

# Commerce Education in India—Challenges and Strategy for Development<sup>†</sup>

By

Professor R. A. Singh\*

We are in the midst of the centenary year of commerce education in India (the first commercial school was started at Madras in 1886 by the Trustees of Pachiappas' Charities) and it is perhaps time that we reviewed the present state of higher education in commerce and evolved suitable strategies for its future development. The centenary of our discipline also coincides with the adoption of the New Education Policy (NEP) by the Government of India, the setting up of a U.G.C. committee on curriculum development in commerce and the launching of Special Assistance Programmes in our discipline at some university centres. I take these as new opportunities which must be fully exploited to our advantage.

## The Present Scenario

The present state of higher education in commerce is highly elating as it is challenging to the university faculties concerned with this discipline. Commerce has not only survived as a separate discipline but has also won social acceptance and acclaim as a fruitful academic pursuit. This is borne out by a steep rise in enrolment in commerce courses from 34,000 in 1950-51 to ten times as much in 1970-71 and further to 5.54 lakh in 1980-81 and 7.42 lakh in 1984-85 (Annual Report of the Ministry of Human Resource Development

---

<sup>†</sup>Extracts from the Presidential Address delivered at the 39th annual session of the Indian Commerce Association on July 3, 1987 at Trivandrum.

\*Faculty of Commerce Banaras Hindu University, Varanasi

for 1985-86). In fact, commerce has steadily improved its share in student enrolment and has emerged as the largest single discipline in the post-Independence period accounting for 21 per cent of the total enrolment in the universities and colleges (in 84-85) as against 40.4 per cent in all the Arts subjects taken together, 19.7 per cent in Sciences, 4.7 per cent in Technology, 4 per cent in Medicine and the balance 10 per cent in Agriculture, Education, Law, etc. In addition to increase in numbers, there also appears to be, of late, a qualitative improvement in the student input in commerce courses which often rank next only to medicine and technology in the scale of preference of bright students. At any rate, it would be wrong to assume that commerce is popular because it is the last refuge of the rejected stuff from other disciplines. On the contrary, some of the brightest students from arts and science streams are found switching over to commerce albeit as a stepping stone to careers of chartered accountants, cost accountants, company secretaries, managers, etc.

While commerce educators can take legitimate pride in the growing popularity and social recognition of their subject, they cannot shirk the responsibility of properly equipping the vast body of commerce students and ensuring that their hopes and aspirations are not belied and they get their due share in the growing job opportunities in the country. This calls for identifying the problem areas and taking appropriate measures to deal with them. Some of the problem areas, as I see them, include a growing overcrowding in commerce courses, inadequate physical facilities, weak organisational structure of commerce faculties and growing unemployment of commerce graduates. There is also need to evolve a consensus on our course objectives, course content, teaching methods, faculty improvement and research programmes, extension work, etc. These, in short, constitute the Challenges before commerce education which can be met only with the goodwill and co-operation of all concerned. To these I address myself now.

### **The Problem of Numbers**

The unprecedented rush in commerce courses, though an unmistakable sign of social recognition, has created many problems. The increase in student enrolment has not been accompanied by commensurate increase in physical facilities, such as, faculty positions, grants for buildings, library and hostels, research facilities, co-curricular activities, etc. Faculty positions are hard to come by despite substantial increase in student enrolment and the number and variety of courses offered. Teacher-student ratio in Commerce is the poorest among all the disciplines with the sole exception of Law. In many cases, commerce departments particularly in colleges do not have separate buildings and class rooms of their own and are obliged to organise teaching in the morning or evening hours. This imparts part-time character to commerce courses, isolates teachers and students from the mainstream of the academic community and reduces commerce departments virtually to the position of teaching shops. The position with regard to library, hostel and other facilities is no better. All this cannot but adversely affect the quality of education.



Fortunately, the NEP does recognise that many of our 150 universities and 5,000 colleges have not been provided with a minimum level of infra-structure for the maintenance of quality and standards and proposes, *inter alia*, to provide appropriate funding to the existing institutions according to the norms to be evolved by the U.G.C. for each specified course and intake. It also proposes to regulate admissions in accordance with the available physical facilities on the basis of entrance examinations and to prevent establishment of new institutions without careful planning and the provision of the necessary physical facilities. These are welcome proposals and the university authorities and the commerce panel should see to it that appropriate norms of physical facilities are fixed for our discipline. However, as the NEP itself admits, it will not be possible to eliminate all the accumulated deficiencies immediately and the efforts in this direction will have to be continued in the seventh, eighth and subsequent Plans. It would, therefore, be necessary in the meantime to initiate immediate steps to equip the existing institutions with the necessary infra-structure facilities and to restrict student intake, on the one hand, and to provide alternate opening to the remaining students in the form of correspondence courses, on the other. It would perhaps be advisable to restrict honours course to universities and colleges and to run pass course through correspondence.

### **Organisation Structure of Commerce Education**

Another problem area that merits our immediate attention is the organisational structure of commerce education. Barring a few exceptions, commerce courses throughout the country are currently organised under a single department which is supposed to cater to the growing demands of specialization of over one-fifth of total student population in universities and colleges in India and to provide flexibility, as envisaged by the NEP, in the combination of courses. This is simply not possible under the present circumstances. The existing single-department structure coupled with inadequate faculty positions, has stifled initiative and retarded innovations in the specialization areas even as the broad sweep of subjects that an average commerce teacher has to handle has inhibited the growth of expertise in this field comparable to that in some other disciplines where opportunities for specialization do exist. The single department structure has also placed us in a disadvantageous position in the matter of financial grants since commerce is treated as just another department like philosophy or psychology and our students suffer in the competitive examinations conducted by the Public Service Commissions where a limited number of papers are available to them presumably on the basis of a single department. I would, therefore, strongly urge you to consider the creation of several departments under the Faculty of Commerce. To my mind, several subjects, such as, Business Finance, Banking, Marketing, Industrial Entrepreneurship, organisation of Industries, Corporate Studies, public Enterprises, Business Taxation, Human Resource Development, Cooperation, etc. could be considered for being organised as separate departments with inter-disciplinary linkages in teaching and research.



It is time that we also examined the relationship between commerce and business management. At many university centres, commerce and management courses are being run by the composite department of commerce and business management, at some other universities, there are separate departments for these working under the same faculty while there are also universities where commerce and management constitute altogether separate faculties. However, it is a matter of common knowledge that the difference between the M. Com. and M.B.A. course lies not so much in the course content, nor in the quality of teachers as in the quality and background of the student input. Already, in the western countries, this distinction between commerce and management has been done away with and business courses have been organised under single Schools of Business. The possibility of organising commerce and management studies under a common School or Institute of Business Studies, therefore, merits serious consideration of the powers that be.

### **Employment of Commerce Graduates**

In spite of tremendous popularity of commerce as an academic discipline, unemployment and under-employment among commerce graduates and post-graduates is quite substantial. As revealed by 1971 census, the extent of unemployment among commerce graduates was 18.12 per cent (as against 24.73% in science and 23.77% in arts) and among the post-graduates 8 per cent (as against 16% in arts and 12.96% in science). The number of commerce graduates on the live register of employment exchanges has been rising rapidly. An analysis presented by the Director General of Employment and Training of the employment pattern of commerce graduates shows that, of the M. Coms, a little over two-fifths are employed in clerical occupations, about one-fifth in professional work, about one-fourth in teaching, 4 per cent in administrative and managerial jobs and the rest in miscellaneous occupations including self-employment. The employment pattern of B. Coms. also roughly corresponds to this except that the percentages are higher in clerical occupations and lower in professional and teaching occupations. The analysis further shows that over one-third of commerce graduates and post-graduates are employed each in the government and quasi-government sectors and about one-fourth in the private sector.

Universities and colleges have a limited yet crucial role in the employment of their products; they can enhance the employability of their students by designing and conducting suitable courses. The above analysis shows that roughly 50 per cent of our M. Coms. and 27 per cent B. Coms. find their way into teaching, professional and administrative occupations in which academic excellence is a must. With regard to the Indian Administrative Services Examination, it may be pointed out that out of the two compulsory subjects that a candidate must select, there is only one available to commerce graduates from their discipline whereas those belonging to arts and science streams have as many as nine to ten subjects each to choose from. This puts our students at a serious disadvantage and the attention of the UPSC should be drawn towards this anomaly. A large proportion of our B. Coms. and over 40 per



cent of M. Coms. go in for clerical occupation mainly in the public sector organisations. For this, in most cases, they have to pass a test in Arithmetic, Language and General Knowledge. It is, therefore, necessary that these subjects form an integral part of our under-graduate courses.

### Teaching Programmes

The objectives, nature and content of commerce courses have for long been the subject matter of debate and discussion among commerce educators. Whether commerce is a liberal or professional discipline and whether it should provide for job-oriented specialization and, if yes, at what stage or stages are issues on which quite understandably opinions have differed. A pragmatic approach suggested to resolve this issue is to derive the point and purpose of commerce education and to design its course content in the light of a study of what our products have over the years been doing, the occupations that they enter into, the new openings that are available to them and the requirements of these occupations and jobs in terms of the academic inputs. This is what most of us have consciously or unconsciously been doing and this is also what appears to be in the best interests of our discipline. By now, a fairly clear picture of the employment pattern of our products is available to us. On that basis, I personally feel that commerce courses need being designed and continually updated in a manner that besides being instrumental in unfolding the latent potentialities of students and developing their power of analysis, expression and judgement, they also provide intensive job-oriented training to suit the requirements of job opportunities that are being generated by the development process.

B. Com. has to be both a feeder and a terminal course. It should act as a feeder to the post-graduate courses in commerce, management and economics as also to the professional courses being run by the Institutes of chartered accountants, cost and works accountants, company secretaries, actuaries etc. It should also be a terminal course for about 90 per cent of commerce graduates who do not pursue further studies and enter into the employment market. Obviously, the course content at the B. Com. stage must cater to the needs of both these groups of students. The first two years of this course should be devoted to the core subjects like Accounting, Economics, Quantitative Methods, Business Organisation and Management, Business Laws and Languages and the third year to the specialisation areas. Each student should be required to offer two specialization groups of three papers each in the third year. Depending on the available resources, specialization facilities may be offered in Higher Accounting, Banking and Insurance, Company Law and Secretarial Practice, Business Taxation, Industrial Entrepreneurship, Office Management, Store-keeping and Materials Management, Marketing and Salesmanship, Cooperation, Transport, etc. The first three of these would be of interest to those opting for the examinations of the professional institutes which could be approached to grant suitable exemptions to our graduates on reciprocal basis (Already, several universities admit CAs and ICWAs to their Ph. D. courses). Business Taxation and Industrial Entrepreneurship would cater to the needs of those interested in tax



practice and self-employment respectively. The latter could be helpful in setting up consultancy business also. The remaining groups should be designed for those going in for clerical and similar other jobs. Other specialization groups could also be thought of in the light of local and regional requirements, and diploma courses instituted in some of these to impart necessary dynamism to the entire programme of job-oriented education.

M. Com. courses should aim at developing high degree of professional competence in the broad areas where B. Coms go for a career. In addition they should also prepare young-men and women for careers in teaching, research, administrative and managerial services. Here too, provision should be made for highly specialised courses in the functional areas duly supported by a strong foundation of core courses designed to develop advanced analytical and conceptual skills of the students.

The method and manner of imparting knowledge is no less important than the course content of a discipline. Efforts should, therefore, be made to supplement class room lectures by seminars, case discussions, written assignments, project work, etc. The NEP has also laid considerable emphasis on the use of new teaching aids, such as, audio-visual systems, VCRs, computers, etc. and the integration of work experience with the learning process. However, it is not the lack of awareness of these methods nor any unwillingness on the part of commerce teachers to use them that has stood in the way of their adoption. What has impeded their adoption is the lack of physical facilities and the crippling burden of large number of students. I have had no opportunity so far of interacting with my colleagues on the commerce curriculum committee of the U.G.C. I do hope, however, that alongwith their proposals for redesigning course structure, etc., they will also work out the requirements of these courses in terms of appropriate teaching methods and teaching aids.

### **Faculty Improvement**

The teacher occupies a central position in any scheme of education and the importance of his professional development on a continuing basis can hardly be overemphasised. The NEP also visualises pre-service and in-service training and orientation of teachers engaged in higher education. It is hoped that satisfactory arrangements and liberal budgetary provisions are made for seminars, workshops and refresher courses for teachers and their leave rules are liberalised to enable them to take advantage of these facilities.

### **Research Programmes**

Researches in Commerce fall into two broad categories—doctoral and faculty or institutional. Each has its own purpose and significance. However, for various reasons doctoral researches do no more than provide training in research methodology, and develop



the power of analysis, interpretation and expression of the concerned researchers. They do not and cannot achieve much in terms of advancing the frontiers of knowledge, solution of business problems and improvement in business practices which can be handled effectively only by institutional researches. Unfortunately, the present state of both the categories of research in commerce is highly unsatisfactory.

The insistence of the U.G.C. on the Ph. D. degree for recruitment of lecturers has led to a spate of repetitive, imitative and sub-standard doctoral researches on hurriedly selected topics which have little social relevance. Doctoral research programmes have degenerated into the refuge of the unemployed and, in many cases, unemployable students with little inclination for genuine research. It is high time that we cry halt to this *tomasha* and make M. Phil a precondition for enrolment in the Ph. D. programme. M. Phil courses should be so designed as to foster competence in research methodology, in-depth knowledge of the broad area of research and an ability to apply research techniques to the study of specific problems.

The situation in respect of institutional researches is no better. In the absence of the required research grants, necessary infra-structure and proper motivation as also because of the killing burden of teaching load and the dilatory procedures of the funding agencies like the U.G.C. and the ICSSR, these researches have by and large remained conspicuous by their absence. However, the UGC has recently initiated steps to effect improvement in this regard by sanctioning special assistance programmes for commerce departments in certain universities. We welcome this step and hope that it would be possible in due course to extend similar facilities to other universities also.

Another area of business research where a lot of work remains to be done relates to business practices in India. Business practices in different functional areas differ in different industries, regions, size groups of business units, etc. As of now, there is almost complete absence of information in this regard which makes teaching highly unrealistic. Individual efforts in this field have remained confined mostly to collection of sketchy information in the form of case material. This is a Herculean job which can best be handled by a central body of research with ample financial resources. We, therefore, urge the setting up of an Indian Council of Business Research on the lines of the ICSSR to tackle this problem in particular and to give a boost to business researches in general.

### **Extension Work**

Paucity of resources has also not permitted us to undertake extension work on the desired scale. As an applied discipline, it is our social responsibility to continually apprise

and educate the business community around us about the modern techniques of analysis and management in the functional and other areas and to help solve its problems. This can be done through short-term executive development programmes. Such programmes would be mutually beneficial as they would help familiarize teachers with business relatives and the business executives with theoretical base in the areas of their interest and would make teaching and research more purposeful. Another area in which commerce faculties can make significant contribution is in the organisation of entrepreneurship development programmes in collaboration with Technical Consultancy Organisations and other institutions engaged in this work. It is hoped that necessary funds would be made available to us to enable us to undertake this responsibility on a continuing basis.

I hope and trust that commerce educators would spare time to deliberate on the issues raised, arrive at a consensus, formulate an action plan in terms of apprising the concerned agencies of our views and constitute a small committee to do the follow up.