees.
iii. Supervising the work of employees on a regular basis.
iv. Maintaining discipline among employees and rewarding those who perform their jobs efficiently.
v. Motivating the employees and inspiring subordinates to follow the orders and instructions.
vi. Providing effective leadership to employees.
5. Controlling:
The process of controlling is the final function carried out in terms of planning. This function is performed to evaluate the performance of employees and deciding increments and promotion decisions. The control function helps in identifying under-performers and arranging remedial training for them. It is the control function which facilitates synchronisation of actual performance with predetermined standards.
The following activities are performed under control function:
i. Fixing performance standards for subordinates.
ii. Measuring the actual performance in the light of standards.
iii. Comparing the actual performance with standards.
iv. Finding out the causes for deviation and analyzing them.
v. Undertaking corrective measures in order to bring actual performance to the standards set.
vi. Besides various control devices like accounting, auditing, management information system, network analysis and cost control, financial tools are also used in organizations for control purpose.

3 b)

HR & functions of HR:

Human resources, or HR, manages the employee life cycle, including recruiting, hiring, onboarding, training, performance management, administering benefits, compensation and firing. Regardless of a company’s size, it needs an effective human resources department to manage workforce labor, company policies and ensure legal compliance.

HR has many important functions in the organization. These include recruitment, performance management, learning and development, and many more. In total, there are 12 key functions of Human Resources Management.

Key functions of human resources

A company's HR department serves many purposes and roles. Here are some of the key functions they oversee:

Recruitment and staffing

Human resources departments have a significant role in determining a company's staffing needs, recruiting new employees and hiring well-qualified candidates. This responsibility includes critical tasks such as identifying qualifications and requirements for each position, writing job descriptions and placing job postings, evaluating resumes, conducting interviews, completing background checks and working with department managers to select ideal candidates. The recruiting and hiring process is important because hiring the right people may increase operational efficiency, improve business outcomes and decrease turnover rates.

New hire onboarding

After hiring employees, the human resources department guides new team members through their first days or weeks at the company. This process introduces new team members to the workplace culture and provides access to company resources that may help the employee navigate their employment journey and settle into their new role.

The HR staff is also responsible for developing and executing an onboarding plan to help new hires integrate into the workforce seamlessly and provides them with the information and tools they require to succeed in their roles. This guidance helps employees acclimate to their new position and workplace quickly and easily which benefits both the employees and the organization.

Training and development

Whether an employee is a new hire or a long-time contributor to the company, they need ongoing skill-building and career development opportunities to continue being productive and successful to meet personal and professional goals.

It's the HR department's responsibility to plan and oversee the training needs of employees. Career development courses and training may include education on new technology, employee relations or leadership training for current or prospective supervisors.Training can be one-on-one, through group meetings or via online courses and self-education

Compensation and benefits

HR works with executive leadership to establish the organization's compensation philosophy. HR professionals often conduct market research to determine competitive pay rates and develop a compensation structure.

They also work with insurance brokers to select health and welfare benefits such as medical, dental, vision, life insurance and 401(k) for employees. HR also oversees benefits administration including enrollment and processing.

Employee well-being

The human resource department helps support and improve employees' work-life quality and the company culture. They create and oversee programs such as day care, health and wellness initiatives, paid time off and other efforts to keep employees happy and motivated.

The HR department also gauges employee satisfaction through focus groups, opinion surveys and regular feedback and uses this input to improve the workplace. A well-run company shows concern for and cares about each of its employees. The human resources department helps foster this supportive work environment which helps reduce employee turnover and enhance performance.

Performance reviews and promotions

The human resources department facilitates annual or semi-annual performance evaluations for all employees. A performance review process allows managers to check in with employees one-on-one to discuss performance, define performance criteria and measurements, set expectations and goals which align with business objectives and drive employee development while promoting fairness and transparency.

Based on performance, experience and seniority, an employee's manager and human resources might decide to promote an employee or present them with a salary increase. Generally, HR works with senior leadership to set company rules and expectations for promotions and reward top employees for their dedication and commitment to improvements.

Record keeping

Because human resources employees are responsible for the entire employee database, the department organizes and oversees confidential information such as contracts, wages, job responsibilities, disciplinary measures and performance reviews. Human resources staff are often extremely well-organized, meticulous, discreet and professional, keeping information easily accessible at all times.

Legal compliance

The human resources department makes sure its organization adheres to labor, union and federal and state laws. This helps keep businesses compliant with regulations like fair employment, workplace safety and much more.

This responsibility is important because employee complaints of noncompliance or unfair or unsafe work conditions can affect workplace morale, productivity and profits. The HR staff also ensures employees can legally work for their company and handles complaints pertaining to discrimination and harassment.

Corporate image

By educating employees about company values and policies, the human resources department helps protect the company's corporate image and reputation. An effective HR team can also bolster a company's reputation as a top employer to work for which can help attract top talent. It can also help mitigate and avoid possible conflicts and situations that may reduce the image of their employer.

Workplace safety

Human resources departments oversee workplace safety training and record employee injuries or illnesses that occur on the job, as required by the Occupational Safety and Health Act of 1970 (OSHA). This act requires companies to provide safe and clean work conditions for staff and human resources personnel are also well-versed in this legislation. Often, human resources set workplace policies and put together safety training materials. They often manage employee compensation for safety issues or injuries.

2 b)

National & Personal income:

In Macro Economics, National Income plays an important role. For the economic development of a country, the national income estimates are very important. The total market value of all goods and services produced in a country during a given period of time is called national income.

Definitions

1. According to Marshall, "Labour and capital of a country, acting on its natural resources produce annually a certain net aggregate of commodities material and immaterial, including services of all kinds" is called National Income.
2. According to A.C.Pigou, "National Income is that part of the objective dome of the community of course including the income derived from abroad which can be measured in money".

Concepts of national income: The following are the important concepts of national income

1. Gross National Product [GNP]
2. Gross Domestic Product [GDP]
3. Net National Product [NNP]
4. National Income or NNP at factor cost [NNP_{FC}]
5. Personal Income [PI]
6. Disposable Personal Income [DPI]
7. Percapita Income [PCI]

Importance of National income estimates:

The importance of national income studies is growing because of several reasons. They are

1. The national income estimates or statistics are very important for preparing economic plans.
2. It is a very important tool for framing economic policies.
3. It enables us to estimate the performance of each sector in the economy.
4. It is very useful in making budgetary allocations.
5. It gives us an idea of the standard of living in the country.
6. It helps us to compare economic growth with other countries.
7. It gives a clear picture of the level of utilization of natural resources in a country.
8. It is essential to calculate per capita income of a country and income inequalities.
9. It helps the government in macro-economic policy making.
10. It will enable us to know the role of public and private sectors in the economy.

Personal Income

National income is the sum of factor income. In other words, it is the income which individuals receive for doing productive work in the form of wages, rent, interest and profits.

Personal Income, on the other hand, includes all income which is actually received by all individuals in a year. It includes income which is not directly earned but is received by individuals. For example, social security payments, welfare payments are received by households but these are not elements of national income because they are transfer payments.

In the same way, in national income accounting, individuals have attributed income which they do not actually receive. For example, undistributed profits, employee's contribution to social security corporate income taxes etc. are elements of national income but are not received by individuals. Hence they are to be deducted from national income to estimate the personal income.

PI = NI + Transfer Payments – Corporate retained earnings, income taxes, social security taxes.

We can also express it in the following forms: –

PI = Salaries/Wages Received + Interest Received + Rent Received + Dividends Received + Any Transfer Payments

3 a) Management ,nature &scope of Management:

Management is an important factor for the success of any organized activity. Today management basically concern with changes and challenges, and it is difficult to manage.

Management is an art of getting things done through others. Management is to plan, organize, direct and control the resources of the organization for obtaining common objectives or goals. It is related with resources like material, money, machinery, methods, manufacturing and marketing.Management principles are universal in nature. Management is necessary for all types of organization, such as public sector, private sector, govt. department, hotel, hospital, hostels, educational institutes, require management for several growth and expansion.

Definitions:

1) According to Taylor:-

“Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way.”

2) According to Lawrence:-

“Management is the accomplishment of results through the efforts of other people.”

3) According to Henry Fayol:-

“To manage is to forecast and to plan, to organize, to co-ordinate and to control.

Nature Of Management

Management—as a systematic process—helps identify a group of people who carry out particular activities, thereby improving an organization’s efficiency and effectiveness. Here are the salient features that highlight the nature of management in businesses.

1.Universality

Management is a universal process and is essential for all organizations. If there is human activity, there is management. The principles of management are applicable irrespective of the size and location of a business. The universal principle also means that managerial skills can be developed over time and they’re transferrable.

2. Social Process

The nature of management involves organizing people in groups and managing them. It requires different levels of empathy, understanding and dynamism. In addition to taking care of social and emotional well-being, the process involves developing, motivating and retaining employees.

3. Purposeful

Management always has an end goal of achieving an organization’s targets, mission and vision. The success of management can be measured by the extent to which an organization achieves its objectives. There is an underlying purpose of increasing efficiency and productivity. The objectives should be realistic, attainable and time-bound.

4. Intangible

There is no physical proof of the management process. Its success can be measured by the outcomes of its efforts. For example, lower turnover rates indicate there’s high employee engagement and job satisfaction. This further shows that managers or individuals in managerial roles have taken proactive steps toward improving employee retention.

5. Coordination

Management coordinates all the functions of an organization by bringing together different teams and departments. Without coordination, there would be ambiguity and chaos. Therefore, by getting people on the same page, there is communication and minimized duplication of efforts.

6. **Creativity**

Management is made up of individual components and is a composite process. Every independent component contributes in unique ways. For example, group efforts encourage creative ideas and imagination. The sum of individual efforts creates synergy and something new is born.

7. **Dynamic Function**

Management should be dynamic at its core because businesses are often influenced by economic, social, political and technological factors. With room for flexibility and adaptability, individuals can perform well even in stressful situations. There should be adequate training and facilitation within the process.

- **Scope Of Management**

Clearly defined responsibilities, concepts, theories and principles related to managerial functions define the scope of management. Let’s look at the various aspects of this.

1.Financial Management

Every enterprise prioritizes financial management because finances can get extremely tricky if not managed properly. Effective financial management ensures there are fair returns to stakeholders, proper estimation of capital requirements and laying down optimal capital. It includes preparation and examination of financial statements, creating proper dividend policies and negotiations with external stakeholders.

2. **Marketing Management**

The scope of management in marketing extends to planning, organizing, directing and controlling activities in the marketing department. Identifying customer requirements is crucial for providing business solutions. When a manager is fully aware of the benefits of the products and/or services the organization provides, they achieve better results. Marketing management ensures that available resources are properly utilized and the best possible outcomes are achieved.

3. **Personnel Management**

Personnel management—as the name suggests—deals with personnel or individuals in a business environment. It includes the recruitment, transfer, termination, welfare and social security of employees. This aspect of management is extremely important as employees form teams and teams drive an organization’s goals. Individual productivity also contributes to overall efficiency. Without attending to employee needs and wants, an organization is likely to struggle.

4. **Production Management**

This type of management refers to the process of creating utilities. When you convert raw materials to finished products and oversee the planning and regulation, you’re engaging in production management. Without production, there isn’t any finished good or service and without it, organizations can’t generate interest or profits. The final product must fulfill customer requirements. The process includes quality control, research and development, plan layout and simplification.

5. **Office Management**

This includes controlling and coordinating all office activities to achieve an organization’s goals and targets. For example, an administration’s efficiency impacts a business significantly. The more organized the departments and responsibilities are, the more effective an organization is.

3 b)

What Is HR (Human Resources)?

The strength and involvement of a company's personnel are directly related to human resources, which are crucial to both large and small enterprises. HR departments oversee all aspects of employee interactions, including salary and benefit negotiations, employing new employees, and recruitment.

Additionally, HR departments serve as a vital link between staff members and upper management by mediating problems at work, ensuring compliance with employment rules and regulations, and collaborating with executives on long-term strategic planning.

HR experts have been increasingly important to an organization's capacity to retain top personnel and maintain a solid business culture as technology has developed and the workforce has become more diverse. Today, many aspects of HR including hiring, talent management, and staff management, make use of internet tools and platforms. Therefore, HR workers must also become more technologically adept.

Roles and Responsibilities of an HR Manager

An HR manager's job description should include the following obligations. However, while an HR manager's daily duties will vary from company to company, the following are the roles and responsibilities of an HR manager:

- Create and put into action HR initiatives and strategies that are in line with the overall business plan.
- Improve ties between management and employees by responding to requests, grievances, or other issues.
- Control the hiring and hiring process.
- Support present and future company demands through growing, involving, inspiring, and preserving human capital.
- Create and keep track of the organization's overall HR strategies, methods, tactics, and procedures.
- Cultivate a supportive workplace.
- Managing and maintaining a setup that promotes optimum performance.
- Maintain the benefits and pay schedule.
- Analyze the training requirements for a programme and keep an eye on it.
- Report to management and use HR indicators to assist in decision-making
- Always maintain legal compliance while managing human resources.

2 a)

GST & benefits of GST:

What Is the Goods and Services Tax (GST)?

The goods and services tax (GST) is a value-added tax (VAT) levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.

KEY TAKEAWAYS

The goods and services tax (GST) is a tax on goods and services sold domestically for consumption.

The tax is included in the final price and paid by consumers at point of sale and passed to the government by the seller.

The GST is usually taxed as a single rate across a nation.

Governments prefer GST as it simplifies the taxation system and reduces tax avoidance.

Critics of GST say it burdens lower income earners more than higher income earners.

The goods and services tax (GST) is computed by simply multiplying the price of a good or service by the GST tax rate. For instance, if the GST is 5%, a $1.00 candy bar would cost $1.05.

Advantages of GST Tax

Simplicity at its Best – Goods and Service Tax (GST) will replace the existing form of indirect tax in the nation. It will prove a substitute for the 17 indirect laws pertaining to the nation and will subsidize it with the new GST Tax. That shall come across as a simpler term to envision.

Boosting of Revenue – Think of it, with the new GST in the nation, there won't be more of an evasion as what is happening with the current tax laws. Such simpler term of taxation will make more suppliers in a mood to pay the tax amount which in turn marks the boost in revenue levels.

Lesser cost of Logistics and Inventory – As the GST tax will mark the end of 17 other indirect laws, there won't be much of logistics and inventory costs as of now. Also, the slow movement across the state levels of goods carrier will be stopped with the transit speed increasing tenfold. As per one of the surveys conducted recently, it has been estimated that the Indians will be able to save almost about Rs 2300 crore which is spent at the various check post at the border of the state.

Quite an Investment Boost – As is the norm with the current tax laws in India, there isn't any input on capital goods. But with the new GST Tax laws, one can avail input tax credit on the capital goods. That way, the investment might surge up quite a bit with an expected 6% increase.

Standardization – Many countries follow a GST Tax regime and the new tax will make it easy for everyone to understand the bill. People have already started verifying the bills at restaurants and other retail outlets for the right tax. Earlier, there were many cases of people being charged inappropriately and this has ended with GST.

Transparency and Less Corruption – GST will also lead to less corruption and there will be a significant reduction in corruption as all the money spent needs to be reported for the taxation purpose. Moreover, the retailer would not be able to make sales without the bill hence the cases of income tax evasion will also reduce a lot.

Boost to GDP – In one of the studies conducted by HSBC, the GST would have a positive impact on GDP of the country and the GDP of the country will increase by at least 80bps which translate to 0.80%. This is surely a great help to the targets set by Modi Government.

Ease of Starting Business–India has gained position on the scale of ease of doing business and one of the reasons for this is the implementation of GST. This is also attracting foreign investments and more people are now encouraged to start the business.A fewer number of registrations makes it quick and easy to start the business.

Reduced Burden of Tax–GST has certainly reduced the tax burden. For example, eating out is lot cheaper now. Earlier, the food bill at the restaurant was taxed at 18% but today, if you go out for a meal, the overall tax rate would be only 5%. In addition to this, the government is closely monitoring the situation to ensure that the benefits are delivered to the consumer.

Easier to Process– It is certainly easy to process GST as the tax is now submitted online. You do not have to visit various government department or banks to submit the tax.

Inflation– It is also speculated that the implementation of GST will control the inflation and the inflation would not rise for the next couple of years. This is quite evident as the bank's Fixed Deposit rates are falling continuously which reflects a part of inflation.

Tax Evasion Easy to Catch– With the implementation of GST, it has become easy for the government to catch the tax evasion. The most certain advantage of this is the reduction in black money and increment in the government tax collection. The money can be infused back into the economy for the development of infrastructure and other public works.

Cost of Tax Collection– The cost of tax collection has gone down for the government and this is certainly a benefit. Online tax collection has reduced a significant cost for the government and in addition to this, the simplification of the process is another reason why the cost of tax collection has gone down.

High Threshold of Registration–GST has a higher threshold and under GST, the threshold has been increased from Rs 5 Lakh to Rs 20 Lakh. This means that many small traders are exempted from the GST structure.

GST for theUnorganized sector– Unorganized sector was a part which was often left unaccounted for in GDP but with theimplementation of GST the unorganized sector can also be accounted for. There is a provision on online sites to stay compliant with GST in case of unorganized sector.

2 b)

Banking & functions of RBI

Banking is an industry that handles cash, credit, and other financial transactions for individual consumers and businesses alike.

Banking means **the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise**

Central bank is the apex of the banking system in a country. It controls, regulates and supervises the activities of the banks and the country's banking system. Reserve Bank of India (RBI) is the central bank of India. It was established in April 1935 with a share capital of `5 crores. It was originally owned by private share holders but was nationalized by of government of India in 1949. It performs all the important functions of the central bank under the Reserve Bank of India Act, 1934.

Functions of the Reserve Bank of India (Central Bank of India):

RBI performs the following functions.

Note issue: RBI has the monopoly of note issue in the country. At present RBI issues currency notes of the denominations of 1000, 500, 100, 50, 20, 10, 5 and 2 rupees. One rupee note and coins are issued by the finance department of the Government of India, but circulated by the RBI.

Banker to government: RBI acts as the banker agent and financial adviser to the government of India. It receives money and makes payments on behalf the government and keeps the cash balances. It assists the government in floating new loans and manages the public debt. It gives temporary advances called 'ways and means advances' to the governments.

Banker's Bank: RBI serves as a banker not only to the government but also to the banks.

All the scheduled banks should maintain a part of their total deposit amount as cash reserves with the RBI. This ratio is called as the Cash Reserve Ratio (CRR). The RBI determines this ratio which may change from time to time.

RBI provides financial assistance to the commercial banks in times of their financial stringency by giving loans or rediscounting the bills of exchange.

It acts as a clearing house for settlement of inter-bank account.

Lender of last resort: In times of financial stringency the scheduled banks can approach the RBI as a last resort. The RBI grants them loans against the securities such as the treasury bonds, treasury bills and other approved securities. It also provide financial assistance by rediscounting the bills of exchange.

Clearing house: A business man or customer may get a cheque issued on a bank in which he has no account. He has to deposit it in his bank and which collects the amount from the bank on which the cheque is issued. Since all the scheduled banks maintain deposit accounts with the RBI, it clears all cheques to settle the interbank transactions by making appropriate entries in the accounts of the banks. For this purpose the RBI establishes clearing houses at different places.

Custodian of foreign exchange reserves: Keeping custody of the foreign exchange reserves is one of the responsibilities of the RBI. As a member of the International Monetary Fund (IMF), it maintains the stability of the exchange rate between the Indian currency and the currencies of the member countries.

Credit controller: It is the responsibility of the RBI to control the volume of credit in the country. It controls the credit through different quantitative and qualitative control methods to overcome the problems of inflation and deflation. The RBI announces a credit policy for every six months.

Supervisory functions: The RBI Supervises all the commercial banks and the co-operative banks through the system of licensing, inspection and calling for information. RBI permission is necessary for the establishment, expansion and reconstruction of banks. RBI has powers to take action against the banks which overcome the rules and regulations.

Promotional and developmental functions: In order to achieve economic development RBI performs certain promotional and developmental functions. They are

Takes steps for establishment and expansion of banks throughout the country.

Refinances the state co-operative banks and the financial institutions which give agricultural credits, so as to meet the credit needs of the rural areas.

Promotes different financial institutions to provide industrial finance.

3 a)

HRM vs PM

Dimensions	**PM**	**HRM**
Definition	PM is the process of hiring and developing employees so that they become more valuable to the organization.	HRM is the process of hiring, developing, and maintaining effective workforces in an organization.
Key Concern	Labors	All employees
Planning and Strategy Formulation	PM is involved in operational planning only.	Participates in establishing the strategic plan's overall organizational structure and coordinating human resource operations with it.
Authority	Medium status and authority	High status and authority for the top personnel officer
Scope	PM is concerned primarily with hourly, operational a clerical employees.	HRM is concerned with all managers and employees.
Decision Making	Makes operational decisions only	HRM is involved in making strategic decisions.
Behavior Pattern	Employees' behavior depends on the organization's values/mission.	Employees' behavior depends on organizational norms or customs and practices.
Integration	It involves moderate to small integration with other organizational functions.	It is completely interwoven with the marketing, financial, legal, and production aspects of the business.
Coordination	Does not coordinate all human resource functions.	Coordinates all human resource activities (e.g. training, recruitment, staffing, equal employment opportunity).

Basis of Management Action	Management takes action on the basis of procedures.	Management take actions on the basis of business need.
Rules	Importance of devising clear rules	HRM observes the progress of coping with rules.
Speed of Decision	Personnel management takes decisions slowly	HRM takes decisions quickly.
Respect for Employees	Labor is viewed as a tool that can be replaced and is disposable.	People are viewed as resources to be utilized for an organization, its workers, and society at large.
The focus of Attention for Interventions	Personnel Procedures	Wide-ranging cultural, structural, and personnel strategies
Shared Interests	Interests of the organization are uppermost.	Mutuality of interests

3 b)Henry Fayol's 14 Principles of Management:

Henry Fayol's 14 principles of management look at an organization from a top-down approach to help managers get the best from employees and run the business with ease. Let's take a look at them and understand them in detail.

1. Division of Work

The first henry fayol principle of management is based on the theory that if an employee is given a specific task to do, they will become more efficient and skilled in it. This is opposed to a multi-tasking culture where an employee is given so many tasks to do at once. In order to implement this principle effectively, look at the current skill sets of each employee and assign them a task that they can become proficient at. This will help them to become more productive, skilled, and efficient in the long run.

2. Authority

This henry fayol principle of management states that a manager needs to have the necessary authority in order to ensure that his instructions are carried out by the employees. If managers did not have any authority, then they would lack the ability to get any work done. However, this authority should come along with responsibility. According to Henri Fayol, there should be a balance between authority and responsibility. If there is more authority than responsibility, the employees will get frustrated. If there is more responsibility than authority, the manager will feel frustrated.

3. Discipline

This principle states that discipline is required for any organization to run effectively. In order to have disciplined employees, managers need to build a culture of mutual respect. There should be a set of organizational rules, philosophies, and structures in place that should be met by everyone. Bending rules or slacking should not be allowed in any organization. In order to achieve this, there is a need for good supervision and impartial judgment.

4. Unity of Command

This principle states that that should be a clear chain of command in the organization. The employees should be clear on whose instructions to follow. According to Fayol, an employee should receive orders from only one manager. If an employee works under two or more managers, then authority, discipline, and stability are threatened. Moreover, this will cause a breakdown in management structure and cause employees to burn out.

5. Unity of Direction

This henry fayol principle of management states that the work to be done should be organized in such a way that employees work in harmony towards the same objective, using one plan, under the direction of one manager. For example, if you have a range of marketing activities such as advertising, budgeting, sales promotion, etc., there should be one manager using one plan for all the marketing activities. The different activities can be broken down for different sub-managers, but they should all work towards a common goal under the direction of one main person in charge of the whole thing.

6. Collective Interest Over Individual Interest

This principle states that the overall interest of the team should take precedence over personal ones. The interest of the organization should not be sabotaged by the interest of an individual. If anyone goes rogue, the organization will collapse.

7. Remuneration

This henry fayol principle of management states that employees should be paid fair wages for the work that they carry out. Any organization that underpays its workers will struggle to motivate and keep quality workers. This remuneration should include both financial and non-financial incentives. Also, there should be a structure in place to reward good performance to motivate employees.

8. Centralization

Centralization refers to the concentration of power in the hands of the authority and following a top-bottom approach to management. In decentralization, this authority is distributed to all levels of management. In a modern context, no organization can be completely centralized or decentralized. Complete centralization means that people at the bottom have no authority over their responsibilities. Similarly, complete decentralization means that there will be no superior authority to control the organization. To use this effectively today, there should be a balance of centralization and decentralization. The degree to which this balance is achieved will differ from organization to organization.

9. Scalar Chain

A scalar chain refers to a clear chain of communication between employees and their superiors. Employees should know where they stand in the hierarchy of the organization and who to go to in a chain of command. To implement this in the workplace, Fayol suggests that there should be an organizational chart drawn out for employees to see this structure clearly.

10. Order

This principle states that there should be an orderly placement of resources (manpower, money, materials, etc.) in the right place at the right time. This ensures the proper use of resources in a structured fashion. Misplacement of any of these resources will lead to misuse and disorder in the organization.

11. Equity

Equity is a combination of kindness and justice. This principle states that managers should use kindliness and justice towards everyone they manage. This creates loyalty and devotion among the employees towards the organization they work for.

12. Stability of Tenure of Personnel

This principle states that an organization should work to minimize staff turnover and maximize efficiency. Any new employee cannot be expected to get used to the culture of an organization right away. They need to be given enough time to settle into their jobs to become efficient. Both old and new employees should also be ensured job security because instability can lead to inefficiency. There should also be a clear and effective method to handle vacancies when they arise because it takes time and expense to train new ones.

13. Initiative

This principle states that all employees should be encouraged to show initiative. When employees have a say as to how best they can do their job, they feel motivated and respected. Organizations should listen to the concerns of their employees and encourage them to develop and carry out plans for improvement.

14. Esprit de Corps

Esprit de Corps means “Team Spirit”. This henry fayol principle of management states that the management should strive to create unity, morale, and co-operation among the employees. Team spirit is a great source of strength in the organization. Happy and motivated employees are more likely to be productive and efficient.