

# Organisation of Commerce and Management



## Standard XI



# The Constitution of India

## Chapter IV A

### Fundamental Duties

#### ARTICLE 51A

**Fundamental Duties-** It shall be the duty of every citizen of India—

- (a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;
- (b) to cherish and follow the noble ideals which inspired our national struggle for freedom;
- (c) to uphold and protect the sovereignty, unity and integrity of India;
- (d) to defend the country and render national service when called upon to do so;
- (e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities, to renounce practices derogatory to the dignity of women;
- (f) to value and preserve the rich heritage of our composite culture;
- (g) to protect and improve the natural environment including forests, lakes, rivers and wild life and to have compassion for living creatures;
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;
- (i) to safeguard public property and to abjure violence;
- (j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;
- (k) who is a parent or guardian to provide opportunities for education to his child or, as the case may be, ward between the age of six and fourteen years.

The Coordination Committee formed by GR No. Abhyas - 2116/(Pra.Kra.43/16) SD - 4  
Dated 25.4.2016 has given approval to prescribe this textbook in its meeting held on  
20.06.2019 and it has been decided to implement it from the educational year 2019-20.

# Organisation of Commerce and Management

**STANDARD XI**



2019

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



**C5T4E5**

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

**First Edition : 2019**  
**Third Reprint : 2022**

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

Maharashtra State Bureau of Textbook Production and Curriculum Research reserves all rights relating to the book. No part of this book should be reproduced without the written permission of the Director, Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune.

### **Committee Members**

Shri. Narayan Patil	(Chairman)
Dr. Mukund Tapkir	(Member)
Dr. Prashant Sathe	(Member)
Shri. Mohan Salvi	(Member)
Dr. Jyoti Gaikwad	(Member)
Shri. Mahesh Athawale	(Member)
Smt. Anantlaxmi Kailasan	(Member)
Shri. Surendra Nirgude	(Member)
Smt. Laxmi Pillai	(Member)
Smt. Mrinal Phadke	(Member)
Smt. Ujjwala Godbole	(Member-Secretary)

### **Cover, Illustrations and Computer Drawings**

Shri. Sandip Koli, Artist, Mumbai

### **Co-ordinator**

**Ujjwala Shrikant Godbole**  
I/C Special Officer for Mathematics

### **Typesetter**

Baladev Computers

### **Study Group Members**

Dr. Minal Bhandari	Shri. Dnyandeo Yewale
Dr. Chandan Bora	Shri. Amit Gokhale
Dr. Rupsen Kamble	Shri. Avinash Takawale
Smt. Mrinal Phadke	Shri. Arun Chavan
Smt. Madhuri Pawar	Smt. Rupali Deshpande
Shri. Sanjay Patil	Shri. Manik Ghumai

### **Production**

**Sachin Mehta**  
Chief Production Officer  
**Sanjay Kamble**  
Production Officer  
**Prashant Harne**  
Asst. Production Officer

### **Translators**

Dr. Minal Bhandari	Smt. Madhuri Pawar
Dr. Chandan Bora	Shri. Amit Gokhale
Dr. Rupsen Kamble	Shri. Dnyandeo Yewale
Shri. Sanjay Patil	Shri. Manik Ghumai
Shri. Avinash Takawale	

### **Scrutiny**

Dr. Minal Bhandari	Smt. Madhuri Pawar
Shri. Amit Gokhale	Dr. Rupsen Kamble
Shri. Sanjay Patil	Shri. Dnyandeo Yewale
Shri. Narayan Patil	Smt. Mrinal Phadke

### **Paper**

70 GSM Cream wove  
**Print Order No.**

### **Printer**

### **Publisher**

**Vivek Uttam Gosavi, Controller**  
Maharashtra State Textbook Bureau,  
Prabhadevi Mumbai- 400 025





## **The Constitution of India**

### **Preamble**

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

JUSTICE, social, economic and political ;  
LIBERTY of thought, expression, belief, faith and worship ;

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

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

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

## NATIONAL ANTHEM

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

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

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

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

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

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

## PLEDGE

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

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

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

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

## PREFACE

Hello Friends,

It gives us immense pleasure to handover this text book of 'Organisation of Commerce and Management'. It is not merely a text book but it is a guide for future entrepreneurs also. Since morning to night we are using many products and services. How do we get them ? Where these products are available ? What is the source of these products ? How do we get information about them and how do they reach our hands ? How do we come to know about its name ? Who are the people bringing it to us ? Who does manage these transactions ? Answers to above questions is nothing but commerce, trade, industry and so many things which we know in our day to day life. Let's get details of these in the text book of Organisation of Commerce and Management.

This book contains eight chapters starting from introduction to business upto management of business.

This book contains interesting additional information, activities, pictures, diagrams etc. The exercises given at the end of the topics contain different types of questions to test the conceptual clarity of the students. Every student is given opportunity to express his own opinion, to analyse and justify their answers through application based questions. On the title page QR code is given which will be helpful to the students as it contains additional information, links etc. to get more knowledge and clarity about the contents. It will help the students to improve their learning abilities, skills and understanding level. We are sure that it will lead to simplify teaching learning process.

This restructured syllabus is capable enough to enhance the understanding ability of the students. The implementation of this new syllabus will be from the academic year 2019-2020 for std XI<sup>th</sup> Commerce.

The Maharashtra State Bureau of Text-book Production and Curriculum Research is confident that this book will guide the students properly in this competitive world of business.

The Maharashtra State Bureau of Text-book Production and Curriculum Research is grateful to the subject committee members, study group, translators, scrutinisers and experts as they have rendered their thorough co-operation in preparation of this book.



**(Dr. Sunil Magar)**  
**Director**

**Pune**

**Date : 20 June 2019**

**Indian Solar Date : 30 Jyestha 1941**

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

# ORGANISATION OF COMMERCE AND MANAGEMENT

## STD XI

### Competency Statement

Unit No.	Topic	Competency Statement
1	Introduction to Commerce and Business	<ul style="list-style-type: none"><li>● Understand the concept of commerce and business.</li><li>● Understand different economic and non-economic activities</li><li>● Understand the concept and meaning of business.</li><li>● Understand the concept and meaning of profession</li><li>● Understand the concept and meaning of employment</li><li>● Understand role of Profit in business</li><li>● Understand classification of business</li><li>● Student can understand the concept of industry</li><li>● Student can understand the concept of commerce</li><li>● Student can understand different auxiliaries to trade</li></ul>
2	Trade	<ul style="list-style-type: none"><li>● Clearly understand the concept of trade.</li><li>● Know about different types of trade.</li><li>● Understand wholesale and retail trade.</li><li>● Understand import trade and procedure.</li><li>● Understand export trade and procedure.</li><li>● Students understand entrepot trade</li></ul>
3	Small Scale Industry and Business	<ul style="list-style-type: none"><li>● Understand the meaning and definition of small scale business</li><li>● Understand the importance of small business in industry</li><li>● Understand the advantages and challenges of small scale business.</li><li>● Understand steps in setting up of small scale business</li></ul>
4	Forms of Business Organisation - I	<ul style="list-style-type: none"><li>● Students understand concept of private sector organisation</li><li>● Understand meaning of private sector organisation</li><li>● Understand Sole Trading Concern, and its merits and demerits</li><li>● Understand the concept of Partnership and its merits and its demerits</li><li>● Understand the concept to Joint Hindu Family Business and its merits and demerits</li><li>● Understand the concept of Joint Stock Company, its types, merits and demerits</li><li>● Understand the concept of Co-operative Society and its merits and demerits</li></ul>



5	<b>Forms of Business Organisation - II</b>	<ul style="list-style-type: none"> <li>● After going to this unit the student learner would be able to state the meaning of forms of Business Organisation</li> <li>● Highlight the distinctive features of Departmental Stores</li> <li>● Understand the concept of Statutory Corporation</li> <li>● Understand the concept of Government company</li> <li>● Understand the concept of Multinational Company</li> <li>● Student can understand merits &amp; demerits of MNC's.</li> </ul>
6	<b>Institutes Supporting Business</b>	<ul style="list-style-type: none"> <li>● Student understand the different institutions supporting business</li> <li>● Student understand the features of SIDBI</li> <li>● Student understand the features of NABARD</li> <li>● Students can know the features of Khadi and Village Industries</li> <li>● Students understand the working of Mahila Bachat Gat</li> <li>● Students understand the features of World Bank</li> </ul>
7	<b>Business Environment</b>	<ul style="list-style-type: none"> <li>● Able to state the meaning and definition of Business Environment</li> <li>● Able to describe importance of Business Environment</li> <li>● Able to describe various dimension of Business Environment</li> <li>● Understand the impact of New Economic Policy on business and industry.</li> </ul>
8	<b>Introduction to Management</b>	<ul style="list-style-type: none"> <li>● After going through this unit the students would be able to understand the overview of management</li> <li>● Explain the meaning and definition of management</li> <li>● Discuss the characteristics of management</li> <li>● Understand the different levels of management and their roles</li> <li>● Know the management as an Art, Science and Profession</li> </ul>

## INDEX

Sr. No.	Chapter	Page No.
1	Introduction of Commerce and Business	1
2	Trade	21
3	Small Scale Industry and Business	46
4	Forms of Business Organisation - I	60
5	Forms of Business Organisation - II	95
6	Institutes Supporting Business	117
7	Business Enviroment	138
8	Introduction to Management	153
	Answer keys	168