

## REVITALISING COMMERCE EDUCATION

*D. Obul Reddy\**

### ABSTRACT

The paper is an objective introspection about the Commerce Education – its objectives, its problems, its job potential, its quality and its relevance to the present day needs of our country.

### Purpose of Education

The broad objectives of the University education are, liberal education with the aim of fostering in the students an attitude of objective enquiry and some understanding of the society and social change, of the problems of human relationships and the human and social implications of technological change, and developing a capacity to appreciate the finer values of life etc. These objectives are taken as implied in the case of business education also.

Education should be a three-fold process of imparting knowledge, developing skills, and inculcating proper attitudes and values towards life and society in general. It must enable the individual to develop the activity and skill to earn and carry on reasonable standard of living and it must also enable him to develop his creative faculties to the utmost so that intellectually, morally, physically and spiritually he is in a position to enrich his personality.

### Business / Commerce Education

Business education or commerce education is that area of education which develops the required knowledge, skills and attitudes for the successful handling of trade, commerce and industry.

Till yester years, commerce education is business education. But, in tune with the needs of the business and society, independent professions have emerged in the form of chartered accountant, cost and works accountant, company secretary and business administrator (M.B.A.). Thus, the cream of commerce has gone and it remained now as an academic discipline giving general and liberal education.

---

\* Former Professor of Commerce & Dean, Faculty of Commerce, Osmania University, Hyderabad and Former President, Indian Commerce Association and presently, Professor of Management, Apollo Institute of Hospital Administration, Hyderabad.

This paper represents the extension lecture he delivered on 23rd March, 2007 at Dept. of Commerce with Farm Management, Vidyasagar University, Midnapore on invitation.

Commerce education is a living discipline and is totally different from other disciplines. Hence, it must charter new routes to service the aspirations of the nation. To man the economic development of the country and to meet the growing needs of the society, there is greater demand for sound development of commerce education in Indian Universities. But, what has been going in the name of Commerce education is only liberal and general education. Is that the objective of commerce education? In the process of catering to everybody, we are not able to cater to the needs of any body.

### **State and Status of Commerce Education in India**

Commerce Education in India was started in 1886, over a hundred and twenty years ago. Since then it has experienced tremendous growth. Commerce faculties are established in many Universities.

In order to understand the progress of commerce education in India since Independence and its present position, we have to rely on statistics.

**Table-1** presents the increasing number of commerce students since 1950-51. The increase in enrolment is substantial from 0.36 lakh in 1950-51 to 14.10 lakhs in 1995-96 and to 20 lakhs now.

**Table-2** presents the enrolment in M.Com and B.Com courses in India during last one and half decades. One important feature of it is that the number of girl students in commerce is on increase in absolute and relative terms both at M.Com and B.Com levels.

**Table-3** presents the proportion of enrolment at B.Com and M.Com levels. It is clear from the table that about 8% only are going for M.Com/higher education. About 92% stop with graduation. Therefore there is a need to make commerce graduation courses more meaningful and purposeful.

**Table-4** presents the number of commerce students State-wise and

**Table-5** presents the distribution of students in higher education (in percentage terms). From these data certain broad conclusions can be drawn:

- i. Commerce is popular in industrialized States.
- ii. Commerce is more popular in urban areas rather than in rural areas.
- iii. It has spread through out the country. Now it has taken roots in all the States and Union Territories, even though started late. Of course, the development is nor uniform in all the States.
- iv. If we analyze the enrolment during the last two decades (see Table-5) in percentage terms, commerce share in total enrolment has increased from 17.1% in 1975-76 to 21.9% in 1995-96, and 25% by 2005-06, whereas all other faculties exhibited either a marginal decline or status quo.

Thus, a single discipline-commerce, which accounts for about 25% of the total enrolment in higher education, unlike Arts or Sciences consisting of many departments, unfortunately is not getting adequate attention for its needs from the Government and UGC. Further, it is not properly understood by the administrators also. This is being

equated with one subject such as Physics, Mathematics or Public Administration. This is a Faculty by itself and should be recognized so. In this regard, the Indian Commerce Association should play a vital role.

### **Problems of Commerce Education**

Expansion of liberal commerce education, as a matter of fact indiscriminate expansion in its wake, has brought about certain problems too. The quantitative expansion has definitely resulted in qualitative degeneration. As a result, today a commerce graduate has little edge over his counterparts in being selected to such positions which were once considered his domain at one time.

The present courses are not adequate in preparing the students for competitive examinations either. The present system of commerce education does not equip the students either for taking up jobs requiring knowledge of general subjects or jobs that demand knowledge of a technical or specialized nature. Time has come now when a commerce graduate is not being accepted even as a qualified book-keeper. Consequently, he finds himself in a “no man’s land” neither a generalist nor a specialist.

In such a situation it is but natural that the popularity of the course declines. The process has started in many States especially in rural areas. The reasons for unpopularity / weaknesses of commerce education are:

- i. Craze for Medicine, Engineering , Management and IT courses.
- ii. Unpopularity of commerce at competitive examinations:- the syllabi of commerce at competitive examinations is not attracting even the meritorious commerce students.
- iii. Commerce graduates are not eligible for teacher training courses, such as B.Ed in many States.
- iv. Lack of knowledge about commerce at school level as commerce education is not introduced at school level in many States.
- v. No preference or reservation for commerce graduate either in employment or in admissions to professional courses like C.A, CWA, CS, M.B.A. etc.
- vi. Poor teaching in many colleges forcing many students to go for tuitions, which means additional cost and effort.
- vii. High student low teacher ratio.
- viii. Lack of proper infrastructure: - it is sometimes remarked that many colleges are virtually academic slums.
- ix. Instruction in regional media and inadequate or non availability of reading material in regional media.
- x. Inadequate teaching aids like commerce lab, CTV-Video films.
- xi. Untrained and ill-equipped teachers.
- xii. It is more content oriented rather than skill and practice oriented.

## REVITALISING COMMERCE EDUCATION

- xiii. Even the content (syllabus) is not up-to-date.
- xiv. It is not keeping pace with the changing business environment
- xv. Many a time commerce graduates are found lacking communication and decision-making skills.
- xvi. Lack of practical exposure both to the teacher and taught. Perhaps commerce may be the only practical subject which is theoretically taught without practical exposure.
- xvii. Defective admission policy: - In many a case students who are not able to get seats in other courses are opting for commerce for scholarships. In such a case it is futile to expect wonderful results.
- xviii. Commerce teacher is a jack of all trades: - perhaps he is the only person who is expected to teach all the subjects.
- xix. Paucity of funds for improvement.

Thus, commerce education is facing innumerable problems today. These problems have a direct bearing on the course objectives, course content and course conduct. These problems need serious attention and close scrutiny. It is high time for soul searching for an objective appraisal which will provide the basis for evolving a new strategy for giving a better deal to commerce education in the years to come. Therefore, the need for an all-out effort to re-orient and re-designing the commerce education in such a way that it will be relevant for today and tomorrow. For this we have to make some sort of SWOT/TOWS ANALYSIS.

**T** - Identify the threats to commerce education

**O** - Identify the areas of opportunities still available for commerce even after providing for CA, CWA, CS and MBAs and new opportunities into which you can enter.

**W** - What are your weaknesses because of which you are not preferred? (Here, deliberate efforts have to be made to overcome the weaknesses).

**S** - What are your strengths, if any? It is better to concentrate on and consolidate on your strengths.

### Major issues to be addressed

The following are the major thrust areas (issues) which need to be properly addressed to ensure relevance to our education more particularly to commerce education.

- i. What should be the admission policy and procedures?
- ii. What should be the nomenclature of the degrees?
- iii. What skills are required to be imparted to commerce students so as to make them cater to the needs of industry and business?
- iv. Would you like them to be generalists or specialists in some skills?
- v. What should be the nature of subjects and content of the subjects?
- vi. What should be the duration of the Course?

- vii. How to ensure practical exposure?
- viii. What is the pedagogy? (i.e., teaching methods and aids)
- ix. What type of examination and evaluation system is required to ensure quality?
- x. How to ensure faculty training and development?
- xi. How to achieve and sustain University/College and industry linkage?

### **Re-Designing of Commerce Education**

Having identified the domain, let us now come to the structuring/designing. While doing so level also should be kept in mind for framing the course objectives, course content and course conduct. The conventional levels are:

**Level I** : Pre-University or + two stage (Two years)

**Level II** : Graduation (Three years)

**Level III** : Post-graduation (Two years)

In the changed scenario, non-conventional duration or integrated courses also may be thought of. While designing the courses the following should be adhered to, which I remember to have studied in my economics subject.

Three qualifications are essential for a “Good” before it can have value-

- i. It must possess utility (relevance);
- ii. it must be scarce;
- iii. it must be marketable.

All these three qualities are essential together. In the absence of any of these qualities a “Good” will have no value at all. Of course, this aptly describes our predicament.

The main branch of business education i.e. Commerce has gone in for quantity rather than quality, due to the pressure of demand and reached the present stage and state. The same thing is happening in case of another branch of business education i.e. management education. It is time for them to learn lessons from the Commerce education. In case of other professional streams viz., CA, CWA, CS, even though entry barriers are not there, exit is not easy. Hence, they are able to maintain their status.

Any re-designing requires a systematic survey of the needs of the business and the society and a careful planning of the structure of commerce education and the numbers required. Unfortunately, there has been no systematic survey of manpower requirements in our country.

It was observed that “the system of higher education was producing a prototype of manpower, where as developing economy required wider capabilities; hence for many jobs suitable persons were not available. There was a mismatch between types of capabilities demanded and the types of capabilities developed among students by the education system”. Further, the year 1991 witnessed major shifts in economic and social development policy in India. India opened its economy to world market by adopting a

## REVITALISING COMMERCE EDUCATION

policy of economic liberalization. This in turn posed the challenges for higher education, of producing competitive and suitable human resources. Hence, the need for redesigning and diversifying the under-graduate and post-graduate programmes exists.

Added to this, “as the economy becomes more industrialized and society becomes more complex, the knowledge and skills required to deal with the situations also change. Hence, for enabling students to acquire the desired capabilities, contents of courses and their combinations need to be revised, diversified and made more flexible”.

The first step in re-designing of commerce course is that, there should be a survey of requirements of business and industry, in terms of nature of courses and number of graduates. This requires a close liaison and co-operation with industry and business to find out their requirements of men and skills. If the courses are designed as per the requirements and the students are trained on those lines, then, the courses become relevant and the product saleable, instead of preparing the courses in an all pervasive manner without any market in mind. The contents and delivery system must be tailored to meet the specific needs of the target groups for whom the courses are designed.

The various ALTERNATIVES available for re-orientation of commerce education are:

- i. **Academic Oriented Courses** for giving liberal commerce education, for developing quality of mind, logical thinking, initiative, attitude to life and a general understanding of business.
- ii. **Vocational/Self Employment Oriented Courses** such as taxation, management accounting, financial analysis, cost accounting.
- iii. **Job Oriented Courses** such as computer accounting, salesmanship, advertising, secretarial practice etc for small jobs.
- iv. **Management Oriented Courses** The Institutes of Management in the country are catering to the demands of elitist managerial personnel of industry. We need a second level of personnel to cater to the requirements of small and tiny industry.

In India, there are many small and tiny industrial units, particularly in the rural areas which need management orientation and a fair dose of management culture. We should strive to create a new class of LICENTIATE MANAGERS for them with complete practical bias just as engineering and medicine. They may be even 5 year integrated courses with commerce laboratory/workshop.

Instead of talking generally, let us come to the reality or specifics for revitalizing commerce education.

### Changed Environment

1. Service sector is fast growing and it is the major contributor of National Income.
2. Public sector/Government sector employment reached saturation level.

3. More and more employment opportunities are available in service sector especially Retailing, Banking, Insurance, Telecom, Hospitality (Hotels & Tourism), B.P.O. (Business Process Outsourcing), I.T & I.T.E.S.
4. The service sector, more particularly I.T. jobs, lay more stress on English communication skills and other soft skills.
5. Jobs are becoming independent of degrees.
6. The candidate needs not only hard skill, but also soft skills.
7. Because of I.T. and Internet, there is little difference whether you are rural or urban.
8. Earlier, industry use to recruit and then train them to suit their requirements. But now they want ready made products.
9. Industry is knocking the doors of educational institutions for campus recruitments. They are giving employment offers much before the course is complete.
10. Industry is asking for designing special courses and they are sponsoring candidates. eg.  
GENPACT - B.Com (Computers) with O.U.  
HSBC - Retail Marketing (A.U.)  
Satyam - Technology Management (O.U.)

#### **Then what to do?**

1. Build rapport with trade, Commerce and Industry (or establish University-Industry Hub)
2. Elicit the industry needs and requirements.
3. Undergraduation courses must be made more meaningful as 92% of them terminating here. P.G. courses (M.Com) be more rigorous in content, skill and practice aspects with emphasis on Accounting and Finance.
4. Commerce and computers go together. There must be computer papers even at U.G. Level.
5. In this context I bring it to your notice the Business World (5<sup>th</sup> March 2007 issue) caption KOLKATA – Your IT Destintion, where it is said “In the I.T. sector the state has registered a ‘CAGR’ of 88% during 1996-2003 period. The states vision is to rank amongst the top 3 states in India by 2010 and to contribute 15% of country’s I.T. revenue. In ITES-BPO, the state is targeting a 20% share of this new generation business space”.
6. As Business operations need more knowledge and skill  
The syllabus must contain knowledge component, skill component and practice component.

## REVITALISING COMMERCE EDUCATION

7. Are Industry people there on your Board of Studies and Faculty and do you prepare the syllabus in consultation with the industry people?
8. I.T. Sector has lots and lots of Business applications. They don't want a computer fellow. They want a person with computer skills and business knowledge. B.Com (Computers) and M.Com (I.S) are favourite and popular courses.
9. Commerce students should also be provided with
  - Computer Lab
  - Commerce Lab
  - Field visits
  - Industrial tours
  - Practical records as in B.Sc.
  - Assignments record
  - Practical Training/internship.
10. University –Industry / profession interaction for making the course relevant:
  - Teacher training in industry
  - Industry people for guest lectures
  - Industry/Profession people as guest faculty
  - C.As, L.L.Bs as Teachers (Maharashtra experience)
  - Industry and Profession co-operation for placement.
11. Trainer must be trained first. The University Department should take the lead.
  - Whenever the syllabus is changed
  - Whenever new subjects are introduced.
  - Even for general updating and posting with latest developments in the field.
  - Training is essential for the teachers especially in Quantitative Techniques, Business Communication and Report Writing, Computer usage, Accounting Packages etc.

These are some of the ideas for revitalizing Commerce Education especially in rural areas. Of course, a word of caution is that not to proliferate with too many degrees to avoid problems of recognition and equivalence etc.

### Conclusion

As you are aware that, in a growing economy much of the expansion takes place in service sector (tertiary sector) which particularly requires the type of skills and knowledge that our courses offer. The much needed practical bias also can be brought in with the developments in information technology, and with the help of a colour television, video cassettes and computers. Our market is vast and their requirements are varied. Hence, we have to provide for varied courses and not one straight jacket. The



changes are very fast and our courses also must keep pace with the changes. Therefore, we have to adopt ourselves to the changing environment.

We cannot stop suddenly what is happening. But we can plan for the future. Let the liberal and general education be there. But mostly confined to open universities and correspondence courses. Let us develop micro specializations which are skill oriented or job oriented and introduce with new nomenclature and in selected colleges which are financially sound and have the necessary infrastructure facilities. Preferably, such colleges may be asked to have industry linkage with a Memorandum of Understanding with industry with regard to practical training, guest lectures, teacher training etc. The admission to such courses must be selective and restricted. Alternatively, the evaluation system should work like the quality control laboratory of an industrial establishment.

The learned members may take this opportunity for an objective introspection about the Commerce Education – its objectives, its problems, its job potential, its quality and its relevance to the present day needs of our country. Let it not be said that men of our generation failed to give it a timely turn towards new meaning and usefulness.

**TABLE - 1**  
**NUMBER OF COMMERCE STUDENTS IN RECOGNIZED**  
**INSTITUTIONS – ALL INDIA**

<b>Year</b>	<b>No. of Students</b>	<b>% Increase 1950-51 = 100</b>
1950-51	36,347	100
1955-56	58,918	162
1960-61	78,312	215
1965-66	1,57,996	435
1968-69	2,75,385	758
1969-70	3,27,722	902
1970-71	3,54,615	976
1975-76	6,16,983	1,697
1983-84	6,46,654	1,779
1991-92	11,54,804	3,177
1995-96	14,10,119	3,880
2005-06	20,00,000	5,503

REVITALISING COMMERCE EDUCATION

**TABLE – 2**  
**COMMERCE ENROLMENT IN EDUCATIONAL INSTITUTIONS , BY**  
**STAGES AND SEX , IN INDIA**

Stage	Sex	1980-81	%	1983-84	%	1995-96	%
M.Com	Boys	36,464	92.4	47,370	86.7	60,635	76.7
	Girls	3,013	7.6	7,251	13.3	18,377	23.3
	<b>Total</b>	<b>39,477</b>	<b>100.00</b>	<b>54,621</b>	<b>100.00</b>	<b>79,012</b>	<b>100.00</b>
B.Com	Boys	4,13,081	86.0	4,77,367	80.6	7,92,456	70.6
	Girls	67,361	14.0	1,14,666	19.4	3,30,017	29.4
	<b>Total</b>	<b>4,80,442</b>	<b>100.00</b>	<b>5,92,033</b>	<b>100.00</b>	<b>11,22,473</b>	<b>100.00</b>
M.Com and B.Com	Boys	4,49,545	86.5	5,24,737	81.1	8,53,091	71.0
	Girls	70,374	13.5	1,21,917	18.9	3,48,394	29.0
<b>Grand</b>	<b>Total</b>	<b>5,19,919</b>	<b>100.00</b>	<b>6,46,654</b>	<b>100.00</b>	<b>12,01,485</b>	<b>100.00</b>

**TABLE- 3**  
**COMMERCE ENROLMENT IN EDUCATIONAL**  
**INSTITUTIONS , BY STAGES , IN INDIA**

Stages	1980-81	1983-84	1995-96
M.Com	39,477 (7.6)	54,621 (8.4)	79,01 (6.6)
B.Com	4,80,442 (92.4)	5,92,033 (91.6)	11,22,473 (93.4)
Total	5,19,919 (100.0)	6,46,654 (100.0)	12,01,485 (100.0)

**TABLE – 4**  
**NUMBER OF COMMERCE STUDENTS: STATE-WISE**

Sl. No.	STATE	1970-71	RANK	1995-96	RANK
1.	Andhra Pradesh	24,690	4	95,473	4
2.	Arunachal Pradesh	-	-	225	28
3.	Assam	4,240	13	12,462	16
4.	Bihar	12,545	8	2,55,574	1
5.	Goa	469	19	6,938	17
6.	Gujarat	42,010	3	1,26,450	3
7.	Haryana	1,642	14	15,690	15
8.	Himachal Pradesh	186	21	5,972	18
9.	Jammu & Kashmir	919	18	4,188	19
10.	Karnataka	24,535	5	76,581	5
11.	Kerala	11,794	9	18,086	12
12.	Madhya Pradesh	17,810	6	58,960	8
13.	Maharastra	87,143	1	2,31,263	2
14.	Manipur	112	23	608	24
15.	Meghalaya	-	-	728	23
16.	Mizoram	-	-	260	26
17.	Nagaland	-	-	367	25
18.	Orissa	1,160	16	16,404	13
19.	Punjab	1,447	15	16,091	14
20.	Rajasthan	14,156	7	18,810	11
21.	Sikkim	-	-	148	30
22.	Tamilnadu	7,282	11	57,039	9
23.	Tripura	1,152	17	1,926	20
24.	Uttar Pradesh	11,679	10	66,742	7
25.	West Bengal	81,950	2	71,977	6
26.	A & N Islands	-	-	198	29
27.	Chandigarh	4190	20	1,615	21
28.	D & N Haveli	-	-	-	-
29.	Daman & Diu	-	-	248	27
30.	Delhi	7,107	12	37,137	10
31.	Lakshadweep	-	-	-	-
32.	Pondicherry	1682	22	1,325	22

**TABLE – 5**  
**DISTRIBUTION OF STUDENTS ENROLLED IN HIGHER EDUCATION**  
**BY FIELD OF STUDIES – ALL INDIA**

<b>Faculty</b>	<b>1975-76 Percentage</b>	<b>1984-85 Percentage</b>	<b>1995-96 Percentage</b>	<b>2005-06 Percentage</b>
Arts	44.5	40.0	40.4	-
Science	19.1	19.7	19.6	-
Commerce	17.1	21.0	21.9	25.0
Education	3.2	2.4	2.3	-
Engineering & Technology	4.0	4.5	4.9	-
Medicine	4.3	3.8	3.4	-
Agriculture	1.2	1.3	1.1	-
Veterinary Science	0.3	0.3	0.3	-
Law	5.8	6.0	5.3	-
Others	0.5	0.6	0.8	-
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

[Various data and information given in the above tables are collected from various websites like that of UGC, journals, etc.]