

# Meaning, Nature, Objectives and Scope of Commerce

## Introduction

Commerce is a division of trade or production which deals with the exchange of goods and services from producer to final consumer. It comprises the trading of something of economic value such as goods, services, information or money between two or more entities. Commerce functions as the central mechanism which drives capitalism and certain other economic systems. Commercialisation consists of the process of transforming something into a product, service or activity which one may then use in commerce.

Commerce primarily expresses the fairly abstract notions of buying and selling, whereas trade may refer to the exchange of a specific class of goods for example "the sugar trade" or to a specific act of exchange as in "a trade on the stock-exchange".

## History

Some commentators trace the origins of commerce to the very start of communication in prehistoric times. Apart from traditional self-sufficiency, trading became a principal facility of prehistoric people, who bartered what they had for goods and services from each other. Historian Peter Watson dates the history of long-distance commerce from circa 1,50,000 years ago.

In historic times, the introduction of currency as a standardized money facilitated a wider exchange of goods and services. Numismatists have collections of these monies, which include coins from some Ancient World large-scale societies, although initial usage involved unmarked lumps of precious metal. The circulation of a standardized currency provides the major advantage to commerce of overcoming the "double coincidence of wants" necessary for barter trades to occur. For example, Teaching of Commerce if a man who makes pots for a living needs a new house, he may wish to hire someone to build it for him. But he cannot make an equivalent number of pots to equal this service done for him, because even if the builder could build the house, the builder might not want the pots. Currency solved this problem by allowing a society as a whole

to assign values and thus to collect goods and services effectively and to store them for later use or to split them among several providers.

Today commerce includes a complex system of companies that try to maximize their profits by offering products and services to the market which consists both of individuals and other companies at the lowest production-cost. There exists a system of International trade, which some argue has gone too far.

## **Commerce Education in Developing and Developed Countries**

In India, various citations are found to be depicting the trade and commerce. In Varna-ashram system of social organization, Vaishya has an important place. This class of society was and is responsible for trade and commerce to fulfill the demand of society. "It is said-Education of commerce was started by private commercial instructions. To start with only book-keeping was taught. We found Munims use to train Junior Munims under their apprenticeship. Later on private commercial institutions started teaching book-keeping and accountancy."

In India, Madras or Chennai became a pioneer in 1886 for Commerce Education. Government of Madras had established commercial institute in 1896. In 1896 two other institutes were set up at Calcutta and Kerala. In 1903, Calcutta University started commerce subject. In 1920, the first Fiscal Commission was set-up and this Commission made certain important recommendations. In the light of these recommendations some major improvements were visible in various industrial fields specially in the field of iron and steel industry, sugar industry, tea industry, cotton industry and jute industry. A very rapid growth of commercial educational institutions was observed during 1920-40. The Indian Institute of Bankers was established in 1926, The Institute of Chartered Accountants of India was established in 1934. Later on in 1944, Institute of Works and Cost Accountants of India was established. In 1955, the Federation of Insurance Institutes were established. Modern commerce education has been started in developed countries like America. Many new branches have been emerged and a new era started in field of trade and commerce. Computer, Internet etc. provide commerce education a new look, e-commerce, e-business and many soft-wares have been designed to cater the needs of business.

## **Definitions of Commerce Education**

There are the some definitions of commerce education given by different authors are as follows:

**Freok Hooper and James Graham (1901).** "A practical education suited to the needs of the present day and calculated to fit young people intended for business careers for work they will have to perform and to better equip for their work those already in business."

**According to Loverett. S. Lyen (1922),** He defined commerce education as "any education which a business man has and which makes him a better business man, is for him business education, no matter whether it was obtained in the walls of a school or not."

**According to Paul S. Lomax (1928),** "Commercial education is fundamentally a programme of economic education that has to do with the acquirement, conservation and spending of wealth."

**According to H.G Shields (1930),** "Real commerce education is economic education not of academic sort, long on theory and short of facts, but economic education which will given the student a knowledge of the basic realities of business life and relationships. The basic science of business is economics and without a thorough grounding and awareness of economic problems much of the material included in secondary schools."

From the different views about commerce education it can be easily concluded that it is helpful in ones life as well as vocation. The skill in type-writing is most important and this is part of commerce education. Commerce is useful for all professionals like lawyers, doctors, engineers etc.

## **Types of Commerce Education**

**1. Business Education:** One may adopt the expression 'Business education' as the generic name to cover all types and levels of education for all the business functions or operations, whether in the public or the private sector, except those directly involved in the mechanical extraction or transformation of raw material to products and maintenance of machines.

**H.E. Tonne** (1955), "If education is thought of as the adjustment of the individual to his environment, Business Education must be thought Teaching of Commerce M of as the adjustment of the individual to his business environment." Chessman **A. Herrick** (1904). "That form of instruction that born be directly and indirectly prepares the businessman for his calling."

**A Dictionary of education edited by P.J. Hills** (1982), The term Business studies covers a wide range of activities in education and training. It usually means all most activities that educate and train people at all levels who work in organizations that deal in the purchase of and sales of goods and services."

## **Levels of Business Education**

There are three levels of business education:

### **(i) Commercial Education**

- (a) Vocationally based programmes at awareness or acquaintance level.
- (b) Specific programmes at skill or specialist level geared to beginning subordinate jobs.

### **(ii) Commerce Education**

- (a) General Stream (Pre-Professional level through grouped courses).
- (b) Functional or Operational Specialisation Stream (Semi-expert or semi-professional level through grouped courses with e elective offering and in single-subject courses to aid post- P employment betterment of prospectus).
- (iii) Professional Business Education

### **(iii) Professional Business Education**

- (a) Expert level in specific aspects of business operations like accounting, purchasing, selling, advertising, costing, finance, transport, secretarial work, taxation, business statistics etc.
- (b) Advanced general stream for the teaching professions.
- (c) Administrative specialization stream on a broad basis.

**2. Vocational Education:** Defining business of economic organization "chiefly for gratifying human wants," some writers have identified the term "Business education"

with all vocational education. But such an approach seems to be too broad for evolving programmes in Business Education, although it is admitted that "Business Education can make some contribution to the training of all workers." The coverage of vocational education is broader and Business education can be only branch of vocational education, if the term vocation is understood in broad sense.

**3. Economic Education:** Some writers have asserted that "real Business education is economic education. Economic education is not of academic sort, long on theory and short on facts-but economic education which will give the students a knowledge of basic realities of business life and relationships." Such identification of business education with education in applied economic or social science is found in many countries at the university level. The German concept of "Enterprise economics" is based on such idea. But then, different branches of knowledge like law, cost accountancy, etc. are brought within the domain. In Britain, the majority of the Carr Saunders committee recommended the Applied economics and social science approach in this branch of education at university level. In Switzerland the name is 'commercial science' presumably to widen the coverage on the argument of scientific study.

**4. Management Education:** In the U.S.A, Business education at university level is being identified with "Management Education" or "Business administration and Business Education at less than the college level is being intended to be covered by "Vocational Business Education" and similar other terms. The Harvard programmes are claimed to mark a break away from the applied economics approach in higher business education. Another British writer A.B.Lowndes states that "the whole programmes of commercial teaching then aims at the provision of training for the whole of the commercial and administrative aspects of industry, and not only for the narrow aspects of buying, selling, banking, transporting, warehousing and recording."

## **Nature of Commerce Education**

From the above definitions given by different authors reveals the nature of commerce education as follows:

**1. Both Science as well as an Art:** Since we know that science is a systematic study or knowledge that tell the cause and effect relationship and Art' on the other side means

expertise in applying the knowledge in real life situations to solve the problems. Therefore, like other sciences, the theories and principles of commerce, help in studying the cause and effect relationship in different business situations. Commerce education also plays vital role in the process of decision making which is most important aspect of Business world. On the other hand, a great level of expertise is required to successfully apply the theories and principles in real life business situations and commerce education is essential for the same.

**2. Both Academic and Vocational Subject:** The commissioner for secondary education in Britain observed that "All Education development and discipline of faculty by the communication knowledge and whether the faculty may be eye or hand or the reason and imagination and whether the knowledge be so communicated a evoke and exercise a disciplined faculty, the process is rightly termed education. Therefore, commerce education is an academic discipline that not only helps in learning principles and postulates of business education but also greatly helps in professional preparation or a career of teaching. Moreover, commerce education should be made an essential part of course curriculum in school education so that every citizen could be able to better understand and use his business consists of perfect training of some occupation where practical skill is must. Commerce is also a vocational subject because it proves training to learn a lot of skills and practices to gain the accurate applied knowledge of commerce education in real life situations.

**3. Both Knowledge and a Skill Subject:** Since commerce is an academic discipline hence it serves as a preparatory to high education to enhance the knowledge regarding business education and on the other hand it is also a skill subject by which one can enter in the career of employment by rendering his acquired practical knowledge in real life situations.

### **Scope of Commerce Education**

The scope of commerce is very wide there are people who are engaged in much business. So the scope for the commerce is changing day by day as the world is growing and the technology has changing rapidly. So, there are many business which are operating world wide and international markets in order to make the solutions. So the ultimate motive of every commerce is the getting profit and generating some activities through it. So, there are many people who are involved in the buying and selling

business and it is called the basic commerce. The scope of the business is changing rapidly now the production and manufacturing business is moving to the developing countries due to the low cost and cheap labour and the developed countries are exploring new fields for the business. Most of the business in the developed countries is moving towards the internet. So, many companies are transforming their business virtually.

The scope of commerce education can be studied with the help of three areas of study, which are as follows:

- (i) Commerce education as a part of general education.
- (ii) Knowledge about commerce as background understanding.
- (iii) Commerce study as a specialized subject.

**(i) Commerce education as a part of general education:** This includes the knowledge about commerce that is needed by all people, non-commerce are also the commerce people. Such a knowledge is required by the individual for handling his commercial affairs more successfully. This type of knowledge also helps the individual to become an intelligent citizen. It includes the topics such as money and banks, budgeting, records = keeping book, insurance, travel, communication, transport, commerce, community welfare and successful economic citizenship.

**(ii) Knowledge about background understanding of Commerce:** Under this head it included the study of general commerce, economics, geography, commercial law, book-keeping, business management, accountancy, advertising and salesmanship, office practices etc. Most of the topics included for study under this head serve to introduce the students to the activities of business enterprises and provide them material for discussion from the social points of views as also that of management.

**(iii) Specilaised Study for Commerce Students:** Under this head are included the topics such as book-keeping, type writing, shorthand, office practice, cooperative commerce education, distributive education and office occupations. Most of the topics included for study under this head are much which helps the students to gain specialized education for vocational competencies on different business jobs which are likely to be available to the commerce graduates.

**The special Committee on Education for commerce in Britain (1949)** thus, delimited the coverage of Commerce Education: "Education for commerce must therefore embrace educational facilities for those preparing for or engaged in business occupations of every kind, professional or otherwise, from office routine such as typewriting and shorthand to the positions of great responsibility- It is in the sense that we understand the breadth of our enquiry; it includes education for wholesale and retail trade, for import and export trade, for transport and shipping, for general commerce, for profession so called, for higher functions of management and administration, and for modest 'hand- maidens' of commerce, shorthand and typewriting."

**According to this committees, Scope of Commerce education can be studied under two heads:**

1. Scope at College Level
2. Scope at the Senior Secondary Stage

### **1. Scope at College Level**

According to the University Education Commission 1948-49 Professional Business Education should include mathematics; statistics theory of organization; business structure; finance, including management and budgeting of assets and of expenses; philosophy, history and theory of law and organization of work, including economy, Process analysis and procedures, standardization of skills, cost analysis and the like. The structure of distribution should also be studied. In industrial cases this training can be slanted towards factory practice, office management, institutional management, agriculture and marketing according to the student's chief interest. While industrial relations should be included in every business courses it is so important as to constitute a profession of itself.

### **2. Scope at the Senior Secondary Stage**

The Central Board of Secondary Education, Delhi (1996) has outlined the following subject- matter in Business studies and Accountancy, the terms used by it in lieu of Commerce.

- (i) Economic Activities and Business
- (ii) Nature and Purpose of Business
- (iii) Structure of Business
- (iv) Service Sector and Business



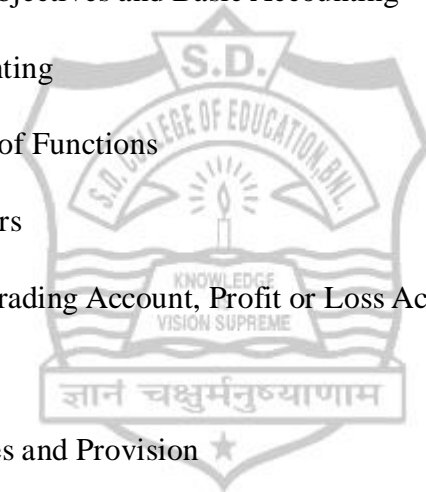
- (v) Forms of Business Enterprise
- (vi) Cooperate organization
- (vii) Formation of a company
- (viii) Sources of Business Finance
- (ix) Stock Exchange
- (x) Internal Trade
- (xi) External Trade
- (xii) Functional Management
- (xiii) Factory or organization
- (xiv) Office or Administration

**Accountancy:**

- (i) Accounting-Meaning, objectives and Basic Accounting
- (ii) Theory Base of Accounting
- (iii) Origin and Recording of Functions
- (iv) Trial Balance and Errors
- (v) Financial Statements-Trading Account, Profit or Loss Account and Balance Sheet.
- (vi) Computer Awareness
- (vii) Depreciation, Reserves and Provision
- (viii) Bills of Exchange
- (ix) Accounts of Non-Profit organization
- (x) Accounts from incomplete Records

As an academic discipline and a vocational discipline commerce education includes the following subjects at the senior secondary stage:-

- (i) Business studies
- (ii) Book keeping and Accountancy
- (iii) Applied Economics
- (iv) Advertising and Publicity, etc.



- (v) Commercial English
- (vi) Commercial Law
- (vii) Commercial mathematics
- (viii) Office, clerical and Secretarial Practice
- (ix) Salesmanship
- (x) Shorthand
- (xi) Typewriting

## **Aims and Objectives of Teaching of Commerce**

### **Introduction**

The views of Prof. B.D. Bhatia: "What the knowledge of aims, the educator is like a sailor who does not know his goal and the child is like a rudderless vessel which will be drifted along somewhere ashore." When a person is going to start a task/activity, he fixes up certain aims to carry out that task/activity successfully. It is beyond the doubt that a certain meaningful aim of the activity can show its outcomes even before the completeness of the task. It is also applicable to the teaching of any subject. The predetermined aim of teaching stimulates the teacher to select meaningful content, suitable time table, appropriate method of teaching and techniques etc.

### **Concept of Aims**

An aim is a result that your plans/actions are intended to achieve, i.e. Aim is a general direction of intent which gives direction to a teaching programme. John Dewey has rightly stated, "An aim is a for seen end that gives direction to an activity and motivates behaviour."

### **Concept of Objectives**

The objectives is a statement which suggests a certain kind of change in the children and we try to bring about it in the child. As Carter V. Goods rightly said. "Objective is desired change in behaviour of pupil as a result of experience directed by school."

I. K. Davis said "Leading is the work of a teacher done to motivate, encourage and inspire the students. So that they will be readily achieve learning objectives."

India is one of the great ancient and civilized country of the world. In ancient times, India was called a 'Golden Bird' because it had overall prosperity and foreign countries wanted to trade with it.

British exploited the natural as well as human resources of our country. They earned huge profits and transferred these funds to their country. India became poor because its trade activities slow down.

Now, the present developing India has the potentials to develop but the same has not yet been tapped fully. Today India has to develop different sectors by increasing its national income and capital for nation. A sound infrastructure is the need of the hour for proper industrialization. No country can progress without the development of commerce. So, commerce is the yardstick to measure the level of development of the country.

Keeping in view the above situation of India and to follow sound policy for overall development of the country, the aims and objectives of teaching commerce can be highlighted as follows:

**1. Knowledge aim:** Imparting of knowledge of commerce is essential for the young minds of India to make our country once again the crown of the whole nations of the world. Knowledge helps the man to adjust to the environment, human progress, creation and innovation. It leads rational thinking. When students learn principles of commerce, they learn new concepts, theories and laws. This knowledge makes them practical in approach. School must be a preparation for life and so commerce should aim at making students rational, intelligent and productive citizens of the country by increasing their knowledge.

**2. Provide base for higher education:** Teaching commerce at school level provide base for higher education. After 10+2 they can join B.Com, B.B.A, B.C.A, C.A., ICWA etc. It helps them to select path for the achievement of their goals.

**3. Application of knowledge in practical situations:** Knowledge of commerce is of great help when it is applied in practical situations i.e. filling up of bank forms, insurance forms, cheques, drafts, withdrawal and deposit slips, use of ATM's, writing of business letters etc.

**4. To help the child to acquire scientific attitude:** The main aim of teaching commerce is to develop scientific attitude in the students so that they accept nothing unless it comes out of the test of reason and scientific beliefs. The principles related to commerce studies have strong scientific foundations.

**5. Knowledge of vocational skills:** Teaching of commerce aims to develop the vocational skills i.e. typing, shorthand, and use of computers in preparing trial balance, balance sheets and data entries.

**6. Knowledge about different professions:** At higher secondary level, the knowledge about different vocations and professions is provided to the students. So that they can choose any vocation or profession according to their interest, aptitude, attitude and economic condition.

**7. Helpful in adjusting the vocation:** Every individual engaged in business or is doing service. Due to technologic changes one has to adjust accordingly. So students should be provided the education to adjust themselves according to the needs of the job or the business.

**8. Development of human values:** Through commerce education, students can be taught about human values i.e. they can be told that each business has two things- one is profit and other is loss. So, we should have patience for getting fair profit in the business.

**9. To develop desirable qualities:** The main aim of teaching of commerce is the harmonious development of the child. It helps the child to become self reliance, flexible, creative, quick decision taker, innovative and good manager in every walk of life. Commerce aims at the all round development of the child.

**10. To make responsible democratic citizen:** India is a democratic country. A child has become responsible citizen after growing up. He has to vote, pay taxes, work to earn his livelihood. Commerce education helps to develop the sense of responsibility for the society. Subjects like social responsibilities of business and social accounting aims at attainment of such goals.

**11. Proper utilization of leisure:** Teaching of commerce not only provides knowledge but also tries to help the students in proper utilization of the leisure. The teaching of

commerce helps the students in acquiring the knowledge of bank, post office, share market etc. in a play way manner.

**12. To develop national feeling and international understanding:** Commerce teaching aims at development of national feeling among the students. They better understand that business does not exist for itself only but should substantially contribute to the national uplift. Rural. industrialization and balanced regional growth is aim of the commerce education. It helps country in making self reliant by producing and consuming domestic goods. A self reliant nation has more prestige in international community.

quality of a completed curriculum. Thus summative evaluation ordinarily takes place at the completion of the curriculum development process and provides a terminal judgement on the competed curriculum. Formative evaluation, by contrast, while providing assessment of curriculum quality, is conducted during the curriculum development process for the additional purpose of providing data that can be used to form a better curriculum.

It seems clear that for curriculum development process, formative evaluation is more useful tool than its summative evaluation, although both types are necessary. The problem with summative evaluation is that once a curriculum has been established in a relatively completed form, everyone connected with it resists anything that suggests the necessity for major changes. On the other hand, because curriculum is an evolutionary in nature, formative evaluation is a uniquely well-suite instrument in the guidance of