Skillshort

Self-Study Preparation Pack

CSEET

Paper 1: Business Communication (subjective)

Chapter-wise Detailed Notes

For the February 2027 and June 2027 sessions · ICSI restructured CSEET syllabus (from June 2026) · 4 chapters

100 marks · 3 hours (+15 min reading) | Q1 compulsory + any 5 of Q2–8 | Pass: 40 in the paper + 50% aggregate

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

How to use these notes

File	What it gives you
01 Chapter notes (this file)	Grammar rules, vocabulary lists, communication theory and ready-to-use drafting formats
02 Important topics	Weightage and what the June 2026 paper asked
03 Past papers	Trend analysis, question patterns and official links
04 Mock tests	Two full papers in the ICSI pattern with model answers
05 Practice	Chapter-wise exam-style questions with answers
06 Last-week plan	Revision plan, drafting checklists, time plan

EXAM TIP **Paper at a glance**

Eight questions: **Q1 is compulsory (20 marks)**; answer **any five of Q2–Q8 (16 marks each)**. Each question mixes grammar or vocabulary items (short answers), a theory part and often a **drafting** part (letter, notice, minutes, report). Grammar and vocabulary items are the fastest marks – practise them daily.

Chapter 1: Essentials of Good English

1.1 Parts of speech

Part of speech	Job in the sentence	Examples
Noun	Names a person, place, thing or idea	Ravi, Delhi, company, honesty
Pronoun	Replaces a noun	he, they, which, himself
Adjective	Describes a noun	**efficient** staff, **three** offices
Verb	Shows action or state	**draft**, **is**, **seem**
Adverb	Modifies a verb, adjective or adverb	replied **promptly**, **very** late
Preposition	Shows relation of a noun to another word	**in**, **on**, **at**, **between**, **among**
Conjunction	Joins words or clauses	**and**, **but**, **because**, **although**
Interjection	Expresses sudden feeling	**Alas! Bravo!**

- **Kinds of nouns:** proper, common, collective (committee, board, jury), material, abstract. **Countable** nouns take *many/fewer/number*; **uncountable** nouns take *much/less/amount* (information, advice, furniture, equipment, luggage – never "informations").
- **Prepositions that are often tested:** *between* two, *among* more than two; *in* (inside/periods) – *on* (days/dates) – *at* (exact time/point); *since* (point of time) vs *for* (period); *comply with*, *agree with* a person, *agree to* a proposal, *differ from*, *superior to*, *prefer to*, *conversant with*, *abide by*.

1.2 Tenses

Tense	Simple	Continuous	Perfect	Perfect continuous
Present	She **drafts**	She **is drafting**	She **has drafted**	She **has been drafting** for an hour
Past	She **drafted**	She **was drafting**	She **had drafted**	She **had been drafting**
Future	She **will draft**	She **will be drafting**	She **will have drafted**	She **will have been drafting**

REMEMBER Tense rules examiners love

- Use the **simple past** (not present perfect) with a definite past time: "I **met** him **yesterday**" (not "have met").
- **Hardly/Scarcely ... when**; **No sooner ... than**: "**No sooner** had the meeting begun **than** the lights went out."
- In a conditional sentence, do not use *will* in the *if*-clause: "If it **rains**, the event will be postponed."
- Stative verbs (know, believe, own, contain) are not normally used in the continuous: "I **know**", not "I am knowing".

1.3 Active and passive voice

- **Active:** subject does the action – "The Board **approved** the accounts." **Passive:** object becomes subject + *be* + past participle – "The accounts **were approved** by the Board."

Tense	Active	Passive
Simple present	The clerk files the papers	The papers **are filed** by the clerk
Present continuous	He is writing a report	A report **is being written** by him
Present perfect	They have sent the notice	The notice **has been sent** by them
Simple past	The CS drafted the minutes	The minutes **were drafted** by the CS
Future	We will declare the result	The result **will be declared** by us
Modal	You must sign the form	The form **must be signed** by you
Imperative	Close the door	**Let** the door **be closed**

- Use the passive when the doer is unknown or unimportant, or to sound formal and impersonal ("Your application **has been received**").

1.4 Articles

Article	Rule	Example
a	Before a consonant **sound**	**a** university, **a** one-rupee coin, **a** European
an	Before a vowel **sound**	**an** hour, **an** MBA, **an** honest man, **an** FIR
the	Something specific or already mentioned; unique things; superlatives; rivers, seas, mountain ranges; newspapers; musical instruments	**the** sun, **the** best plan, **the** Ganga, **the** Himalayas, **the** Hindu
No article	Proper nouns, languages, meals, abstract nouns used generally, games	He speaks English; we had lunch; honesty pays

1.5 Subject–verb agreement and common errors

Rule	Correct sentence
Singular subject → singular verb even with "along with / as well as / together with"	The manager, **along with** his staff, **is** present.
Each, every, either, neither, everyone → singular	**Each** of the directors **has** signed.
Collective noun as one unit → singular	The committee **has** submitted its report.
"The number of" → singular; "A number of" → plural	**The number of** complaints **is** rising. **A number of** members **were** absent.
Neither ... nor / either ... or → verb agrees with the nearer subject	Neither the CEO nor the **directors were** present.
Amounts of money, time, distance as one unit → singular	**Five lakh rupees is** a large sum.
"One of the + plural noun" → singular verb	**One of the** employees **is** on leave.

Commonly confused	Correct use
affect / effect	Inflation **affects** (verb) prices; it has an **effect** (noun) on prices
less / fewer	**fewer** mistakes (countable); **less** time (uncountable)
principal / principle	the **principal** amount; the **principle** of honesty
stationary / stationery	the car was **stationary**; office **stationery**
advice / advise	good **advice** (noun); please **advise** (verb)
loose / lose	a **loose** screw; do not **lose** the file
compliment / complement	**compliment** = praise; **complement** = complete
lie / lay	**lie** down (no object); **lay** the papers on the table
who / whom	**Who** called? To **whom** it may concern
its / it's	The company and **its** staff; **it's** = it is
between / among	**between** two parties; **among** five members
since / for	**since** 2020; **for** six years

1.6 Kinds of sentences

Type	Structure	Example
Simple	One independent clause	The meeting started at 10 a.m.
Compound	Two independent clauses joined by *and, but, or, so, yet*	The meeting started at 10 a.m., **but** the chairman came late.
Complex	One independent + one or more dependent clauses (*because, although, when, which, that*)	**Although** the chairman came late, the meeting started at 10 a.m.
Compound-complex	Two independent + at least one dependent	When the chairman arrived, the meeting started, and the agenda was taken up.

- **By purpose:** declarative (statement), interrogative (question), imperative (command or request), exclamatory (strong feeling).

1.7 Punctuation

Mark	Main uses	Example
Full stop (.)	End of a statement; abbreviations	Mr. Rao arrived.
Comma (,)	Items in a list; after introductory words; before *but/so* joining clauses; around non-essential phrases	Ravi, our CS, will attend.
Semicolon (;)	Joins closely related independent clauses; separates list items that contain commas	Sales rose; profits fell.
Colon (:)	Introduces a list, explanation or quotation	Bring three things: ID, admit card and pen.
Apostrophe (')	Possession; contractions	the director's report; the directors' report; don't
Hyphen (-)	Joins compound words; compound adjectives before a noun; numbers	well-known firm, twenty-one, ex-chairman
Dash (–)	Sudden break or emphasis	The result – shocking as it was – was accepted.
Quotation marks (" ")	Direct speech; titles of articles; words used in a special sense	He said, "I agree."
Question / exclamation mark	Direct question; strong feeling	Where is the file? What a loss!
Brackets ( ) [ ] < >	Extra information; editorial insertions; **angle brackets** for e-mail and web addresses or placeholders	Contact <info@abc.com>
Capital letters	First word, proper nouns, days, months, titles, "I"	On Monday, Mr. Shah met the Minister.

1.8 Prefixes and suffixes

Prefix	Meaning	Examples	Suffix	Forms	Examples
un-, in-, im-, il-, ir-, dis-	not	unfair, inaccurate, impossible, illegal, irregular, dishonest	-ment, -tion, -ness	nouns	management, taxation, fairness
mis-	wrongly	mismanage, misprint	-able, -ible, -ful, -less	adjectives	payable, credible, useful, careless
re-	again	reissue, reappoint	-ise/-ize, -en, -fy	verbs	computerise, strengthen, simplify
pre-, post-	before, after	pre-audit, post-dated	-ly	adverbs	promptly, legally
inter-, intra-	between, within	international, intranet	-er, -or, -ee, -ist	persons	employer, auditor, employee, economist
co-, sub-, super-	with, under, above	co-operate, subsidiary, supervise	-ship, -hood	state	partnership, likelihood

1.9 Vocabulary

Word	Synonym	Antonym
Abundant	Plentiful	Scarce
Candid	Frank	Evasive
Diligent	Hard-working	Lazy
Lucid	Clear	Obscure
Prudent	Wise	Rash
Transparent	Open	Opaque

Word	Synonym	Antonym
Augment	Increase	Diminish
Obsolete	Outdated	Modern
Concur	Agree	Differ
Lenient	Tolerant	Strict
Meticulous	Careful	Careless
Tangible	Concrete	Intangible
Viable	Feasible	Impractical
Amicable	Friendly	Hostile
Ambiguous	Unclear	Explicit

One-word substitution	Word
A meeting adjourned to a later date / postponement	**Adjournment**
Written statement on oath	**Affidavit**
To confirm formally that something is true / to witness a signature	**Attest** (affirm = declare solemnly)
A written acknowledgement of money received	**Receipt** (a **voucher** is documentary evidence of a transaction)
A person who cannot pay his debts	**Insolvent**
A government by the people	**Democracy**
A list of items to be discussed at a meeting	**Agenda**
Minimum number of members required for a valid meeting	**Quorum**
Retirement on reaching the age limit, with pension	**Superannuation**
Something that cannot be read	**Illegible**
A person who represents another	**Agent / proxy**
A cure for all problems	**Panacea**
Done at the same time	**Simultaneous**
A handwritten document of a person	**Manuscript**
Activity of buying and selling for profit	**Business / commerce**
Payment made to a person for loss	**Compensation / indemnity**
Life story written by oneself	**Autobiography**
One who looks on the bright side	**Optimist**

Homophones	Meaning
Accept / except	receive / excluding
Capital / capitol	money or chief city / legislative building (US)
Cite / site / sight	quote / place / vision
Council / counsel	body of people / advice or lawyer
Desert / dessert	dry land or abandon / sweet dish
Fair / fare	just / price of a ticket
Personal / personnel	private / staff
Waive / wave	give up a right / move hand or water
Draft / draught	first version or bank draft / current of air

Words with multiple meanings	Meanings
Bank	a financial institution; the side of a river; to rely on
Bill	an invoice; a draft law; a bird's beak

Words with multiple meanings	Meanings
Charge	a price; an accusation; to fill with electricity; a security over assets
Interest	curiosity; payment for use of money; a stake in a business
Return	to come back; profit on investment; a tax filing
Share	a portion; a unit of capital; to divide with others

Commonly misspelt (correct spelling)		
accommodation	acknowledgement	commitment
committee	correspondence	definitely
embarrass	entrepreneur	guarantee
liaison	maintenance	millennium
occurrence	privilege	questionnaire
receipt	recommend	separate

Idiom / proverb	Meaning
A blessing in disguise	Something that seems bad but turns out good
To break the ice	To start a conversation in a tense or new situation
To call it a day	To stop work
To burn the midnight oil	To work late into the night
To cut corners	To do something cheaply or carelessly
In black and white	In writing
To be in the red	To be making losses
Once in a blue moon	Very rarely
To see eye to eye	To agree
A stitch in time saves nine	Timely action prevents bigger problems
Honesty is the best policy	Being honest is always best
Make hay while the sun shines	Use an opportunity while it lasts

Foreign words and phrases	Meaning
ad hoc	for a particular purpose
bona fide	in good faith, genuine
status quo	the existing state
ex officio	by virtue of office
per capita	per head
pro rata	in proportion
prima facie	at first sight
vice versa	the other way round
sine die	without fixing a date (adjourned indefinitely)
en route	on the way

Abbreviation	Full form
AGM / EGM	Annual General Meeting / Extra-ordinary General Meeting
CEO / CFO / KMP	Chief Executive Officer / Chief Financial Officer / Key Managerial Personnel
ICSI	The Institute of Company Secretaries of India
SEBI / RBI / MCA	Securities and Exchange Board of India / Reserve Bank of India / Ministry of Corporate Affairs
ATR	Action Taken Report
MIS	Management Information System

Abbreviation	Full form
ASSOCHAM	Associated Chambers of Commerce and Industry of India
FICCI	Federation of Indian Chambers of Commerce and Industry
CII	Confederation of Indian Industry
RSVP	Répondez s'il vous plaît – please reply
e.g. / i.e. / etc.	exempli gratia (for example) / id est (that is) / et cetera (and so on)
P.S. / encl. / cc / bcc	postscript / enclosure / carbon copy / blind carbon copy

1.10 Sentence correction, completion and para jumbles

- **Sentence correction:** check in this order – subject–verb agreement → tense → articles → prepositions → pronouns → word confusion (affect/effect) → punctuation.
- **Sentence completion:** read the whole sentence; look for clue words (*although* → contrast; *because* → reason; *and* → similar idea).
- **Para jumbles:** find the **opening sentence** (introduces the topic, no pronoun pointing back), link pronouns and connectors (*however, therefore, this*) to earlier sentences, and find the **concluding sentence**.

WORKED EXAMPLE Correct the sentences

1. He is one of the best officer of the company. → He is one of the best **officers** of the company.
2. Each of the candidates have been informed. → Each of the candidates **has** been informed.
3. I have met him yesterday. → I **met** him yesterday.
4. The informations were wrong. → The **information was** wrong.
5. Hardly had he reached than it rained. → Hardly had he reached **when** it rained.

1.11 Comprehension and summarising (précis)

- **Comprehension:** read the questions first, then the passage; answer in your own words; for MCQs eliminate extremes ("always", "never") unless the passage says so; find the **central idea** (usually in the first or last paragraph).
- **Précis / summary:** about **one-third** of the original; keep main ideas, drop examples and repetition; use your own words and the **third person, past tense** for reports; give a suitable **title**.

Chapter 2: Communication

2.1 Concept, principles and features

- **Communication** (Latin *communis* – common) is the process of transmitting information, ideas and feelings so that a common understanding is created. **Business communication** is communication within and outside an organisation to achieve business goals.
- **Features:** two-way process, **continuous**, **goal-oriented**, involves at least two parties, pervasive, dynamic, needs a **flow of message**, an **inter-disciplinary** science, can be verbal or non-verbal.

7 Cs of effective communication	Meaning
Clarity	Simple words, one idea per sentence
Conciseness	No unnecessary words
Concreteness	Specific facts and figures
Correctness	Right facts, grammar and tone
Coherence	Logical flow
Completeness	All needed information
Courtesy	Respect for the receiver

- **Principles of effective communication:** clarity of purpose, completeness, consistency, appropriate language, attention, timeliness, **feedback**, informality where suitable, integrity.

2.2 Process of communication

Sender → encoding → message → channel/medium → receiver → decoding → feedback, with **noise** possible at every stage. **One-way communication** – the message moves from sender to receiver without feedback (notices, broadcasts). **Two-way** – feedback completes the loop (conversation, meetings).

EXAM TIP **Listening is more important than speaking because it helps you avoid premature evaluation (judging too quickly) and prevents conflicts. Types of listening: active, passive, empathetic, critical.**

NOTE **Communication is a two-way process**

The sender encodes and sends; the receiver decodes and responds. Without **feedback** the sender cannot know whether the message was understood – so communication is complete only when the loop is closed.

2.3 Means and types of communication

Means	Examples	Merits	Limitations
Written	Letters, e-mails, reports, notices, circulars	Permanent record, legal evidence, can be precise	Slow, costly, no instant feedback
Oral	Meetings, phone calls, interviews	Quick, immediate feedback, personal	No record, may be misunderstood
Visual	Charts, graphs, posters, signs	Attracts attention, easy for all	Cannot convey complex ideas alone
Audio-visual	Films, videos, webinars, presentations	Highly effective for training	Expensive, needs equipment

Basis	Types
Organisational relationship	**Formal** (through official channels – chain of command) vs **informal** (**grapevine** – fast, unofficial; patterns: single strand, gossip, probability, cluster)
Expression	**Verbal – oral** (meetings, calls) and **written** (letters, reports, e-mail); **non-verbal** (body language – **kinesics**, space – **proxemics**, voice quality – **paralanguage**, touch – haptics, time – chronemics, gestures, signs)

Basis	Types
Direction	**Downward** (superior → subordinate: orders, policies), **upward** (subordinate → superior: reports, suggestions, grievances), **horizontal/lateral** (between peers of different departments – coordination, mutual co-operation), **diagonal** (across levels and departments)
Scope	**Internal** (within the organisation – staff meetings) and **external** (customers, media, government, public – press meetings)

- **Organisational communication** ensures mutual co-operation and understanding between departments.

2.4 Communication networks

Network	Pattern	Feature
Vertical	Superior ↔ subordinate	Formal, follows the chain of command
Chain	A → B → C → D (a line)	Follows the hierarchy; slow; message may get distorted
Wheel	All members talk only to one central leader	Fast for simple tasks; leader is dominant
Circuit / circle	Each member talks to two neighbours in a circle	No leader; slow; equal status
Star / all-channel	Everyone talks to everyone	Best for complex problems and high morale; can be chaotic
Inverted V	Subordinate talks to the boss and the boss's boss	Faster than the chain

2.5 Digital mediums, AI tools and social media

- Tools: **e-mail**, intranet, video conferencing, webinars, instant messaging, collaboration platforms, websites, blogs, podcasts, **social media** (LinkedIn, X, Instagram, Facebook, YouTube).
- **Do's on social media:** have a policy, be authentic and consistent, respond quickly, use a professional tone, protect confidential data, give credit to sources, keep the personal touch with customers (updates on offers, new products).
- **Don'ts:** post confidential or unverified information, argue publicly, spam, use offensive language, mix personal and business accounts, ignore negative feedback.
- **Professional networking:** first **nurture existing relationships**, then build new ones; give value, follow up, be genuine.
- **Virtual meetings:** video conferences (Zoom, Teams, Google Meet), **webinars** (one-to-many presentations), **teleconferences** (audio only), **hybrid meetings** (some members physically present, some online), virtual town halls. Etiquette: test equipment, mute when not speaking, camera on, professional background, join early.
- **AI in communication: chatbots** answer customer queries 24×7; AI writing assistants draft and correct text; translation tools; meeting transcription and summaries. Limits: errors and "hallucinations", privacy risks, lack of empathy – always review AI output.
- **Blogs** (regular online articles that build thought leadership), **Moodle** (an open-source learning management system used for online courses), podcasts and webinars are used for training and branding.

2.6 Listening skills

- **Hearing** is physical; **listening** is active – receiving, understanding, evaluating, remembering and responding (HURIER model). **Types:** active, passive, empathetic, critical, appreciative, informational.
- **Good listening habits:** maintain eye contact, do not interrupt, avoid premature evaluation, take notes, ask questions, paraphrase, observe non-verbal cues.

2.7 Barriers to communication

Barrier	Examples
Semantic / language	Jargon, words with different meanings, poor translation
Physical / environmental	Noise, distance, faulty equipment
Psychological / emotional	Premature evaluation, distrust, inattention, emotions, closed mind

Barrier	Examples
Organisational	Rigid hierarchy, too many levels, status differences
Cultural	Different values and gestures

Overcoming: clear and simple language, active listening, feedback, right channel and timing, empathy, consistency between verbal and non-verbal messages.

2.8 Etiquettes and business attire

Etiquette	Key rules
Social	Greet politely, respect personal space, punctuality, use "please" and "thank you"
Meeting	Arrive on time, read the agenda, address the chair, do not interrupt, phones on silent, follow up on action points
Telephone	Answer within three rings, greet and identify yourself and the organisation, speak clearly, take notes, do not keep a caller on hold for long, end politely; return missed calls
Meal	Wait for the host, use cutlery from outside in, do not talk with food in the mouth, keep phones away
Introductions	Introduce the junior to the senior, firm handshake, give a short context ("This is Ms Rao, our CS")
E-mail	Clear subject line, proper salutation, concise, no ALL CAPITALS, check attachments, reply within 24 hours
Workplace hierarchy and courtesy	Respect reporting lines, address seniors properly, give credit, acknowledge messages, be inclusive

- **Business attire: formal** (suit, tie, saree or formal Indian wear) for board meetings and interviews; **business casual** for normal office days; well-groomed appearance, minimal accessories; dress to suit the culture of the place.

2.9 Public relations and advertisement

- **Public relations (PR)** = planned and sustained effort to build and maintain **goodwill and mutual understanding** between an organisation and its publics (employees, customers, shareholders, media, government). **Importance:** builds image and credibility, manages crises, supports marketing, improves employee and investor relations, helps in launching new products. **Tools:** press releases, press conferences, CSR, events, newsletters, social media, sponsorships.
- **Advertisement** = paid, non-personal promotion of goods, services or ideas by an identified sponsor. **Objectives:** inform, persuade, remind. **Media:** print, TV, radio, outdoor, digital and social. **Difference:** advertising is paid and controlled; PR (publicity) is mostly unpaid and builds credibility.

2.10 Intercultural communication

- Differences in language, values, gestures, time orientation, high-context vs low-context cultures (Edward Hall) and power distance (Hofstede).
- **Bennett's developmental model of intercultural sensitivity: Denial** (unaware that differences exist) → Defence → Minimisation → Acceptance → Adaptation → Integration.
- **Multicultural workplace etiquette:** respect festivals and food habits, avoid stereotypes and jokes about culture, use simple English and avoid slang, be careful with gestures, respect time zones, use inclusive language.

2.11 Legal aspects of communication

- **Legal aspects:** defamation (libel – written; slander – spoken), copyright and plagiarism, confidentiality and data protection (Digital Personal Data Protection Act, 2023), misrepresentation in advertising, contracts formed by e-mail, records as evidence.
- **Graphics and references:** tables, charts, infographics, flowcharts and **motion graphics** (short animated videos) help to **explain, train and summarise while keeping attention**. Cite references (APA/MLA style) to avoid plagiarism.
- **Disclaimer:** a statement limiting legal liability (e.g., in e-mails: "This e-mail is confidential and intended only for the addressee"). **Data privacy:** collect personal data only with consent and for a stated purpose (DPDP Act,

2023).

Chapter 3: Business Correspondence

3.1 Business letters – parts and layouts

Part	Example
Letterhead / heading	Name, address, phone, e-mail, CIN of the company
Reference number and date	Ref: ABC/SALES/2026/45 · 31 October 2026
Inside address	Name and address of the receiver
Attention line (optional)	Kind attention: The Purchase Manager
Salutation	Dear Sir/Madam, Dear Mr. Sharma
Subject line	Subject: Delay in delivery of order no. 512
Body	Opening paragraph → main details → closing/action paragraph
Complimentary close	Yours faithfully (with Sir/Madam), Yours sincerely (with a name)
Signature block	Signature, name, designation
Enclosures, cc	Encl: Copy of invoice; cc: Accounts Department

Layout	Features
Full block	Everything starts at the left margin; no indentation; most modern
Modified block	Date, complimentary close and signature from the centre; paragraphs not indented
Semi-blocked	Like modified block but **paragraphs are indented**

- **Salutations:** "Dear Sir/Madam" → "Yours faithfully"; "Dear Mr. Rao" → "Yours sincerely"; "Respected Sir" for very senior officials in formal Indian usage; "Gentlemen" is outdated – prefer "Dear Sir/Madam".
- **Types of business letters:** enquiry, quotation, order, complaint, adjustment (reply to complaint), collection (reminders), sales, circular letters, letters to banks, insurance companies, shareholders and government, job application, appointment and resignation letters.

WORKED EXAMPLE Semi-blocked complaint letter (format)

Shree Traders, 12 MG Road, Pune 411001 · Ref: ST/PUR/2026/18 · 31 October 2026

The Sales Manager, Bharat Electricals Ltd., Plot 4, MIDC, Nashik 422010

Dear Sir,

Subject: Delay in delivery of our order no. 512 dated 1 October 2026

We placed the above order for 200 ceiling fans with delivery promised by 15 October 2026. The goods have not been received so far, although the festive season has begun.

The delay is causing us loss of sales and inconvenience to our customers. Please dispatch the goods within three days and inform us of the dispatch details; otherwise we shall be compelled to cancel the order.

We look forward to your prompt action.

Yours faithfully, for Shree Traders, (Sd/-) R. Kulkarni, Purchase Manager

3.2 Positive, negative and persuasive messages

Message	Approach	Structure
Positive / good news	**Direct**	Good news first → details → friendly close
Negative / bad news	**Indirect**	Buffer (neutral opening) → reasons → bad news stated clearly but politely → alternative or goodwill close
Persuasive	**AIDA**	Attention → Interest → Desire → Action

3.3 Business reports

- **Report:** a formal, factual, organised document presenting information and recommendations to a person who needs it for decisions. **Types:** formal/informal, routine (periodic) / special, informational / analytical, individual / committee reports, statutory reports.
- **Structure of a formal report:** title, to/from/date, **terms of reference**, procedure (method of collecting information), **findings**, conclusions, **recommendations**, signature, appendices. Use headings, numbered points, third person and past tense.

3.4 Internal communication – memo, office order, circular, office note

Document	Purpose	Features
Memorandum (memo)	Internal brief message between persons or departments	To, From, Date, Subject; no salutation or complimentary close; may seek an explanation
Office order	Instruction from management that must be followed, often on individual matters (transfer, appointment, duties)	Number, date, authority, effective date, signature
Circular	Same information sent to many people (inside or outside)	Number, date, subject, addressed to all concerned
Office note	Note written on a file for examination and decision by a senior	Facts, rules, analysis, recommendation
Notice	Formal public announcement (notice board, newspaper, members)	Heading, date, clear message, authority

> **NOTE Memorandum vs office order**
>
> A **memo** is a general internal communication (to inform, request or ask for explanation). An **office order** is an authoritative **instruction** of management – it creates rights or duties for named employees and must be obeyed.

3.5 Management Information System and electronic communication

- **MIS:** a system that collects, processes and presents information to managers at each level for planning, control and decision making – reports should be **relevant, accurate, timely, concise** and graded to the level (top level: summary; operational level: details).
- **Internet** (global public network), **intranet** (private network inside an organisation), **extranet** (intranet extended to suppliers or customers), **web** (pages on the internet).
- **E-mail – elements:** To, Cc, Bcc, Subject, salutation, body, closing, signature block, attachments. **Features of an e-mail account:** inbox, compose, folders/labels, filters, search, contacts, auto-reply, signature, spam filter, scheduling, read receipts, cloud storage.

3.6 Meeting documents – notice, agenda, notes on agenda, minutes, ATR

Document	Contents
Notice	Name of the company, type of meeting, serial number, **day, date, time and venue** (or video conferencing facility), business to be transacted, by order of the board, signature of CS, date and place
Agenda	List of items of business in order: leave of absence, confirmation of previous minutes, matters arising, specific items, any other matter with permission of the chair, vote of thanks
Notes on agenda	Explanatory note on each agenda item with background and **draft resolution** – circulated with the agenda
Minutes	Official written **record** of proceedings and decisions: heading (meeting no., date, time, place), present/in attendance, chairman, quorum, leave of absence, items discussed with **resolutions**, closing time, chairman's signature and date
Action Taken Report (ATR)	Status of decisions taken at earlier meetings: item, decision, person responsible, action taken, status/remarks

WORKED EXAMPLE **Notice of a board meeting (format)**

ABC Limited · CIN: U12345MH2020PLC000000 · Regd. office: 10 Nariman Point, Mumbai

NOTICE is hereby given that the **5th meeting** of the Board of Directors of the Company for the financial year 2026-27 will be held on **Friday, 20 November 2026 at 11:00 a.m.** at the registered office of the Company (facility to attend through video conferencing is available) to transact the business set out in the enclosed agenda.

By order of the Board, for ABC Limited · (Sd/-) Neha Joshi, Company Secretary · Place: Mumbai · Date: 10 November 2026

WORKED EXAMPLE **Minutes (format)**

Minutes of the 5th meeting of the Board of Directors of ABC Limited held on Friday, 20 November 2026 at 11:00 a.m. at the registered office.

Present: Mr. A. Mehta (Chairman), Ms. B. Rao, Mr. C. Iyer (through video conferencing). **In attendance:** Ms. Neha Joshi, CS.

1. Chairman: Mr. A. Mehta took the chair. **2. Quorum:** The requisite quorum was present. **3. Leave of absence:** granted to Mr. D. Shah.

4. Confirmation of minutes: The minutes of the previous meeting were confirmed and signed.

5. Approval of quarterly results: "**RESOLVED THAT** the unaudited financial results for the quarter ended 30 September 2026 be and are hereby approved."

6. Vote of thanks: The meeting ended at 12:30 p.m. with a vote of thanks to the chair.

(Sd/-) Chairman · Date of signing: ...

3.7 Writing well in business

- Use the **7 Cs**, **you-attitude** (reader's point of view), positive words, active voice, short paragraphs and headings. Plan → draft → revise → proof-read.

Chapter 4: Common Business Terminologies

Term	Meaning
Arbitration	Settling a dispute through a neutral person (arbitrator) instead of a court
Audit	Independent examination of books and records
Balance sheet	Statement of assets, liabilities and capital on a date
Bear / bull	Investor who expects prices to fall / rise
Blue-chip	Shares of large, stable, well-known companies
Bonus shares	Free shares issued to existing shareholders out of reserves
Brand equity	Value added to a product by its brand name
Break-even point	Level of sales where there is no profit and no loss
Caveat emptor	"Let the buyer beware" – buyer must examine the goods
Consortium	Group of companies or banks joining for a common project (e.g., consortium lending)
Debenture	Instrument acknowledging a debt of a company, carrying fixed interest
Dividend	Share of profits distributed to shareholders
Earnest money	Advance deposit given as a sign of a firm commitment in a deal or tender
E-commerce	Buying and selling over the internet
Franchise	Right to sell a brand's products under its name for a fee
Goodwill	Reputation value of a business
Hedging	Reducing risk by taking an opposite position
Insolvency	Inability to pay debts when due
IPO	Initial Public Offer – first issue of shares to the public
Joint venture	Business undertaken jointly by two or more parties
Letter of credit	Bank's undertaking to pay the seller on behalf of the buyer against documents
Liquidity	Ability to convert assets into cash quickly
Merger / acquisition	Combination of companies / one company taking over another
Mutual fund	Pool of investors' money managed by professionals
Overdraft	Facility to withdraw more than the bank balance up to a limit
Proxy	Person appointed to attend and vote at a meeting for a member
Quorum	Minimum number of members required for a valid meeting
Rights issue	Offer of new shares to existing shareholders in proportion
Sensex / Nifty	Stock-market indices of BSE (30 shares) and NSE (50 shares)
Start-up	A newly formed innovative business recognised under the Start-up India scheme
Sweat equity	Shares issued to employees or directors for know-how or value addition
Tender	Formal offer to supply goods or services at a stated price
Trespass	Unlawful entry upon another's property
Vakalatnama	Document by which a party authorises an advocate to appear for him in a court
Venture capital	Finance for new, high-risk businesses in return for equity
Warrant	Instrument giving the holder a right to buy shares at a fixed price within a period
Working capital	Current assets minus current liabilities
Zero-coupon bond	Bond issued at a discount that pays no periodic interest and is redeemed at face value
Ad valorem	According to value (e.g., tax as a percentage of value)
Fiscal year	12-month accounting period (April–March in India)
Mortgage	Transfer of interest in immovable property as security for a loan

Term	Meaning
Patent / trademark / copyright	Exclusive rights over an invention / brand mark / creative work
Turnover	Total sales of a business in a period
Underwriting	Undertaking to buy unsubscribed securities in an issue
Whistle-blower	Person who reports wrongdoing in an organisation