

**CLASS 10**  
**COMMERCIAL STUDIES**  
**ANSWER KEY**

**SHORT ANSWER**

**Q1** .What do you understand by advertising ?

**Ans** - advertising is an effort to create and sustain the demand of the product. It is an activity, which establishes non personal contact of the business with the consumers regarding its product, idea and service.

**Q 2** Mention any to benefits which advertising provides to Society.

**Ans-** 1-Employment generation  
2- Higher standard of Living

**Q 3.** What do you mean by advertising agency?

**Ans** - advertising agency is a specialized organization which provides all advertising related services for some fee/ commission. And advertising agency undertakes both the product advertisement as well as institutional advertisement.

**Q4** Define sales promotion .

**Ans-** sales promotion consists of all promotional activities other than advertising, person selling and publicity that help to increase sales through non - repetitive and one time communication.

**LONG ANSWER**

**Q 1.** Explain the importance/ merits of Advertising .

**Ans** -Merits of Advertising towards producers and Traders

**(1)Meeting competition:** Advertising is an important means for facing competition. By creating brand Loyalty, it helps to maintain sales and market share. it's supplements personal selling and sells promotion.

**(2) Higher sales volume:** advertising helps to increase demand expand markets and enhance sales of existing products. Through repeated advertising a producer can create new customer and inter New markets.

**(3) Introduction of new product** .Advertising is helpful in introducing new product by creating awareness and gaining their acceptance. By informing consumer about the new product advertising stimulates their interest and persuade them to buy it.

**Merits of advertising towards customer and society**

**(1)Convenience:** Advertising makes shopping Easy by reducing the time and effort involved in shopping. People become aware of the source and availability of different products and need not search them out.

**(2) Better quality:** Advertising is generally done through brand names .producer try to create special features in their products to successfully communicate product differentiation due to that consumers get better quality and variety of goods.

**(3)Employment generation:** Advertising provides direct employment to a large number of people engaged in designing ,writing and issuing advertisements.

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**Q2:** Give any five reasons why people consider Advertising social waste.

**Ans :** (1)**Higher price:** it is argued. That large amounts spent on advertising increase the cost of distribution which is transferred to customer in the form of higher prices.

(2) **Wasteful consumption:-** advertising multiplies the needs of the people encourages unhealthy consumption. By exploiting human sentiments it persuades people to buy products which they do not need or cannot afford.

(3) **Misleads the consumer:-** it is said that advertising is often deceptive and misrepresent facts to consumer .

(4)**Creates Monopoly:** Advertising creates brand preferences and restricts -free competition. Large firms which can afford huge amount of money on advertising eliminate small firms by creating brand Monopoly.

(5)**Undermines social values:-** Modern advertising exerts such a corrupting influence on cultural and social life that it is not only wasteful but immoral. Many advertisements are highly objectionable and socially undesirable as they encourage social evils like drinking and smoking.

Money spent on advertising is not wasteful or unnecessary provided it is spent in a scientific and responsible manner .

**Q.3** Explain any five functions of advertising agency.

**ANS.** The main functions of advertising agency are as follow:-

- (1) **Planning:-** The advertising agency plans the advertising campaign. A client firm delegates the responsibility of advertising planning and execution to the agency.
- (2) **Creation and Execution:-** Specific advertisements are created. The advertising copy is written, the layout is prepared; photographs are finalised; and a correct mechanical form for running it in the selected media is produced.
- (3) **Co-ordination:-** The advertising agency co-ordinates several activities. It often works with the clients sales force and distribution network to ensure the long-run success of the advertising program.
- (4) **Accounting:-** The advertising agency maintains proper accounts in co-operation with the client. The accountant is in charge of the administration of the advertising programme on the agency side.
- (5) **Media Planning:-**The advertising agency selects the media or the set of suitable media for the client to reach the right type of audience which is an important factor in media selection.

**Q.4** Explain any five techniques used in sales promotion.

**ANS.** The following are important method of sales promotion:-

- (1) **Distribution of free samples:-** Many a time free sample of low priced and repeat sales item are distributed to selected people to gain consumer acceptance and to popularise the product.

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- (2) **Coupons:-** Some firms issues coupons to prospective buyers through newspaper, direct mail, dealers, package and door to door salesman. A coupon is a certificate that entitles its holder to a specified savings or discount or gift on the purchase of a particular product.
- (3) **Premiums or Bonus offer:-**A sales premium or bonus offer is the offer of an article free of cost or at a nominal price on the purchase of a specified product. For example- buy one pencil and get eraser free.
- (4) **Price contests:-**Under this consumers are given rewards for analytical or creative thinking about the product in the form of slogan writing, sentence completion, problem solving quiz etc.. reward are given to successful participants in the form of cash prizes , merchandise, or free travel such contests help to create consumer interest in the product.
- (5) **Exchange offer:-**Under this method consumer are offered the facility of exchanging old products with new. For example- BPL ltd.offered to buyers of refrigerators that they could exchange their old refrigerator and thereby pay less upto 3000 on the new one.