

COMMERCE

(Maximum Marks: 80)

(Time allowed: Three hours)

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

They must **NOT** start writing during this time.)

Answer **Question 1** from **Part I** and **any five** questions from **Part II**.

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

PART I (20 Marks)

Answer **all** questions.

Question 1

[10 × 2]

Answer briefly each of the questions (i) to (x).

- (i) State *two* components of legal environment of a business concern.
- (ii) Why is working capital also known as *circulating capital*?
- (iii) What is meant by *participating preference shares*?
- (iv) Distinguish between *advertising* and *personal selling*.
- (v) Why is *feedback* an important element in the communication process?
- (vi) Explain the principle of *Esprit de corps* as advocated by Henry Fayol.
- (vii) What is meant by a *product*?
- (viii) Explain the meaning of coordination, as a function of management.
- (ix) What are *bonus shares*?
- (x) Explain the concept of *management by exception*.

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PART II (60 Marks)

Answer any five questions.

Question 2

- (a) Explain *any three* external elements of micro business environment. [3]
- (b) Briefly explain *any two* sources of short term finance. [4]
- (c) Explain the meaning of *debentures*. State *any four* disadvantages of debentures. [5]

Question 3

- (a) Write *any four* features of equity shares. [4]
- (b) Explain *any four* factors that affect the capital structure of a company. [8]

Question 4

- (a) Briefly explain *any three* demerits of public deposits. [3]
- (b) Differentiate between *line organisation* and *line and staff organisation*. [4]
- (c) Write *five* features of an informal business organisation. [5]

Question 5

- (a) Why is management considered as a science? [3]
- (b) Differentiate between *centralisation of authority* and *decentralisation of authority*. [4]
- (c) State and explain the principles of management as laid down by F.W.Taylor. [5]

Question 6

- (a) Explain *any three* objectives of management. [3]
- (b) Explain the terms: [4]
 - (i) Labelling
 - (ii) Packaging
- (c) Discuss the *first five* steps involved in the process of staffing. [5]

Question 7

- (a) Distinguish between *method* and *procedure*. [3]
- (b) What is *marketing*? State *two* features of the modern concept of marketing. [4]
- (c) Explain the need for consumer protection. [5]

Question 8

- (a) State *three* objectives of sales promotion. [3]
- (b) Explain the meaning of e-banking. State *any three* features of e-banking. [4]
- (c) Explain *five* factors that affect the pricing decision of a product. [5]

Question 9

Write short notes on:

- (a) SWOT analysis. [4]
- (b) Marketing research. [4]
- (c) Bank overdraft. [4]