

Commerce education: Rationale for study

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Abstract

Education is the main keys to economic development and improvements in human welfare. As global economic competition grows sharper, education becomes an important source of competitive advantage, closely linked to economic growth, and a way for countries to attract jobs and investment. In addition, education appears to be one of the key determinants of lifetime earnings. Countries therefore frequently see raising educational attainment as a way of tackling poverty and deprivation. As the pace of technological change quickens and as the workforce in many rich countries grows older, education offers a way to improve and update the skills and capabilities of the workforce.

Education is the driving force for the national development and economic growth. It is also an individual's asset for personal livelihood and well being. It gives people the skills they need to help themselves out of poverty or, in other words, into prosperity. In some countries, one additional year of schooling earn as much as 10% higher wages. In today's technology-enabled knowledge economy, Higher education is assuming a growing significance for developing countries, especially for those like India experiencing services-led growth.

The current global economic crisis has created unprecedented challenges to business individually and society at large. Indeed the scope, the depth, and the speed of the crisis have shaken the roots of the business education institutions. According to McKinsey (2005) only 25% of engineers, 15% of finance and accounting professionals and 10% of professionals with degrees, in India, are suitable for work in multinational companies. The major question is how well do current graduates fare in their work and life? Are they really successful in their career-life? In fact, only about 40% of all survey respondents believe that current graduates are able to compete successfully in today's global marketplace. Companies large and small, the public sector and even civil society organizations are being held accountable in more ways and for a wider variety of things than ever before.

Economist Professor Grantham, of McGill University, discusses how writing and accounting facilitated trade and gave rise to a merchant class in the ancient world. The objective of higher education is not only to equip students with an adequate education in their field of study, but also to arm them with the skills and knowledge required to leverage technology effectively in the workplace. Producing employable graduates is no doubt one of the objectives but creation of new knowledge and innovative mind should be the focus of higher education system. Most business schools are failing to equip managers with the knowledge and skills they need to run successful organizations in today's operating environment but also the practical requirement to balance stakeholder expectations. The challenges surrounding are complex, fascinating, and full of dilemmas and directly affect long term business success.

To cope with a business environment with increasing complexity and rapid changes, there is an urgent need to give a critical look. It is, therefore, commerce education needs a competitive strategy for their students to develop their knowledge, skills, competence, attitude interests, moral and intellectual values to shape and adapt to the business landscape.

This paper explores the changing contexts of a globalized world, international development. This article is highlights the features of changing global knowledge economy. It stresses the relevance of commerce education. It also evaluates the rationale for study of commerce education. Finally few suggestions made based on findings.

Keywords: commerce, education, human welfare

Introduction

India is gradually moving from tradition to modernity, from an industrial to an information society and from welfare state to liberal market economy. India is in a stage of transition involving social, cultural and economic changes. Commerce education is one of the most powerful instruments for reducing poverty and inequality and enhances competitiveness in the global economy. It is said Commerce builds civilizations.

Changing global business environment

The following are the significant features of present global business environment:

1. Globalization, privatization and liberalization policies opened the doors of economy
2. Agriculture sector contribution to GDP reducing year after year
3. Service sector is fast growing and is the major contributor of National Income.
4. Public sector /Government sector employment reached at saturation level.
5. Openings of more and more employment opportunities in service sector especially Retailing, Banking, Insurance, Telecom, Hospitality (Hotels & Tourism), B.P.O. (Business Process Outsourcing), LPO (Legal process outsourcing) I.T & I.T.E.S.

6. I.T & I.T.E.S jobs lays more stress on English communication skills and other soft skills.
7. Jobs are becoming independent of degrees.
8. The candidate needs not only hard skill, but also soft skills.
9. Because of I.T. and Internet revolution, there is little difference between rural or urban.
10. Earlier, industry use to recruit first and then train them to suit their requirements. But now industry wants readymade workers to perform duties independently.
11. Industry is knocking the doors of educational institutions for campus recruitments.
12. At present industries are going for campus recruitment, giving employment offers to students much before the completion of academic course.
13. Industry is demanding for designing new unique, need based ad on courses and they are sponsoring their workers for those courses. For example GENPACT - B.Com (Computers) with O.U.HSBC - Retail Marketing (A.U.) Satyam - Technology Management (O.U.)

Keeping in view the above facts and demand of the time and need of industry, the prospects of Commerce education and Profession seems very bright future in India. Institutions in and around the country needs to improve quality of commerce education and meet the demands of a fast growing economy. Further, several reports examine the increased demand for skilled workers and its importance for India's competitiveness.

To avail the advantage of these requirements, it is urgently felt that there is a need to professionalize the institutions and ready to have a road map to develop skills to educate students in the field of Commerce and Management.

India's service sector

Services of the economy covers a wide gamut of activities like trading, banking and finance, infotainment, communication, hotels, restaurant, real estate, storage, social and personal services, community, insurance, business services, and real estate, transportation, security, management, technical consultancy among several others. Among the growth was fastest in communications, banking, hotels and restaurants, community services, trade and business services. One of the reasons for the sudden growth was the liberalization in the regulatory framework. The New Economic Policy of July, 1991 heralded a new era by introducing comprehensive reforms in industrial sectors as well as in services sector. As a consequence of the adoption of the New Economic Policy (NEP) of 1991, the growth rate of the Indian economy which stood at 3.5 per cent per annum during 1951-79, to 'unstoppable India' at 9 % per annum at present (Joshi). India emerged as one of the fastest growing economies of the world.

There was marked acceleration in service sector growth in the eighties and especially in the nineties. The share of services to the GDP increased by 21 per cent points in the 50 years between 1950 and 2000, nearly 40 per cent of that increase was concentrated in the nineties. India ranks fifteenth in the services output and it provides employment to around 23% of the total workforce in the country.

According to data for the financial year 2006-2007, the share of services, industry, and agriculture in India's GDP is 55.1 per cent, 26.4 per cent, and 18.5 per cent respectively. This

shows that the Services Sector in India accounts for over half of the country's GDP. In the current economic scenario, it is the twelfth biggest economy in the world which has the GDP of US\$ 1.09 trillion in 2007. India is fast emerging a global services hub.

The India is the second fastest growing economy in the world with the growing rate of the GDP at 9.4% in 2006- 2007. The contribution of the Services Sector has increased very rapidly due to the following reasons;

1. The share of agriculture sector has been slowly declining due to the irregular climatic condition.
2. The contribution from the manufacturing sector was slightly down.
3. The service and the industrial sector have performed much better compared to the contribution from the other sectors.
4. Due to government liberal economic policies service sector shown a significant improvement.
5. Foreign consumers have shown interest in the country's service exports.
6. The country has a large pool of highly skilled, low cost, and educated workers especially in business process outsourcing(BPO) and information technology services (IT/ITes)
7. The services that are available in India are of the best quality.

These developments have given a major boost to the Services Sector. The government must take steps in order to ensure Growth Rate continues to rise.

Commerce education: rationale for study

Business concerned with agricultural products from the age-old barter trade to the recent plastic money catapults itself into the trade of industrial products and again ranging from machinery (hardware) to mechanisms (software) and from individual designs to network systems.

Business activities involve production and distribution of goods and services which contribute in a variety of ways to the development of nations. Professor Grantham, of McGill University, discusses how writing and accounting facilitated trade and gave rise to a merchant class in the ancient world, impelled exploration in the 15th and 16th centuries, leading to the discovery of the New World and new prosperity.

During Vedic period, Indian society was divided into four basic castes, viz. the Brahmins, the Kshatriya, the Vaishyas and the Shudras. In such type of social set up, trade and commerce was entirely the monopoly of the Vaishyas. The younger generation of this group trained in business by their elders. They considered to be 'the heart and soul' of business. With the pass of time, Vaishyas started entering other professions and so did people of other group entered into the commercial domain. The entry of group of people of different family, and occupational background to the world of business increased. This development, with no knowledge and experience, led to the need for educating to diverse and new group in different trades of business and commerce.

In India, history of Commerce Education dates back to 1886 when it was introduced for the first time in our country. In February 1895, the Government of India opened the first Commerce school in Calicut and since then through stages, commerce education has been an essential part of our education system in a variety of modes.

Commerce primarily expresses the fairly abstract idea of buying and selling, whereas trade may refer to the exchange of a specific class of goods or to a specific act of exchange. Business on the other hand, can be described as a group set up for the reason of appealing in manufacturing or exchange of goods and services.

Formal commerce education was first introduced in India in 1886 at Madras by the Trustees of Pachiappa's Charities in the form of a commercial school. As a branch of knowledge, Commerce imparts experience of business world at large in all its manifestations. It prepares its learners for personally fruitful and socially desirable careers in the field of business. Business has become indispensable in our lives. The improvement in the business is directly related to the urge in people to give the best to the world. Profit earning with consumer satisfaction are the true goals of business today. Business has the capacity to satisfy almost any ambition of an individual.

As a stream of study, Commerce can be studied after 10 years of schooling. Commerce is available as an option in 10+2 or the Higher Secondary level. This paves the way for higher studies in commerce related subjects. The undergraduate and postgraduate education is offered at University departments and colleges spread all across the country. Accounting and Taxation, Finance, Marketing, etc. specializations are offered at post graduate and at research levels.

Commerce course offers foundation for many professional careers like Finance, Planning, Accountancy, Tax Practitioners, Banking and Broking etc, besides academics, research, and many more. Persons having flair for accounting, finance, commodities, marketing and trading etc. generally choose Commerce as first career choice. Accountancy, business economics, mathematics, statistics business, management, marketing, cost accounting, management accounting, finance, taxation, business law, etc. subjects can be studied in this course. Most commerce colleges offer the different combinations in subjects:

Thus the main objective of Commerce education is to provide an all round development of the personalities, so that they can manage the affairs of the organization more efficiently and effectively.

Emerging trends in commerce education

Over the last few years there has been a tremendous change in nature, scope and functioning of business enterprise. The urge to modernise business organisations, in the wake of increasing competition, knowledge explosion and continuous innovations in Science and technology has made it obligatory for our business students to update their knowledge in the business world. The world of business has tremendous potential for offering career opportunities in different fields of business. It is the high time for the students to get fundamental knowledge of career avenues so as to pick up one for themselves in future.

There is a tendency towards breaking away from the age-old tradition that knowledge is something external, to be respected and feared by those at the receiving end. The current trend is towards considering knowledge as something internal to be discovered personally, examined and applied for decision-making. Thus, the process of transacting curriculum has also improved a lot. Students need to be given ample experience situations through case studies, role plays,

simulation exercises, discussions etc., where they can think, express and act originally. Continuous participation and interactions in such experience situations will help in strengthening their faculties of analysis, logical thinking and creativity, considered essential for a successful life in future.

Change is the spice as well as essence of life. To cope with increasing complexity and rapid changes, there is an urgent need to give a critical look based on themes, issues and skills which are useful, practical, functional and related to one's personal life at home and at work place at the existing curriculum, methods of teaching and learning objectives as well for proper job placement best suited to their personality traits, expectations and preferences.

Increasing standards of living, growing consumer awareness, continuous innovations in product designs and technology and worldwide telecommunication links have put business under immense pressure to strive for its survival and growth.

For this purpose and with this back-ground, there is need to review/redefine the learning objectives of teachings of commerce. Thus there is a need to include practical & application-based topics in the curriculum which will guide and motivate young boys and girls towards self-employment and entrepreneurship in future.

Suggestions and Recommendations

The commerce education needs to be developed on the following to make education for 2020.

1. The commerce education is to be made highly professional course
2. Faculty development/ training programmes need to be arranged regularly as per the industry requirements and necessary.
3. Inadequate or no teachers training is provided to equip the needs of industry
4. There should be healthy industry academia interface
5. There should be more involvement of industry experts in framing syllabus and other industry based courses.
6. Subjects to be organized into practice oriented.
7. Subjects must be thought in relation with practical exposure.
8. Teaching must be made activity based rather than lecture based.
9. There must in-depth subject specialization to be introduced at initial stages of under graduation.
10. Under graduation courses must be made more relevant, meaningful and job oriented.
11. P.G. courses (M.Com) be made more rigorous in content, skill and practice.
12. Build rapport with trade, Commerce and Industry (or establish University-Industry Hub)
13. There must be inclusion of I.T based subjects/ papers even at U.G. Level.
14. Elicit the industry needs and requirements.
15. University syllabus to be prepared in consultation with the industry.
16. The University Department should take the lead role in training the trainers to equip as per the requirements.
17. Redesigning of courses to meet the increasing demand of professionalism.
18. Providing enhanced support to the research work in Universities.

19. Efforts to relate ancient Indian knowledge with the contemporary reality.
20. There should be a combined perspective of technical and conceptual basis.
21. Students must be exposed to computers and training to be the part of professionalism.
22. Multiple task performance for students and teachers such as teaching, research, development of learning resource material, extension and management of the institution.
23. Providing teachers a better deal to make commerce education system work in proper way, as teachers are the backbone of the system.
24. Measures to be taken for easy accessibility of books at minimum costs to all sections of students.
25. Strengthening of commerce education for the development of spirit of inquiry and objectivity in the minds of students.
26. The qualitative improvements to be brought in present examination and evaluation system.
27. Present education should discourage memorization.
28. Methods of teacher recruitment to be recognized one to ensure merit and objectivity in the system.
29. Overhauling of the system of teacher education and establishment of District Institutes of Education and Training (DIET) to organize courses for elementary school teachers.
30. Reviewing of educational developments by the Central Advisory Board of Education (CABE)
31. Involvement of local communities for school improvement programmes.
32. Review of the implementation of the parameters of the policy every five years,
33. Strengthening the base of pyramid of Indian population for proper development of education system in India.
34. Providing better facilities to institutions and improved services to students.
35. Training is teachers especially in technical subjects for example finance, Accounts taxation, Quantitative Techniques, Business Communication and Report Writing, Computer usage, Accounting Packages etc.
36. Business operations require knowledge and skill as well therefore teaching mode need to be followed accordingly.
37. The commerce graduate need to be train with computer skills and business knowledge. Therefore B.Com (Computers) and M.Com (I.S) are favourite and popular courses.
38. 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.
39. University –Industry / profession interaction regularly organized.
40. Faculty and students exchange initiative to be followed.
41. Special industry based guest lecture series to be organized.
42. Industry/Profession experts C.A's, L.L.B's invited for series of lectures
43. Ask for Industry and Profession co-operation for placement.

Commerce education: A road ahead

With a view to creating a competitive environment in the

economy to improve the productive efficiency of Industries, the roles of the public and private sectors have been redefined. Our quality standards were not in tune with international competition. It had produced more traders than industrialists. It was high time that Indian economy became more open and entered the international market. As there is a move to foster greater competitiveness in the economy, steps are being taken to develop sustainable commerce education.

In the recent past, India has witnessed changes in several critical factors strengthening its economy including higher education. With globalization becoming the key word of the 90's, it seems to have paved the way for India's entry in world markets. Economic reforms have been initiated to facilitate stabilization and structural -adjustments essential for the growth of the economy.

In order to successfully encash the opportunities thrown up in the dynamic environment, India, will have to initiate appropriate policy changes and strategies. A curriculum on business studies to be need based, must be relevant and practical and enable students to interact with the ever changing business environment. A business student must keep himself/herself abreast of latest happenings in the world of business and be able to express his/her ideas, opinions and reactions after studying their implications. Aristotle rightly claimed "education is an ornament in prosperity and a refuge in adversity". In addition Rigved mentioned: "Education is something which makes man self-reliant and selfless". To conclude it is observed that commerce has built the world civilisations.

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