3.5. A - COMMERCIAL ARITHMETIC – I

(For the students who have already studied Statistics at PU I & II/XI & XII)

Lecture per Week: 4 hours Max Marks: 80 (End Sem.) + 20 (IA) = 100
Exam Duration: 3 Hours

OBJECTIVES: To train the students of commerce to become familiar with the practical problems relating to commerce and business environment and make them acquainted with actual commercial problems existing in the modern world.

Units	Topics	No of Periods
I	**Indices:** Definition of base and index. Laws of indices (Without proof). Problems. Logarithms: Definition of logarithm, base and principal. The four laws of logarithms (Without proof). Problems. Application of common logarithm to simplify products, quotients, power or combinations of these.	10
II	**Ratio:** Definition of ratio, antecedent, consequent in a ratio. Simplest form of a ratio. Continued ratio. Problems based on these. Proportion: Definition of proportion, means, extremes, relation between means and extremes. Rule of three. Problems. Direct and inverse proportion. Compound proportion. Problems.	10
III	**Commission and Brokerage:** Definitions of commission and brokerage, Agent and broker. Problems on commission and brokerage. Discount: Definition of Discount. Trade discount, Cash discount, Marked price, Invoice price, net price or selling price. Problems.	10
IV	**Life Insurance:** Types of Insurance policies. Calculation of premium. Maturity value, surrender value. Paid up value. General Insurance: Definition. Insured value, Calculation of premium, Under insurance, Over Insurance, Calculation of compensation	10
V	**Partnership:** Definition, Sharing profits and losses, Capital for equal and unequal periods. Definition of goodwill and calculation of goodwill on admission of a new partner and retirement of a partner. Problems based on these.	10

SUGGESTED REFERENCE:

1. Commercial Arithmetic by Prof. R. H. Dhareshwar
2. Commercial Arithmetic by Iyer and Bari
3. Commercial Arithmetic by Patvardhan and Joshi
4. Commercial Arithmetic by Sutaria