

QUESTION NO. 1

- (i) **Recession / Dips:** A decline in business characterized by a fall in prices is called Recession.
- (ii) **Speculation:** See Paper 2016 Question No. 4 (vi)
- (iii) **Strading:** When the market operators take advantage of abnormal differences in the rates of different bills in the same market and carry on arbitrage operation by selling one kind of bills to buy another kind of bills, the operation is called strading or straddling.
- (iv) **Tariff:** See Paper 2016 Question No. 4 (iii)
- (v) **Rigging:** In a market whenever a number of bulls organise themselves and try to control the market by bogus transactions in order to manipulate the prices of commodities in their favour, it is called Rigging.
- (vi) **Power of Attorney:** A document in which one person authorises another to act on his behalf in respect of matters specified in the documents.
- (vii) **Hedging:** It means a shield against the loss. It is a system in which the speculator protects himself against unfavourable movements of price fluctuation. He tries to save himself with different tricks such as shifting some part of loss to the shoulders of others.

(OR)

DUNNING / COLLECTION LETTERS:

Collection letters are written by a firm to its customers when they fail to clear their accounts within specified period of time. Collection letters are also termed as 'Dunning Letters'. These letters are more difficult to write than any other kind of letters. Businessmen are very careful when they grant credit to a customer. They should be even more careful while writing letters of collection to him.

THREE-FOLD PURPOSE OF COLLECTION MESSAGES**(1) Collecting Outstanding Dues:**

The chief objective of collection letters is to collect the outstanding dues from the customer who has defaulted. The whole exercise undertaken by the collection manager shall go vain if he approaches the customer and yet fails to collect the dues. It is important for the writer of a collection message that while drafting the letter, this chief objective of collecting the dues is kept in mind at every stage of the collection campaign. The most desirable way to achieve this end of a collection message is to try to make the defaulting customer himself realize his obligatory responsibility.

(2) Retaining the Customer:

The immediate purpose of a collection letter is of course to collect the outstanding payment. But, this should not take place at the cost of the customer. In case money is recovered but the customer is lost or alienated, it shall be taken as a poor collection policy. To the best of his efforts, the sender of the collection message should remain polite and persuasive in his tone and technique so that the outstanding dues are collected and the customer is also retained.

(3) Building Customer Goodwill:

A good collection letter is the one that achieves its goal without doing any damage to the goodwill of the company. A business house, more than anything else, lives on its customer goodwill. A company that ceases to enjoy the approval and sanction of its customers, is bound to suffer. During the process of a collection campaign critical moments are likely to occur. It is important that the sender of the collection messages keeps this aspect in his mind and does not adopt an attitude that affects the goodwill of the house.

QUESTION NO. 2**REPORT ON OPENING A UTILITY STORE**

To

The Principal,

Lahore,

From: A student**Subject:** Report on the opening a Utility Store**Date:** May 15, 2017**Introduction:**

This is submitted to the worthy Principal as a report in connection with the current situation that demands for an immediate examination of the present state of affairs.

Text:

Keeping in view the need of the hour, I thoroughly reviewed every pros and cons of the matter. In this regard, I had to meet a number of people concerned with this affair. After a series of question and answer sessions and meticulous study, I have gathered some valuable facts which can be of great assistance in getting the true picture of the whole scenario. These are given below:

- (1) Presently there is a small general store in the college campus which insufficiently meets the needs of the students and the staff.
- (2) As there is no cafeteria /utility store inside the college campus, the students have to go outside to fetch different items; it causes them a lot of inconvenience. They usually return late and some of them don't come back to attend to their remaining classes.
- (3) The food stuff and other things that students get from outside are of cheap quality.
- (4) I have talked to the principals of other colleges who are providing this facility to their students on no profit no loss basis and are satisfied that they are helping their students in getting quality food items on cheaper rates.

Recommendations:

- (1) Arrangements to open a new utility store in the college campus may be made as soon as possible. For this purpose a small building may be constructed near the main gate of the college.
- (2) The food stuff and other items should be priced under the supervision of the college management.

- (3) A complaint/suggestion register should be maintained to know view of the employees.
- (4) All the goods should be provided after confirming the identities of the college students and other staff.

Conclusion:

In the light of the above mentioned facts, it is recommended that all the necessary steps should be taken to safeguard the interest of the establishment.

Yours truly,
X.Y.Z. (Manager)

(OR)

See Paper 2016 Question No. 2

QUESTION NO. 3

(i)

Solicited Letter:

It is a letter which is written in response to some advertisement inviting the reader to write for further information to a certain organization or office.

Unsolicited Letter:

It is a letter in which the writer takes the initiative in asking for information.

(ii)

Refusal Letter:

If an order is declined, or it can be filled only partially, or it cannot be executed, it is compulsory for the trader to inform the sender about his decision. In such case, the refusal letter must state the reasons for making a refusal.

Cancellation Letter:

Sometimes the buyer cancels an order. It is done mainly due to delay in the execution of the order. In such cases a simple statement of the reason for cancellation is enough. The decision of cancellation must be immediately communicated to the supplier.

(iii)

Reminder Letters:

The reminder letter is written under the assumption that some minor problem has delayed payment; otherwise, the customer has every intention of payment and needs only to be reminded.

Urgency Letters:

When reminder and discussion letters fail to cause a favourable impact on the debtor, the creditor is forced to progress into the urgency stage (threatening message).

(iv)

Official Letter / Office Order:

An official letter/office order, comprises a message that is sent for some official purpose.

Memorandum:

It is a brief communication for inter department activities. This is commonly known as "Memo". A memorandum, unlike a letter, does not mention a Salutation or Complimentary Close, nor it has any Inside Address.

(v)

Covering Letter:

A cover letter is a one-page document that, along with your resume, is sent with your job application.

Resume:

A resume is a written summary of a person's education, previous employment, background and qualification.

QUESTION NO. 4

Ahmad and Company,
110, The Mall,
Lahore.

May 08, 2012

Ali and Company,
120, X.Y. Road,
Karachi.

Dear Sirs,

We have the pride of introducing 'Rose' – a wonder in the world of fairness cream.

It has always been our pleasure to manufacture cosmetic items to the applause of our customers. 'Rose' is entirely a different product from any other fairness creams present in the market. It is the outcome of a hard and strenuous effort of our experts. It sounds unbelievable that not more than 30 days a face can be glowing and shining by applying one box of cream but 'Rose' does it, and does it very effectively. It is equally good for any type of skin and for any age. It gives a new shine and glow to the face without doing any harm to skin. Compared to any other fairness cream available in the market, it is cheap in price and better in results.

Please book your order by filling in the enclosed order-blank that entitles you for a special discount on the sale of 'Rose'.

Yours truly,

X.Y.Z.

(OR)

SALES LETTER:

A Sales Letter is written to sell goods, services or ideas. If someone wants to write an effective sales letter, he must learn the difficult art of selling. Selling is a process through which the seller presents the advantages of his goods in a way that will persuade the reader to accept the seller's offer. Therefore sales letters follow persuasive plan of writing.

THE STRUCTURE OR 'AIDA/ADCA PLAN' OF A SALES LETTER

The structure of a sales letter is so basic that it can be used for almost any letter in which you want to gain favourable action by the reader. An effective sales letter needs a careful planning. This plan is based upon the following four steps.

- | | |
|--------------------------|------------------------|
| (1) Attracting attention | (2) Creating interest |
| (3) Stimulating desire | (4) Stimulating action |

(1) **Attracting Attention:**

Because of busy life, now-a-days people just glance at a letter to see what is it about. Therefore it is necessary that first paragraph of the sales letter should be such as may attract the reader's attention. The following approaches may be applied to attract a reader.

- Opening with a story or event.
- Some beautiful quotation or anecdote.
- Status appealing opening.
- Concrete facts.
- Opening with a question.
- Mentioning prizes.

(2) **Creating Interest:**

Describing the profit or the usefulness of the product creates interest. With the use of colourful and descriptive words and phrases you can make your reader feel, see, taste or smell the product and get satisfaction from it. The writer should mention the benefit the reader will get if he uses the product.

(3) **Stimulating Desire:**

As the smell of delicious food tickles the nostrils so must your letter create desire among the readers. Catch and convert a reader into a customer. Try to convince the reader that the offer is really useful for him. This conviction is attained by the use of testimonials, samples, and guarantees etc. The writer may use either of both of the following appeals to stimulate the desire of the reader.

(i) Appeal to emotions

(ii) Appeal to reason

Appeal to emotions is particularly very effective in selling products that are meant for personal use. The writer may tell the reader what joy, comfort or satisfaction he will get by using the product. Similarly, he may refer to the compatible qualities of the product to create in the reader, a desire for it.

(4) **Stimulating Action:**

The most important function of the sales letter is to encourage the reader to buy. Therefore action is made easy for the reader by suggesting "just visit our store room any time" or "fill in this coupon".

Hence stamped and addressed envelopes are also enclosed.

QUESTION NO. 5

See Paper 2016 Question No. 4

(OR)

See Paper 2014 Question No. 2