

# COMMERCE

(Three hours)

(Candidates are allowed additional 15 minutes for only reading the paper.

They must NOT start writing during this time.)

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Answer Question 1 from Part I and seven questions from Part II.

The intended marks for questions are given in brackets [ ].

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## PART I (Compulsory)

### Question 1

Answer briefly each of the questions (i) to (xv). [15 × 2]

- (i) State *two* advantages of a joint stock company.
- (ii) Mention the steps necessary for the incorporation of a joint stock company.
- (iii) What are *qualification shares*?
- (iv) What is the statutory requirement regarding the number of Directors of a Public Limited Company?
- (v) What is meant by *Balanced Mutual Funds*?
- (vi) What is meant by *Universality of Management*?
- (vii) Give *two* advantages of press media over audio-visual media of advertising.
- (viii) What is the *Principle of Equity*, as laid down by Henri Fayol?
- (ix) Mention *any two* specific differences between *selling* and *marketing*.
- (x) Outline the steps involved in the process of communication.
- (xi) Write *two* objectives of a *Prospectus* of a company.
- (xii) How is *cash credit* different from *loan*?
- (xiii) Briefly describe *any two* aims of sales promotion.
- (xiv) Explain the meaning of *buying and assembling* as a function of marketing.
- (xv) Mention *two* circumstances under which a private limited company is deemed to be a public limited company.

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## PART II

*Answer any seven questions*

### Question 2

- (a) Explain in brief, *any four* advantages of a Multinational company. [4]
- (b) *The Memorandum is considered as the prime document in company formation.* Give *three* reasons to justify this statement. [6]

### Question 3

Distinguish a *Public Limited Company* from a *Private Limited Company*. [10]

### Question 4

- (a) Mention *any four* duties of a Director of a company. [4]
- (b) Explain *any three* methods of appointment of directors. [6]

### Question 5

- (a) Discuss *any four* advantages of ploughing back of profits from the company's point of view. [4]
- (b) Explain *any four* sources of working capital of a company. [6]

### Question 6

- (a) Mention *any four* functions of IFCI. [4]
- (b) State *any six* utility functions of a commercial bank. [6]

### Question 7

- (a) Why is Coordination considered to be the essence of Management? [4]
- (b) Describe the following principles of Management: [6]
  - (i) Authority and Responsibility.
  - (ii) Stability of tenure.
  - (iii) Division of work.

### Question 8

- (a) Explain *any four* objectives of communication. [4]
- (b) Give *any six* differences between *formal* and *informal communication*. [6]

### Question 9

- (a) Explain *any four* facilitating functions of Marketing. [4]
- (b) 'Advertising is a social waste'. Comment. [6]

### Question 10

Write short notes on:

- (a) Holding company. [2]
- (b) Crossing of cheques. [4]
- (c) Management – Science and Art. [4]