

BUSINESS STUDIES

Class-11th

Chapter - 04

NATURE OF BUSINESS SERVICES

INTRODUCTION



NATURE OF BUSINESS SERVICES

MEANING

- **Services are those separately identifiable, essentially intangible activities that provides satisfaction of wants, and are not necessarily linked to the sale of a product or another service.**
- **A good is a physical product capable of being delivered to a purchaser and involves the transfer of ownership from seller to customer.**



NATURE OF BUSINESS SERVICES

Nature of Services

There are five basic features of services. These features also distinguish them from goods and are known as the five Is of services. These are discussed as below:

(i) Intangibility:

- Services are intangible, i.e., they cannot be touched. They are experiential in nature. One cannot taste a doctor's treatment, or touch entertainment. One can only experience it.
- It is, therefore, important for the service providers that they consciously work on creating a desired service so that the customer undergoes a favourable experience. For example, treatment by a doctor should be a favourable experience.



NATURE OF BUSINESS SERVICES

Nature of Services

(ii) Inconsistency:

- **The second important characteristic of services is inconsistency. Since there is no standard tangible product, services have to be performed exclusively each time. Different customers have different demands and expectations.**
- **Service providers need to have an opportunity to alter their offer to closely meet the requirements of the customers.**



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(iii) Inseparability:

- **Another important characteristic of services is the simultaneous activity of production and consumption being performed.**
- **This makes the production and consumption of services seem to be inseparable. While we can manufacture a car today and sell it after, say, a month; this is often not possible with services that have to be consumed as and when they are produced.**



NATURE OF BUSINESS SERVICES

- **Service providers may design a substitute for the person by using appropriate technology but the interaction with the customer remains a key feature of services.**
- **Automated Teller Machines (ATMs) may replace the banking clerk for the front office activities like cash withdrawal and cheque deposit. But, at the same time, the presence of the customer, is required and his/her interaction with the process has to be managed.**



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(iv) Inventory (Less):

- **Services have little or no tangible components and, therefore, cannot be stored for a future use. That is, services are perishable and providers can, at best, store some associated goods but not the service itself.**
- **This means that the demand and supply needs to be managed as the service has to be performed as and when the customer asks for it.**



NATURE OF BUSINESS SERVICES

- They cannot be performed earlier to be consumed at a later date. For example, a railway ticket can be stored but the railway journey will be experienced only when the railways provides it.

(v) Involvement:

- One of the most important characteristics of services is the participation of the customer in the service delivery process.
- A customer has the opportunity to get the services modified according to specific requirements.



NATURE OF BUSINESS SERVICES

Type of Services:

1. Social Services:

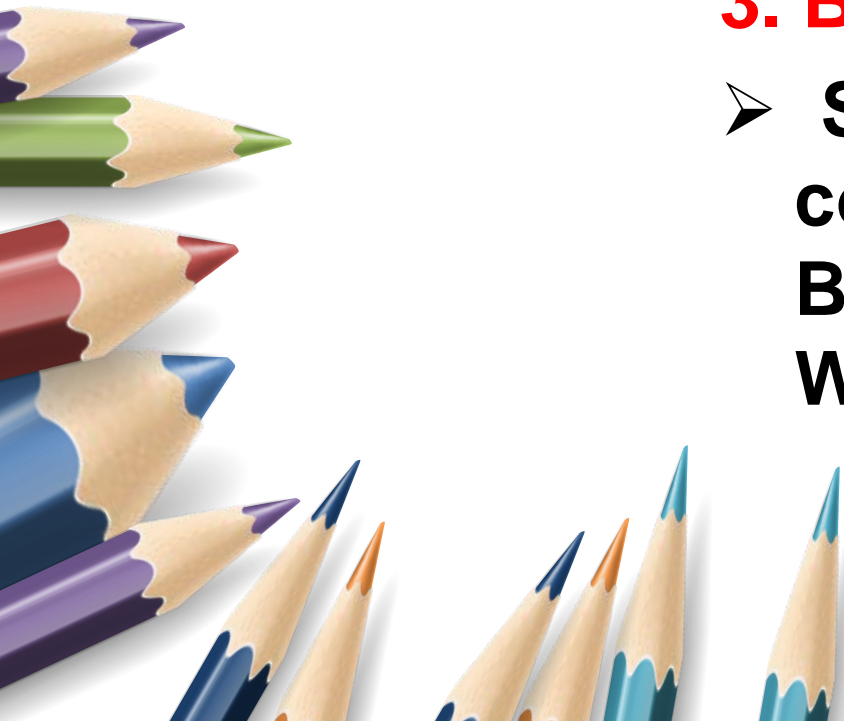
- Provided voluntarily to achieve certain goals e.g. healthcare and education services provided by NGOs.

2. Personal Services:

- Services which are experienced differently by different customers. e.g. tourism, restaurants etc.

3. Business Services:

- Services used by business enterprises to conduct their activities smoothly. e.g. Banking, Insurance, communication, Warehousing and transportation.



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BANKING



NATURE OF BUSINESS SERVICES

Banks

Banks occupy an important position in the modern business World. No country can make commercial and industrial progress without a well organized banking system. Banks encourage the habit of saving among the public. They mobilize small savings and channelize them into productive uses.



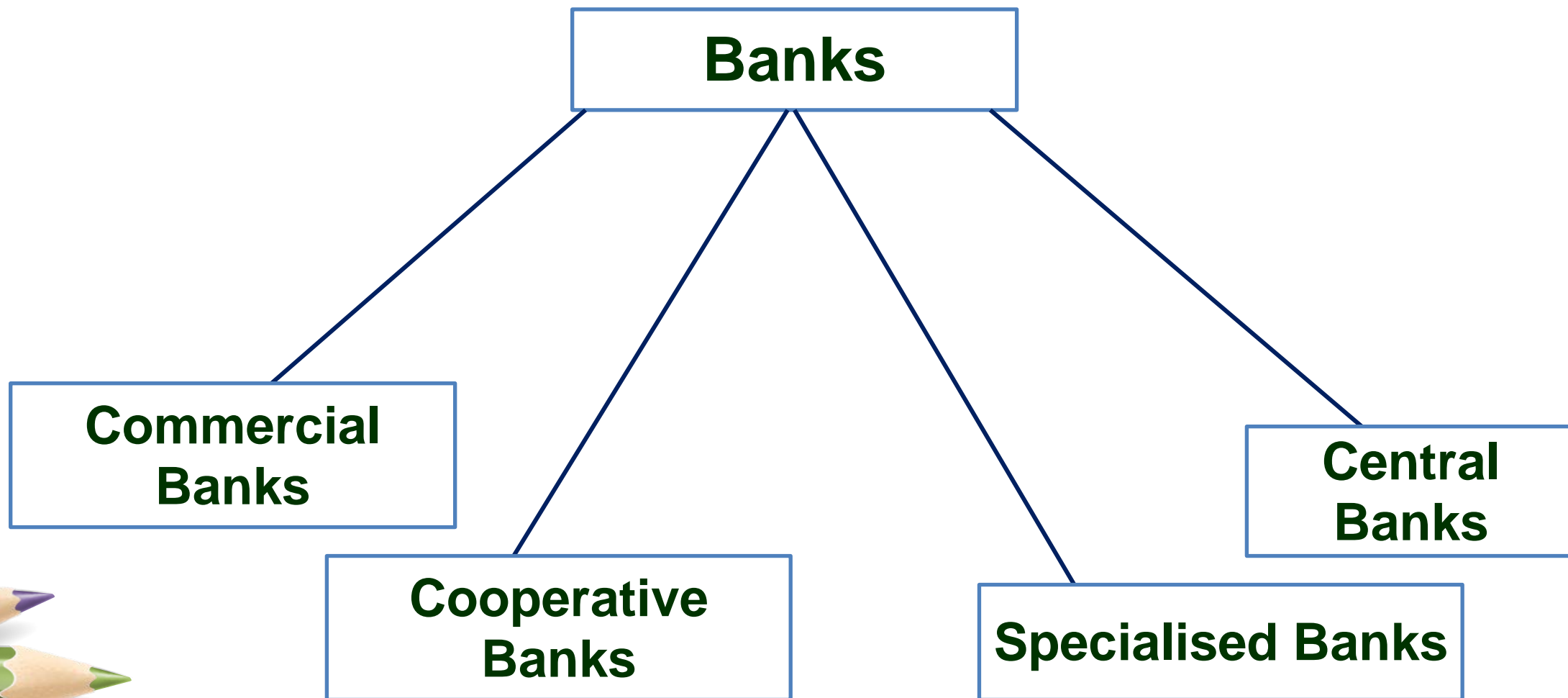
NATURE OF BUSINESS SERVICES

A bank is an institution which deals in money and credit. It collects deposits from the public and supplies credit, thereby facilitating exchange. It also performs many other functions like credit creation, agency functions, general services etc Hence, a Bank is an organization which accepts deposits, lends money and perform other agency functions.



NATURE OF BUSINESS SERVICES

Type of Banks:



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Type of Banks:

- (i) Commercial Banks:** Commercial banks are institutions dealing in money. These are governed by Indian Banking Regulation Act 1949 and according to it banking means accepting deposits of money from the public for the purpose of lending or investment.
- (ii) Cooperative Banks:** Cooperative Banks are governed by the provisions of State Cooperative Societies Act and meant essentially for providing cheap credit to their members. It is an important source of rural credit, i.e., agricultural financing in India.



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(iii) Specialised Banks:

- **Specialised banks are foreign exchange banks, industrial banks, development banks, export-import banks catering to specific needs of these unique activities. These banks provide financial aid to industries, heavy turnkey projects and foreign trade.**

(iv) Central Bank:

- **The Central bank of any country supervises, controls and regulates the activities of all the commercial banks of that country. It also acts as a government banker. It controls and coordinates currency and credit policies of any country. The Reserve Bank of India is the central bank of our country.**



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**PRIMARY FUNCTIONS OF
COMMERCIAL BANKS**



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FUNCTIONS OF COMMERCIAL BANK

A – Primary Function

Accepting The Deposits

1. Fixed/time deposit
2. Current/Demand Deposit
3. Saving Deposit Account
4. Recurring Deposit Account
5. Multiple option Deposit Account

Lending Money

1. Loans
2. Cash credit
3. Over draft
4. Discounting of bill of Exchange

B – Secondary Function

Agency Function

General Utility Function



NATURE OF BUSINESS SERVICES

Functions of Commercial Banks

1. **Accepting Deposits:**

- **Accepting deposits is the main function of commercial banks. Banks offer different types of Bank accounts to suit the requirements and needs of different customers.**
- **Different types of Bank accounts areas follows:**

A. Fixed Deposit Account:

Money is deposited in the account for a fixed period is called as Fixed Deposit account.

After expiry of specified period ,person can claim his money from the bank. Usually the rate of interest is maximum in this account. The longer the period of deposit, the higher will be the rate of interest on deposit.



NATURE OF BUSINESS SERVICES

A. Fixed Deposit Account:

- **Money is deposited in the account for a fixed period is called as Fixed Deposit account.**
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B. Current Deposit Account:

- **Current deposit Accounts are opened by businessman. The account holder can deposit and Withdraw money.**
- **Whenever desired. As the deposit is repayable on demand, it is also known as demand deposit. Withdrawals are always made by cheque.**
- **No interest is paid on current accounts. Rather charges are taken by bank for services rendered by it.**



NATURE OF BUSINESS SERVICES

C. Saving Deposit Account:

- **The aim of a saving account is to mobilize savings of the public. A person can open this account by depositing a small sum of money. He can withdraw money from his account and make additional deposits at will.**
- **Account holder also gets interest on his deposit. In this account though the rate of interest is lower than the rate of interest on fixed deposit account.**



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D.Recurring Deposit Account:

- **The aim of recurring deposit is to encourage regular savings by the people.**
- **A depositor can deposit a fixed amount, say Rs. 100 every month for a fixed period. The amount together with interest is repaid on maturity.**
- **The interest rate on this account is higher than that on saving deposits.**



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E. Multiple Option Deposit Account:

- It is a type of saving Bank A/c in which deposit in excess of a particular limit get automatically transferred into fixed Deposit.
- On the other hand, in case adequate fund is not available in our saving Bank Account so, as to honour a cheque that
- we have issued the required amount gets automatically transferred from fixed deposit to the saving bank account.
- Therefore, the account holder has twin benefits from this amount
 - (i) He can earn more interest and
 - (ii) It lowers the risk of dishonoring a cheque.



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2. Lending Money:

- Lending Money with the help of money collected through various types of deposits, commercial banks lend finance to businessman, farmers, and others.
- The main ways of lending money are as follows:

A. Term Loans: These loans are provided by the banks to their customers for a fixed period to purchase Machinery.



NATURE OF BUSINESS SERVICES

B. Bank Overdraft:

- **The customer who maintains a current account with the bank, takes permission from the bank to withdraw more money than deposited in his account.**
- **The extra amount withdrawn is called overdraft. This facility is available to trustworthy customers for a small period.**
- **This facility is usually given against the security of some assets or on the personal security of the customer. Interest is charged on the actual amount overdrawn by the customer.**



NATURE OF BUSINESS SERVICES

C. Cash Credit:

- **Under this arrangement, the bank advances cash loan up to a specified limit against current assets and other securities.**
- **The bank opens an account in the name of the borrower and allows him to withdraw the borrowed money from time to time subject to the sanctioned limit. Interest is charged on the amount actually withdraw.**



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D. Discounting of Bill of Exchange:

- Under this, a bank gives money to its customers on the security of a bill of exchange before the expiry of the bill in ease of customers needs it.
- For this service bank charges discount for the remaining period of the bill.



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**SECONDARY FUNCTIONS
OF COMMERCIAL BANKS**

NATURE OF BUSINESS SERVICES

FUNCTIONS OF COMMERCIAL BANK

A – Primary Function

Accepting The Deposits

1. Fixed/time deposit
2. Current/Demand Deposit
3. Saving Deposit Account
4. Recurring Deposit Account
5. Multiple option Deposit Account

Lending Money

1. Loans
2. Cash credit
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4. Discounting of bill of Exchange

B – Secondary Function

Agency Function

General Utility Function



NATURE OF BUSINESS SERVICES

Secondary Functions:

The secondary functions of commercial banks are as under:

(1) Agent Functions

As an agent of its customers a commercial bank provides the following services:

- I. Collecting bills of exchange, promissory notes and cheques.
- II. Collecting dividends, interest etc.
- III. Buying and selling shares, debentures and other securities.
- IV. Payment of interest, insurance premium etc.



NATURE OF BUSINESS SERVICES

- V. Transferring funds from one branch to another and from one place to another.**
- VI. Acting as an agent of representative while dealing with other banks and financial institutions. A Commercial banks performs the above functions on behalf of and as per the instructions of its customers.**



NATURE OF BUSINESS SERVICES

(2) General Utility Functions:

Commercial banks also perform the following miscellaneous functions:

- I. Providing lockers for safe custody of jewellery and other valuables of customers.**
- II. Giving references about the financial position of customers.**
- III. Providing information to a customer about the credit worthiness of other customers.**



NATURE OF BUSINESS SERVICES

- IV. Supplying various types of trade information useful to customer.**
- V. Issuing letter of credit, pay orders, bank draft, credit cards and travelers cheques to customers.**
- VI. Underwriting issues of shares and debentures.**
- VII. Providing foreign exchange to importers and travellers going abroad.**



NATURE OF BUSINESS SERVICES

Bank Draft:

- It is a financial instrument with the help of which money can be remitted from one place to another.
- Anyone can obtain a bank draft after depositing the amount in the bank. The bank issues a draft for the amount in its own branch at other places or other banks (only in case of tie up with those banks) on those places.
- The payee can present the draft on the drawee bank at his place and collect the money. Bank charges some commission for issuing a bank draft.



NATURE OF BUSINESS SERVICES

Banker's cheque or Pay Order:



- It is almost like a bank draft. It refers to that bank draft which is payable within the town.
- In other words banks issue pay order for local purpose and issue bank draft for outstation transactions.



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E-BANKING

NATURE OF BUSINESS SERVICES



Electronic banking services/e-banking:

- **Use of computers and internet in the functioning of the banks is called electronic banking.**
- **Because of these services the customers don't need to go to the bank every time for every transaction.**
- **He can make transactions with the bank at any time and from any place. The chief electronic services are the following:**



NATURE OF BUSINESS SERVICES

1. Electronic. Fund Transfer:

- Under it, a bank transfers wages and salaries directly from the company's account to the accounts of employees of the company.
- The other examples of EFTs are online payment of electricity bill, water bill, insurance premium, house tax etc.



NATURE OF BUSINESS SERVICES

2. Automatic Teller Machines (ATMs) :

- ATM is an automatic machine with the help of which money can be withdrawn or deposited by inserting the card and entering personal Identity Number (PIN).
- This machine operates for all the 24 hours.



NATURE OF BUSINESS SERVICES



3. Debit Card:

- A Debit Card is issued to customers in lieu of his money deposited in the bank.
- The customers can make immediate payment of goods purchased or services obtained on the basis of his debit card provided the terminal facility is available with the seller.



NATURE OF BUSINESS SERVICES



4. Credit Card:

- A bank issues a credit card to those of its customers who enjoy good reputation. This is a sort of overdraft facility.
- With the help of this card ,the holder can buy goods or obtain services up to a certain amount even without having sufficient deposit in their bank accounts.

NATURE OF BUSINESS SERVICES

5. Tele Banking:

- Under this facility, a customer can get information about the account balance or any other information about the latest transactions on the telephone.



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6. Core Banking Solution Centralized Banking Solution:

- **In this system customer by opening a bank account in one branch (which has CBS facility) can operate the same account in all CBS branches of the same bank anywhere across the country.**
- **It is immaterial with which branch of the bank the customer deals with when he/she is a CBS branch customer.**



NATURE OF BUSINESS SERVICES

7. National Electronic Fund Transfer (NEFT) :

- It refers to a nationwide system that facilitate individuals, firms and companies to electronically transfer funds from any branch to any individual, firm or company having an account with any other bank branch in the country. NEFT settles transactions in batches.
- The settlement takes place at a particular point of time for example, NEFT settlement takes place 6 times a day during the weekdays (9.30am, 10.30 am, 12.00 noon, 1.00 pm, 3.00 pm & 4.00pm) and 3 times during Saturday (9.30 am, 10.30 am and 12.00 noon).
- Any transaction initiated after a designated settlement time is settled on the next fixed settlement time.



NATURE OF BUSINESS SERVICES

8. Real Time Gross Settlement (RTGS):

- **It refers to a funds transfer system where transfer of funds takes place from one bank to another on a Real-time and on Gross basis.**
- **Settlement in Real-time means transactions are settled as soon as they are processed and are not subject to any waiting period.**
- **Gross settlement means the transaction is settled on one to one basis without bunching or netting with any other transaction.**



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- **This is the fastest possible money transfer system through the banking channel. The RTGS service for customers is available from 9.00 am to 3.00 pm on weekdays and from 9.00 am to 12.00 noon on Saturdays.**
- **The basic difference between RTGS and NEFT is that while RTGS transactions are processed continuously, NEFT settles transactions in batches.**



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**BENEFITS OF
E-BANKING**

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Benefits of E-Banking to Customer:

1. E-Banking provides 24 hours a day X 365 days a year services to the customers.
2. Customers can make transactions from office or house or while traveling via mobile telephone.
3. There is greater customer satisfactions through E-banking as it offers unlimited access and great security as they can avoid travelling with cash.



NATURE OF BUSINESS SERVICES

Benefits of E-Banking to Banks:

- 1. E-Banking lowers the transaction cost.**
- 2. Load on branches can be reduced by establishing centralized database.**
- 3. E-Banking provides competitive advantage to the bank, adds value to the banking relationship.**



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MEANING OF INSURANCE

INSURANCE

- **Life is full of uncertainties. There are risks of death and disability for human life; fire and burglary risk for property; perils of the sea for shipment of goods and, so on.**
- **If any of these takes place, the individuals and/or, organisations may suffer a great loss, sometimes beyond their capacities to bear the same.**
- **It is to minimise the impact of such uncertainties that there is a need for insurance.**

- **Investment in factory buildings or heavy equipments or other assets is not possible unless there is arrangement for covering the risks, with the help of insurance.**
- **Keeping this in mind, people facing common risks come together and make small contributions to a common fund, which helps to spread the loss caused to an individual by a particular risk over a number of persons who are exposed to it.**

- **Insurance is thus a device by which the loss likely to be caused by an uncertain event is spread over a number of persons who are exposed to it and who prepare to insure themselves against such an event.**
- **It is a contract or agreement under which one party agrees in return for a consideration to pay an agreed amount of money to another party to make a loss, damage or injury to something of value in which the insured has a pecuniary interest as a result of some uncertain event.**

- **The agreement / contract is put in writing and is known as 'policy'. The person whose risk is insured is called 'insured' and the firm which insures the risk of loss is known as insurer / assurance underwriter.**

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**FUNDAMENTAL
PRINCIPLE OF
INSURANCE**

FUNDAMENTAL PRINCIPLE OF INSURANCE

- **The basic principle of insurance is that an individual or a business concern chooses to spend a definitely known sum in place of a possible huge amount involved in an indefinite future loss.**
- **Thus insurance is the substitution of a small periodic payment (premium) for a risk of large possible loss. The loss of risk still remains but the loss is spread over a large number of policyholders exposed to the same risk.**

- **The premium paid by them are pooled out of which the loss sustained by any policy holder is compensated.**
- **Thus, risks are shared with others. From the analysis of past events the insurer (an insurance company or an underwriter) knows the probable losses caused by each type of risk covered by insurance.**

- **Insurance, therefore, is a form of risk management primarily used to safeguard against the risk of potential financial loss.**
- **Ideally, insurance is defined as the equitable transfer of the risk of a potential loss, from one entity to another, in exchange for a reasonable fee.**
- **Insurance company, therefore, is an association, corporation or an organisation engaged in the business of paying all legitimate claims that may arise, in exchange for a fee (known as premium).**

- Insurance is a social device in which a group of individuals (insured) transfers risk to another party (insurer) in order to combine loss experience, which provides for payment of losses from funds contributed (premium) by all members.
- Insurance is meant to protect the insured, against uncertain events, which may cause disadvantage to him.

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**FUNCTIONS OF
INSURANCE**

FUNCTIONS OF INSURANCE

❖ **The various functions of insurance are as follows:**

(i) Providing certainty :

- **Insurance provides certainty of payment for the risk of loss. There are uncertainties of happenings of time and amount of loss.**
- **Insurance removes these uncertainties and the assured receives payment of loss. The insurer charges premium for providing the certainty.**

(ii) Protection :

- **The second main function of insurance is to provide protection from probable chances of loss. Insurance cannot stop the happening of a risk or event but can compensate for losses arising out of it.**

(iii) Risk sharing :

- On the happening of a risk event, the loss is shared by all the persons exposed to it. The share is obtained from every insured member by way of premiums.

(iv) Assist in capital formation :

- The accumulated funds of the insurer received by way of premium payments made by the insured are invested in various income generating schemes.

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PRINCIPLES OF INSURANCE

PRINCIPLES OF INSURANCE

- **The principles of insurance are the rules of action or conduct adopted by the stakeholders involved in the insurance business.**
- **The specific principles of utmost significance to a valid insurance contract consists of the following :**

PRINCIPLES OF INSURANCE

(i) Utmost good faith :

- **A contract of insurance is a contract of uberrimae fidei i.e., a contract found on utmost good faith. Both the insurer and the insured should display good faith towards each other in regard to the contract.**
- **It is the duty of the insured to voluntarily make full, accurate disclosure of all facts, material to the risk being proposed and the insurer to make clear all the terms and conditions in the insurance contract.**

PRINCIPLES OF INSURANCE

- Thus, it is binding on the proposer to disclose all material facts about the subject matter of the proposed insurance.
- Any fact, which is likely to affect the mind of a prudent insurer in deciding to accept the proposal of insurance or in fixing the rate of premium is material for this purpose.
- Failure to make disclosure of material facts by the insured makes the contract of insurance voidable at the discretion of the insurer.

PRINCIPLES OF INSURANCE

(ii) Insurable Interest :

- **The insured must have an insurable interest in the subject matter of insurance.**
- **One fundamental fact of this principle is that 'it is not the house, ship, machinery, potential liability of life that is insured, but it is the pecuniary interest of the insured in them, which is insured.'**
- **Insurable interest means some pecuniary interest in the subject matter of the insurance contract.**

PRINCIPLES OF INSURANCE

- **The insured must have an interest in the preservation of the thing or life insured, so that he / she will suffer financially on the happening of the event against which he / she is insured.**
- **In case of insurance of property, insurable interest of the insured in the subject matter of the insurance must exist at the time of happening of the event.**

PRINCIPLES OF INSURANCE

- In order to name insurable interest however, it is not necessary that one should be the owner of the property.
- For example, a trustee holding property on behalf of others has an insurable interest in the property.

PRINCIPLES OF INSURANCE

(iii) Indemnity :

- **All insurance contracts of fire or marine insurance are contracts of indemnity. According to it, the insurer undertakes to put the insured, in the event of loss, in the same position that he occupied immediately before the happening of the event insured against.**
- **The compensation payable and the loss suffered are to be measured in terms of money. The principle of indemnity is not applicable to life insurance.**

PRINCIPLES OF INSURANCE

(iv) Proximate Cause :

- **According to this principle, an insurance policy is designed to provide compensation only for such losses as are caused by the perils which are stated in the policy.**
- **When the loss is the result of two or more causes, the proximate cause means the direct, the most dominant and most effective cause of which the loss is the natural consequence.**
- **In case of loss arising out of any mishap, the most proximate cause of the mishap should be taken into consideration.**

PRINCIPLES OF INSURANCE

(v) Subrogation :

- **It refers to the right of the insurer to stand in the place of the insured, after settlement of a claim, as far as the right of insured in respect of recovery from an alternative source is involved.**
- **After the insured is compensated for the loss or damage to the property insured by him/her the right of ownership of such property passes on to the insurer.**
- **This is because the insured should not be allowed to make any profit, by selling the damaged property or in the case of lost property being recovered.**

PRINCIPLES OF INSURANCE

(vi) Contribution :

- **As per this principle it is the right of an insurer who has paid claim under an insurance, to call upon other liable insurers to contribute for the loss of payment.**
- **It implies, that in case of double insurance, the insurers are to share the losses in proportion to the amount assured by each of them.**
- **In case there is a loss, when there is more than one policy on the same property, the insured will have no right to recover more than the full amount of his actual loss.**
- **If the full amount is recovered from one insurer the right to obtain further payment from the other insurer will cease.**

PRINCIPLES OF INSURANCE

(vii) Mitigation :

- **This principle states that it is the duty of the insured to take reasonable steps to minimise the loss or damage to the insured property.**
- **Suppose goods kept in a store house catch fire then the owner of the goods should try to recover the goods and save them from fire to minimise the loss or damage.**
- **The insured must behave with great prudence and not be careless just because there is an insurance cover.**
- **If reasonable care is not taken like any prudent person then the claim from the insurance company may be lost.**

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TYPES OF INSURANCE

LIFE INSURANCE

- Under life insurance the amount of Insurance is paid on the maturity of policy or the death of policy holder whichever is earlier.
- If the policy holder survives till maturity he enjoys the amount of insurance.
- If he dies before maturity then the insurance claim helps in maintenance of his family.
- The insurance company insures the life of a person in exchange for a premium which may be paid in one lump sum or periodically say yearly, half yearly quarterly or monthly.

TYPES OF LIFE INSURANCE POLICIES

1. Whole Life Policy:

- Under this policy the sum insured is not payable earlier than death of the insured.
- The sum becomes payable to the heir of the deceased.

2. Endowment Life Insurance Policy:

- Under this policy the insures undertakes to pay the assured to his heirs or nominees a specified sum upon the attainment of a particular age or on his death whichever is earlier.

TYPES OF LIFE INSURANCE POLICIES

3. Joint Life Policy:

- It involves the insurance of two or more lives simultaneously.
- The policy money is payable on the death of any one of the assured and the assured sum will be payable to the survivor or survivors.

4. Annuity Policy:

- This policy is one under which amount is payable in monthly, quarterly, half yearly or annual installments after the assured attains a certain age.
- This is useful to those who prefer a regular income after a certain age.

TYPES OF LIFE INSURANCE POLICIES

5. Children's Endowment Policy:

- **This policy is taken for the purpose of education of children or to meet marriage expenses.**
- **The insurer agrees to pay a assured sum when the child attains a certain age.**

FIRE INSURANCE:

- **It provides safety against loss from fire. If property of insured gets damaged due to property as compensation from insurance company.**
- **If no such event happens, then no claim shall be given.**

FEATURES OF FIRE INSURANCE

- 1. Utmost Good Faith**
- 2. Contract of Indemnity**
- 3. Insurable Interest in Subject matter.**
- 4. Subject to the doctrine of causa proxima.**
- 5. It is a contract for an year. It generally comes to an end at the expiry of the year and may be renewed.**

MARINE INSURANCE:

- **Marine Insurance provides protection against loss during sea voyage.**
- **The businessmen can get his ship insured by paying the premium fixed by the insurance company.**
- **The functional principles of marine insurance are the same as the general principles of Insurance.**

OTHER INSURANCE

Health Insurance:

- **With a lot of awareness today, Health insurance has gained a lot of popularity.**
- **General Insurance companies provide special health insurance policies such as Mediclaim for the general public.**
- **The insurance company charges a nominal premium every year and in return undertakes to provide up to stipulated amount for the treatment of certain diseases such as heart problem, cancer, etc.**

OTHER INSURANCE

Communication:

- **In this fast moving and competitive world it is essential to have advanced technology for quick exchange of information with the help of electronic media.**
- **It is an important service that helps in establishing links between businessmen. Organization, suppliers, customers etc.**

OTHER INSURANCE

- **It educates people, widen their knowledge and broaden their outlook.**
- **It overcomes the problem of distance between people, businessmen and institutions and thus,it helps in smooth running of business activities.**
- **The main services can be classified into postal and telecom.**

POSTAL SERVICES:

- **This service is required by every business to send and receive letters, market reports, parcel, money order etc.on regular.**
- **All these services are provided by the post and telegraph offices scattered throughout the country.**
- **The postal department performs the following services.**

POSTAL SERVICES:

1. Financial Services:

They provide postal banking facilities to the general public and mobilize their savings through the following saving schemes like public provident fund (PPF), KisanVikasPatra, National Saving Certificate, Recurring Deposit Scheme and Money Order facility.

POSTAL SERVICES:

2. Mail Services:

The mail services offered by post offices includes transmission of messages through postcards, inland letters, envelopes etc. The various mail services are:

POSTAL SERVICES:

1. UPC (under postal certificate):

- When ordinary letters are posted the post office does not issue any receipt.
- However, if sender wants to have proof then a certificate can be obtained from the post office on payment of prescribed fee.
- This paper now serves as a evidence of posting the letters.

POSTAL SERVICES:

2. Registered Post:

- Sometimes we want to ensure that our mail is definitely delivered to the addressee otherwise it should come back to us.
- In such situations the post office offers registered post facility which serves as a proof that mail has been posed.

POSTAL SERVICES:

3. Parcel:

- **Transmission of articles from one place to another in the form of parcels is known as parcel post.**
- **Postal charges vary according to the weight of the parcels.**

POSTAL SERVICES:

Allied Postal Services

1. Greetings Post:

Greetings can be sent through post offices to people at different places.

2. Media Post:

Cooperates can advertise their brands through post cards, envelops etc.

3. Speed Post:

It allows speedy transmission of articles (within 24 hours) to people in specified cities.

POSTAL SERVICES:

4. e-bill post:

The post offices collect payment of bills on behalf of BSNL and other organizations.

5. Courier Services:

- **Letters, documents, parcels etc. can be sent through the courier service.**
- **It being a private service the employees work with more responsibility.**

TELECOM SERVICES:

Today's global business world, the dream of doing business across the world, will remain a dream only in the absence of telecom services. The various types of telecom services are

1. Cellular mobile services:

- **Cordless mobile communication device including voice and non-voice messages, data services and PCO services.**

TELECOM SERVICES:

2. Fixed Line Services includes voice and non-voice messages and data services to establish linkage for long distance traffic.

3. Cable services Linkages and switched services within a licensed area of operation to operate media services which are essentially oneway entertainment related services.

TELECOM SERVICES:

- 4. VSAT Service (Very small Aperture Terminal)** is a Satellite based communication service. It offers government and business agencies a highly flexible and reliable communication solution in both urban and rural areas.
- 5. DTH Services (Direct to Home)** a Satellite based media services provided by cellular companies with the help of small dish antenna and a setup box.

TELECOM SERVICES:

Transportation:

Transportation comprises freight services together with supporting and auxiliary services by all the modes of transportation i.e rail, road, air and sea for the movement of goods and international carriage of passengers.

Warehousing:

The warehouse was initially viewed as a static unit for keeping and storing goods in a scientific and systematic manner so as to maintain their original quality, value and usefulness.