



# Strengths And Weaknesses In The Commerce Education In India

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## Abstract

Commerce education has vital role in this context as it gives maximum employment opportunities to youth. But there is lot of laws in imparting commerce education. But commerce education is that area of education which develops the required knowledge, skills and attitudes for the handling of trade, commerce and industry. The existing commerce education has emerged in the form of Chartered Accountant, Cost and works accountant, Company secretary, Business administrator, etc. Commerce education is a totally different from other disciplines. Hence, it must charter new routes to service the aspirations of the nation. This paper presents a conceptual framework in the context of growth of commerce education, its strengths, major weakness which hampers the quality of commerce education and the steps required to improve the quality of commerce education. In other words, this paper addresses and focuses on strengths and weaknesses of commerce education in India.

**Keywords:** commerce education, on-line education, e-commerce, prospects, strengths, weaknesses.

## Introduction

The first Commerce school was established in Chennai in 1886 by the Trustees of Pachiyappa's Charities, Commerce classes started in the Presidency College, Kolkata, in 1903. The Sydenham College of Commerce and Economics was established in 1913 as the first institution for higher education in Commerce. In post-Independence period, Commerce education has emerged as one of the most potential pursuits in the wake of industrialization, Economic development and techno-managerial revolution Commerce has grown from a subject to a full-fledged faculty in most of the universities and had acquired a pride of place amongst different academic disciplines (Sawlikar, 2012). Now-a-days commerce has become the lifeline of every country. The level of development and the standard of living of the people are linked to the state of commerce in a particular country. No country can progress without the development of commerce. Commerce education is that area of education which develops the required knowledge, skills and attitudes for the successful handling of trade, commerce and industry. The main objective of commerce

education is to provide knowledge and skills related commerce related activities (Varghese and Santhosh, 2005).

Moreover, 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 manage 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 anybody (Gajjar, [2013](#)). Commerce is an organized system for the exchange of goods between the members of the industrial world.

"Commerce is that part of business which is concerned with the exchange of goods and services and includes all those activities which directly or indirectly facilitate that exchange." -James Stephenson. "Commerce is that part of business which is concerned with the exchange of goods and services and includes all those activities which directly or indirectly facilitate that exchange." -**James Stephenson.**

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. Chessemann defined Commerce Education as – “Commerce education is that form of instruction which both directly and indirectly prepare the business man for his calling”. During the post-independence era, commerce education has emerged as one of the most factors in the wake of industrialization (Desai, 2005).

## Global perspective

The business schools around the developed countries like US, Germany or Canada, it is found that they have professionalized their curriculum and organized it on dynamic and systematic lines. Not only this, some developing nations like China, Japan and Singapore also have successfully promoting advanced commerce education. That is the reason why business education made its greatest progress in these countries. By realizing the limitations, identifying the decision points, analyzing institutional dependence and directing the business education in terms of its relevance, these schools are able to serve their basic academic mission and duty. In particular, business schools in these countries are able to offer specialized business education programs within all the different areas of business. For example, university like Texas Tech university of United States has separate schools for Accounting, Finance, Marketing etc and each school contains on an average twenty (20) specialized faculty members. Further if we click on the personal profiles of an accounting faculty of this university, we will find him a specialized expert in accounting only. Unlike our universities where a marketing professor is also expected to teach finance without having the necessary expertise. There is no room for such a misleading structure in American business schools. Unfortunately we are unclear and unspecific about our own specialized field. The Curriculum Vitae of many commerce faculty in our country are with knowledge in several fields but very few with world class expertise on any particular field. This is one of the reasons that commerce departments across Indian universities are incapable in producing quality research. Never, we come across the news of any path breaking research which could have attracted the

attention of Government in general and corporate world in particular or have been capable of offering solutions to a problem Dec, 2012).

### **Importance of commerce education**

Commerce education in our country has been developed to support the growing manpower needs of business enterprises. The education imparted to the students of commerce intended to equip them with the specialized skills useful in different functional areas of trade, commerce and industry. Continuous supply of quality manpower is essential for the growth of the industry sector. This necessitated the skilled manpower to manage the process of industrial reconstruction and the rapidly growing trade and commerce. However, over the years, there has been a fundamental shift in the very approach of commerce education from a professional to a theoretical education. With a quantum jump in business scenario, there is a need to redefine the commerce education in the changing scenario and strengthen it further. The commerce education plays an essential role in today's dynamic business environment. The rapid trend of globalization and technological changes have made difficult for organizations to survive in the competitive world. As a result the importance of commerce education has been increased Business executives need to update their skills due to sudden changes in the external environment. Due to the increasingly complex nature of organizations and businesses, there is a need that the business schools impart relevant, current and cutting edge knowledge to the students. The School of commerce should play pivotal role in equipping our future dynamic managers with the emerging trends of commerce skills to face the challenges of dynamic business world (Gajjar, 2013). Moreover the importance of trade and commerce/commerce education is mentioned in the following points:

#### **A. Commerce tries to satisfy increasing human wants:**

Human wants are never ending. They can be classified as 'Basic wants' and 'Secondary wants'. Commerce has made distribution and movement of goods possible from one part of the world to the other. Today we can buy anything produced anywhere in the world. This has in turn enabled man to satisfy his innumerable wants and thereby promoting social welfare.

#### **B. Commerce helps to increase our standard of living**

Standard of living refers to quality of life enjoyed by the members of a society. When man consumes more products his standard of living improves. To consume a variety of goods he must be able to secure them first. Commerce helps us to get what we want at right time, right place and at right price and thus helps in improving our standard of living.

#### **C. Commerce encourages international trade**

Through commerce we can secure a fair and equitable distribution of goods throughout the world. With the help of transport and communication development, countries can exchange their surplus commodities and earn foreign exchange, which is very useful for importing machinery and sophisticated technology. It ensures faster economic growth of the country.

## D. Commerce benefits underdeveloped countries

Underdeveloped countries can import skilled labour and technical know how from developed countries. While the advance countries can import raw materials from underdeveloped countries. This helps in laying down the seeds of industrialization in the underdeveloped countries (Gajjar. 2013).

### Objective of the study

The objectives of the study are:

- a. To examine the various weaknesses relating to commerce education in India.
- b. To explore the different strengths in front of commerce education in India.

### Research methodology

This study is based on secondary information. The information for the present study is obtained from a number of sources such as books, journals, periodicals, newspapers and different websites. The paper is conceptual in nature and mainly based on review of existing literatures and study materials.

### Weakness before commerce education

Presently, the business world feels that the commerce graduates and post-graduates degree holders lack in right kind of skills, practical knowledge and exposure to outside business world, which are needed. To realize the mismatch between the product and the demand, there is an urgent need to overcome the existing business education system and require coping up with the fast changing Liberalization, Privatization and Globalization era. The problems faced by the commerce graduates and post-graduates are of a great concern for the students, academicians, business world and even for parents, as the students are only oriented towards classroom theoretical related skills, lack of communication skills, lack of IT knowledge and global scenarios etc. Therefore, there is an urgent need to explore some measures to overcome these challenges. After completing course in the field of commerce and management, student can encourage joining any private or government organization as a specialist in any of the streams of commerce and they can also pursue professional courses such as Chartered Accountant, Cost and works Accountant, Company Secretary, Chartered Financial Analyst. A graduate in commerce can undergo careers in Financial Services and Financial consultant, financial portfolio manager, financial analyst, tax consultant, fund manager and security dealer and also a good entrepreneur etc. Commerce graduates can further pursue careers in Management Such as:

- i) Personnel Management
- ii) Production Management
- iii) Financial Management
- iv) Marketing Management

- v) Materials management
- vi) Hotel Management
- vii) Hospital Management
- viii) Tourism Management
- ix) Event Management
- x) Office Management
- xi) Export/Import Management etc.

### **Weakness in commerce education**

Today, the business world feels that the Commerce graduates and post-graduates lack in right kind of skills which are needed. Now the time has come to realize the mismatch between the product and the demand. We have to adopt market orientation to our products to make them saleable. There is an urgent need to overhaul the existing business education system to cope up with the dynamic world. The problems faced by the business graduates and post graduates are of a great concern for the students, academicians, business world and even for parents. The reasons are many and they are oriented towards classroom theoretical teaching, lack of practical and work related skills, lack of communication skills, parochial and not global in values and thinking, lack of base of information technology, etc. The traditional Commerce education has become irrelevant in the new era of globalization. The impact of globalization on the corporate sector has suddenly created a demand for trained human resource of business education with innovative ideas, new approaches in business as well as professional skills. In order to fill the gap in this regard a new orientation requires to be given to the discipline of commerce education. Keeping in mind the significance of modern commerce education, the Indian government has liberalized the commerce and business education market since 1990s. resulting in an unprecedented growth in the number of commerce and management institutions mostly through private participants. The students now have a vast choice regarding the institutions in which they want to study. Since the commerce graduates and post-graduates produced by these institutions are primarily absorbed by industry, there is a growing need to match the curriculum and structure of business education to better fit the needs of changes in both in the industrial and services sectors within the country. Moreover, it is important to properly assess the quality of commerce education imparted to the students in various institutions for proper decision making regarding selection and recruitment by potential employers (Ahirrao and Rodiya, 2012).

As we know that commerce is considered as one of the most popular career options in India. Commerce education is the backbone of the business and serial development of the nation. This education stresses on developing the people and making effective use of available resources, Commerce education develops the relationship of people with one another. Commerce education covers wide area of business and society Commerce education provides to the business and society that how to use it for the betterment of self and oneself. Commerce education gives to the people for democratic living, good citizenship and proper utilization of resources. It provides skill oriented education to students and society. However some of the challenges which are listed below:



- a) Challenges and Strategies for controlling inflation and promoting growth.
- b) Emerging issue in global Economy, Commerce and Management.
- c) Internationalization of Financial Market in the World.
- d) Role of Foreign Direct Investment and Foreign Institutional Investment.
- e) Reform in Indian and International Economic Sectors.
- f) Challenges and Strategies of IMF and WORLD BANK for International Competition.
- g) Challenges and Strategies merger and acquisition strategies for Trade, Commerce and Industry in World.
- h) Challenges and Strategies for commodities markets in the world and in currency market in International scenario. Challenges and Strategies for export and import of Trade, Commerce and Industries in global scenario.
- i) Challenges and Strategies for Stock Market and Investors for International competition.
- j) Challenges and Strategies in Currency Market in International scenario (Sawlikar, 2012).

## Strengths

At the undergraduate level, Bachelor of Commerce, a three year full time course and Master of Commerce at the postgraduate level. After completing course in the field of Commerce, a student can join any private institute or government organization as a specialist in any of the Commerce stream and they can also pursue professional courses such as Company Secretary, Chartered Accountant and ICWA.

A graduate in Commerce can also opt careers in financial services as a Financial Consultants, Stock Brokers, Merchant Bankers, Budget Consultant, Financial Portfolio Manager, Project Formulation Manager, Tax Consultants. Careers in Management are also available in the field of Personnel Management, Production Management, Financial Management, Marketing Management, and Material Management, other areas of Management such as Hotel Management, Hospital Management, Tourism Management, Event Management, Office Management, Export and Import Management Banking and Insurance Companies can also call for Commerce graduates and post graduates with specialization of Insurance Industrial segment also call for Commerce graduates and post graduates with specialization of accounting skill including Computer Technology (Sawlikar, 2012). With the requirements of business and industry, independent professional courses like Chartered Accountancy, Company Secretary Course, Cost Accountancy, Hotel Management, Chartered Financial Analyst and so many other market oriented courses have raised their heads and the cream of general commerce education generally goes to these professional courses and the traditional commerce education exists now only as an academic discipline imparting general and liberal education (Dec, 1996).

As we mentioned earlier that the traditional Commerce education is slipping down in its relevance so the impact of globalization on the corporate sector has created a demand for qualified human resource with innovative idea and professional skills and specialized outlook. Commerce education in the 21st century has reached a critical phase of its life cycle when no longer it is possible for this branch of study to overlook its emergent contextual realities. Our market is vast and its requirements are varied and complex. Hence, we have to provide for varied courses and not one straight jacket with plethora of subjects without going deep in any particular branch of the subject. The changes are very fast and our courses also must keep pace with the changes. While our universities are growing at a steady pace, the rest of the world is speeding up. The year 1991 witnessed major shifts in economic and social development policy in India which opened its economy to world market by adopting a policy of economic liberalization. This in turn posed the challenges for higher education in general and commerce fraternity in particular to produce competitive and suitable human resources. 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. However, little attention is paid to these necessities. Therefore there is an urgent need to overhaul the existing business education system to cope up with the dynamic world.

- The commerce curriculum must provide for a focused education preparing the student for innovative entrepreneurial and leadership roles in business and society.
- The discipline's academic focus has to be clearly defined and differentiated from those of application oriented courses.
- There is need to bring standardization in course structure, examination and evaluation system across Indian universities.
- There is desperate need to make commerce education proactive and practical by leveraging the development in the Information Technology.
- Enormous attention has to be paid towards personality development of our students that could mitigate complications for them as job seekers. While re-designing the commerce curriculum, efforts should be made to make personality development training as a regular part of the curriculum.
- In particular, there is urgent need for soft skills development for the commerce students (which is very much lacking) to make them confident in their presentations, interviews, speech etc. Mere hard skills won't make students employable and enable them to sustain in the professional life and mark impression in the workplace. There should be a survey of requirements of business and industry 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 pertinent and the product saleable.
- The contents and delivery system must be tailored to meet the specific needs of the target groups for whom the courses are designed. The quality business education in India is limited to top-tier business school such as IIMs and other top class business schools. The numbers of students graduating from these schools are very low compared to the needs of the country.

Many times such graduates are lured by lucrative offers from the western world. This leaves the ground to the graduates from the college and university systems, Hence, quality of business education can be enhanced with more attention to relevance and application to cater the vast requirement (Dec, 2012).

There should be hike in fees structure for the students pursuing their B.Com and M.Com courses. Majority of the problem remains unsolved for want of funds. The additional money generated from additional fees may be utilized for providing additional infrastructural facilities viz., books, journals, computer education etc. lecture methods of teaching should be supplemented by other methods. If the course is market oriented, student will not hesitate to pay extra fees. Internal resource generation is the need of the hour for colleges and universities. Audio-visual aids need to be used in imparting commerce education (Bhattacharjee and Adhikari, 2010).

## Conclusion

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 R&D. Our market (i.e., demand for graduates having the knowledge of commerce and business studies) is vast and their requirements are also diversified in nature. Hence, commerce education" is to provide for varied courses and not one straight jacket. The changes in the business world are very fast, so courses must keep pace with the changes. Therefore, one should adopt the changing environment. One cannot stop suddenly what is happening. But it can plan for the future and to 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.

As we know that commerce education provides numerous opportunities to the students for employment but due to lack of employable students, they are not in a position to enjoy fruitful results. All the participants involved in commerce education, viz., universities, colleges, faculty members, students and society, at large, along with the regulatory body and Government are equally responsible for the current prevailing scenario in India. All need to come and work together selflessly to bring positive changes in the interest of the students as well as for the society for a better future.

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