

COMMERCE**12th standard 2marks Study material.****12TH Std 2marks**

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Chapter 1**1. What is Management?**

- Management is goal oriented and it is an art of getting things done with and through others.

2. List out the management tools.

- Tools of management have been developed such as, accounting, business law, psychology, statistics, econometrics, data processing, etc..

3. State the meaning of Authority.

- Authority means the right of a superior to give the order to his subordinates

4. What do you mean by Span of management?

- The Span of Management refers to the number of subordinates who can be managed efficiently by a superior.

Chapter 2**1. Write a short note about Planning.**

- ✓ Planning is the primary function of management.
- ✓ Nothing can be performed without planning.
- ✓ Planning refers to deciding in advance.

2. What is meant by Motivation?

- ✓ It is the process of stimulating people to actions to accomplish the goal.
- ✓ Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers.

3. List the subsidiary function of management.

Innovation representation decision making communication

4. What is the traditional proverb using planning?

Think before you act look before you act

Chapter 3**1. What are objectives of MBO?**

- ✓ To measure and judgement of performance
- ✓ To relate individual performance to organization goals.

2. Bring out meaning of MBE?

- Management by exception is an important principle of managerial control suggested by the classical writers on management.
- It is based on the belief that an attempt to control everything results in controlling nothing.

3. Mention any two advantages of MBO?

- Systematic evaluation of performance is made with the help of MBO.

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- MBO gives the criteria of performance. It helps to take corrective action.
- 4. What is known as KRA?**
- Key Result Areas (KRA) are arranged on a priority basis. KRA are profitability, market standing innovation and etc.,

Chapter 4

1. What are the components of organized sectors?

- (i) Regulators ii. Financial Institutions iii. Financial Markets and Financial Services

2. What is equity market?

It is the financial market for trading in Equity Shares of Companies.

3. What is debt market?

- ✓ It is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)

4. How is price decided in a secondary market?

- ✓ Prices in the secondary market are determined by the basic forces of supply and demand.

Chapter 5

1. What is Capital Market?

- Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, and stocks.

2. Who are the participants in a Capital Market?

The participants of the capital market include individuals, corporate sectors, Govt., banks and other financial institutions.

3. How is price determined in a Capital Market?

Its price is determined by supply and demand for its shares and security in the market.

Chapter 6

1. What is a CD market?

- ✓ Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.
- ✓ Certificate of Deposits are issued in the form of promissory notes.

2. What is Government Securities Market?

A market whereby the Government or gilt-edged securities can be bought and sold is called 'Government Securities Market'.

3. What do you mean by Auctioning?

A method of trading whereby merchants bid against one another and where these securities are sold to the highest bidder is known as 'auctioning'.

4. What do you mean by Switching?

The purchase of one security against the sale of another security carried out by the RBI in the secondary market as part of its open market operations is described as 'Switching'.

Chapter 7

1. What is meant Stock Exchange?

- Stock Exchange is an organized market for the purchase and sale of industrial and financial security.

2. Write any 5 Stock Exchanges in India.

- ✓ The Bombay Stock Exchange
- ✓ The National Stock Exchange of India (NSE) Ltd.
- ✓ The Coimbatore Stock Exchange Ltd.
- ✓ The Madras Stock Exchange Ltd
- ✓ Bangalore Stock Exchange Ltd.

3. What is meant by Remisier?

He acts as an agent of a member of a stock exchange. He obtains business for his principal i.e., the member and gets a commission for that service.

4. Who is called a Broker?

- Brokers are commission agents, who act as intermediaries between buyers and sellers of securities.
- Brokers charge a commission from both the parties for their service.

5. What are the types of Speculator?

Types of speculator is classified into follows,

- ✓ Bull
- ✓ Bear
- ✓ Stag
- ✓ Lame Duck

Chapter 8

1. Write a short notes on SEBI?

- Securities and exchange board of India (SEBI) is an apex body that maintains and regulates our capital market.
- It was established in 1988 by Indian government.

2. Write two objectives of SEBI?

- Regulation of stock exchange
- Protecting of investors

3. Mention headquarters in SEBI.

SEBI has its headquarters at the business district of Bandra Kurla Complex in Mumbai.

4. What are various ID proofs?

PAN card, voter's ID, passport, driver's license, bank attestation, IT returns, electricity bill, telephone bill.

Chapter 9

1. What is Human Resource Management ?

Human Resource Management is a function of management concerned with hiring, motivating and maintaining people in an organisation. It focuses on people in an organisation.

2. State two features of HRM.

i. Universally relevant

Human resource management has universal relevance.

ii. Goal oriented

The accomplishment of organisational goal oriented made possible to best utilization.

3. Mention two characteristics of Human Resource.

- ✓ Human resource is the only factor of production that lives
- ✓ Human resource created all other resources

4. What is the managerial function of HRM?

Managerial function - Planning, Organizing, Directing, Controlling.

Chapter 10**1. Give the meaning of Recruitment.**

- Recruitment is the process of finding suitable candidates for the various posts in an organization.
- It is a process of attracting potential people to apply for a job in an organization.

2. What is promotion?

It's based on seniority and merits of the employees they are given opportunity to move up in the organizational hierarchy

3. What are the two of internal source of recruitment?

- ✓ Promotion
- ✓ Demotion

4. What is poaching?

Organization instead of training and development their own employees hire employees of other competitive companies by paying more financial and non-financial benefits.

Chapter 11**1. What is selection?**

- Selection is the process of choosing the most suitable person for the vacant position in the organization.

2. What is an interview?

- An interview is a purpose full exchange of ideas, the answering of questions and communication between two or more persons.
- Face to face interaction between the interviewer and interviewee

3. What is intelligence test?

- Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate.
- The main aim of these tests is to obtain an idea of the person's intellectual potential.

Chapter 13**1. What is Market?**

- It is a medium or place to interact and exchange goods and services.
- In simple words, the meeting place of buyers and sellers in an area is called Market.

2. Define Marketer.

"A person whose duties include the identification of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company".

- Business Dictionary

3. What is mean by Regulated Market?

- These are types of markets which are organized, controlled and regulated by statutory measures. Example: Stock Exchanges of Mumbai, Chennai, Kolkata etc.

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4. What is spot market?

In such markets, goods are exchanged physical delivery of goods take place immediately is known as spot market.

5. What is meant by Commodity Market?

➤ A commodity market is a place where produced goods or consumption goods are bought and sold. Is called as commodity market.

Chapter 14**1. What is marketing?**

Marketing includes those business activities which are involved in the flow of goods and services from production to consumption.

2. Define marketing mix.

“Marketing mix is a pack of four sets of variables namely product variable, price variable, promotion variable, and place variable”. *Mr. Jerome McCarthy*

3. What is meant by grading?

Grading means classification of standardized products in to certain well defined classes is called grading.

Chapter 15**1. What is service marketing?**

➤ Service marketing is a specialized branch of marketing.

Service marketing denotes the processing of selling service goods like telecommunication, banking, insurance, etc..

2. What is green marketing?

➤ Green marketing is also known as environmental marketing, ecological marketing eco-friendly marketing and sustainable marketing.

3. What is ambush marketing?

➤ Ambush marketing is technique is new technique whereby a particular advertiser seeks to connect his product to event mind of potential customer without paying sponsoring expenses to event.

4. What is social marketing?

Social marketing philosophy and techniques to achieve specific behavioural goals which ensure social good.

‘social good’ such as anti-tobacco, anti-drug, anti-pollution, anti-dowry, road safety, protection of girl child, plastic bags and etc..,

Chapter 16**1. Who is a consumer?**

A consumer is one who consumes goods manufactured and sold by others or created (air, water, natural resources) by nature and sold by others. One, who avails services such as banking, transport, insurance, etc., is also called a consumer.

2. Give two examples of adulteration.

- Mixing of stones with grains
- Papaya seed is added to black pepper

3. What is Caveat Emptor?

➤ ‘Caveat emptor’ is a Latin term that means "let the buyer beware."

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- the principle of caveat emptor serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their expectations

4. What is Caveat Venditor?

The principle of caveat venditor, which means "**let the seller beware**," by which goods are covered by an implied warranty of merchantability.

5. Write a short notes on Consumer Protection Act, 1986.

- The Act is referred in short as 'COPRA'.
- The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers.

Chapter 17

1. Write short notes on: "Right to be informed."

- ✓ Consumers should be given all the relevant facts about the product so that they can take intelligent decisions on purchasing the product.
- ✓ The package should contain the full details about the name of the product, composition, dosage, date of manufacturing, date of expiry, batch number, warnings, antidote etc.

2. What are the rights of consumer according to John F. Kennedy?

The former president of U.S.A Mr. John F. Kennedy defined the basic consumer rights as "The Right of Safety, the Right to be informed, the Right to choose and the Right to be heard."

3. Which is the supreme objective of business?

- ✓ The modern marketing concept recognizes that the consumer is the pivotal point around which the business moves.
- ✓ Satisfaction of consumer needs/requirements is stated to be supreme objective of a business.

Chapter 18

1. What do you mean by Redressal Mechanism?

- Grievance Redressal is a management and governance related process used commonly in India.
- While the term "Grievance Redressal" primarily covers the receipt and processing of complaints from citizens and consumers.

2. What do you know about national commission ?

- ✓ Its head office is in New Delhi.
- ✓ The Commission is headed by a serving or retired judge of the Supreme Court of India.
- ✓ The National Consumer Disputes Redressal Commission (NCDRC).

3. What is state level commission?

The State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. The state consumer protection council is also known as "Consumer Disputes Redressal Commission"

4. What is term of district forum?

District Forum by the State Government in each district is necessary today to protect the interest of aggrieved consumers in that district.

Chapter 19

1. What is internal environment?

- ✓ **Internal environment** refers to those factors within an organisation
- ✓ e.g Policies and programmes, organisational structure, employees, financial and physical resources.

2. Give the meaning of corporate governance ?

- Corporate governance is a set of rules and policies which governs a company.
- four fundamental pillars of fairness, transparency, accountability and responsibility.

3. what is GST?

- ✓ GST is the indirect tax levied on goods and services across the country.
- ✓ GST Is classified into CGST ,SGST , IGST.

4. Expand VUCA.

volatility, uncertainty, complexity and ambiguity

Chapter 20

1. State the branches of New Economic Policy.

There are three dimensions of New Economic Policy
Liberalization, Privatization, And
Globalization

2. What is Privatization?

Privatization is the incidence or process of transferring ownership of a business enterprise, agency or public service from the government to the private sector.

3. Mention any two disadvantages of Liberalization.

- ✓ Increase in unemployment
- ✓ Loss to domestic units

4. Give any two advantages of Globalization.

- ✓ Expansion of market
- ✓ Technological development

Chapter 21

1. What is a contract of sale of goods?

Contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property (ownership) of the goods to the buyer for a price.

2. List down the essential elements of a contract of sale

- Two Parties
- Transfer of Property
- Goods
- Price
- Includes both 'Sale' and 'Agreement to Sell'

3. What is meant by goods?

- The subject matter of contract of sale must be goods.
- The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc.

4. What is a Contingent Goods?

- Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency (an event which may or may not happen).
- Contingent goods are a part of future goods.

Chapter 22

1. What is meant by Negotiable Instrument?

According to Negotiable instruments Act 1881, a negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer

2. List three characteristics of promissory notes.

- Promissory note is unconditional
- A promissory note originally made payable to bearer is illegal.
- A bank note or currency note is not a promissory note

What is the meaning of cheque?

cheque is "a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand".

Chapter 23

1. Mention any two features of entrepreneurs.

- Entrepreneur as a Risk Bearer
- Entrepreneur as an Innovator

3. List down the managerial functions of entrepreneurs.

Planning Organizing
Directing Controlling Co-ordination

4. List down the promotional functions of entrepreneurs.

- Discovery of idea.
- Preparation of Business Plan
- Mobilization of funds

5. List the problems faced by the women entrepreneurs

- Problem of Finance
- Limited Mobility
- Lack of Education
- Lack of Network Support

Chapter 24

1. What is another name of business entrepreneur?

Business entrepreneur is called solo entrepreneur.

2. What is another name of corporate entrepreneur?

Corporate entrepreneur is called promoter.

3. Who is called agricultural entrepreneur?

Those who raise allied products like poultry, meat, fish, honey, silk, agricultural implements, flower, fruits, prawn etc., are called agricultural entrepreneurs.

4. Give some examples of pure entrepreneurs?

Dhirubhai Ambani, Jamshadji Tata, T.V. Sundaram Iyengar, Seshadriji, Birla

Chapter 25

1. Name any two Governmental Entrepreneurial schemes.

- ❖ Startup India
- ❖ Make in India
- ❖ Stand-Up India
- ❖ National Skill Development Mission

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2. Give a note on 'Digital India'.

- ❖ The Digital India initiative has been launched to modernize the Indian economy to make all government services available electronically.

3. List down the two types of finance.

- ❖ Entrepreneur requires two types of finance namely **long term finance and short term finance**

Chapter 26

1. What are the four stages of formation of company?

- Promotion
- registration
- capital subscription
- commencement of business

2. What is Bonus Shares?

Bonus share means to utilize the company's reserves and surpluses, issue of shares to existing shareholders without taking any consideration is known as Bonus Shares.

3. What is Right Shares?

- ✓ Right shares are the shares which are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue, if it is authorized by its Articles.

4. What is Debentures?

When a company needs funds for extension and development purpose without increasing its long term share capital, it can borrow from the general public by issuing certificates for a fixed period of time and at a fixed rate of interest.

Chapter 27

1. Name the companies required to appoint KMP.

- Every Listed Company
- Every Public Company

2. Who is whole time Director?

A Director is one who devotes whole of his time of working hours to the company and has a significant personal interest in the company as the source of his income.

3. Who is called as Managing Director?

A Director is one who is employed by the company and has substantial powers of management over the affairs of the company subject to superintendence, direction and control of the board.

4. Who can be Executive Director?

An executive director is a Chief Executive Officer (CEO) or Managing Director of an organization, company, or corporation, who is responsible for making decisions to complete the mission and for the success of the organisation.

Chapter 28

1. Who is a Secretary?

- The word secretary has originated in Latin. The Latin word 'Secretarius' which means secret.
- The person who is responsible for the general performance of an organization is called company secretary.

2. Define Meeting?

- A company meeting must be organized and held in perfect compliance with the various provisions of the Act and the rules framed thereunder.

3. Write short note on 'Proxy'?

- A Proxy means a person being the representative of a shareholder at the meeting of the company.

4. What is Vote?

- The word 'Vote' originated in Latin word 'Votum' indicating one's wishes or desire.
- By casting his vote one formally declares his opinion or wish in favour of or against a proposal or a candidate to be elected for an office.

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