

PUBLIC EXAMINATION - ANSWER KEY – MARCH - 2022-2023

XII STANDARD – COMMERCE – ENGLISH MEDIUM

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Time Allowed : 3 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer

20 x 1 = 20

A			B		
1	B	Motivation	1	B	Individual person
2	B	Individual person	2	D	Intangible
3	A	3	3	D	3
4	D	24	4	B	Commercial Bank
5	A	Ralph Nadar	5	A	Program Variable
6	B	Commercial Bank	6	A	Art and Science
7	D	All of the above	7	D	Social Class
8	B	Serving or retired Judge of the Supreme Court of India	8	D	All of the above
9	D	Social Class	9	A	Ralph Nadar
10	A	Consumer Satisfaction	10	D	1996
11	D	Intangible	11	C	Environmental Marketing
12	A	Program Variable	12	B	Uncontrollable
13	D	On the Jon and Off the Job	13	A	Globalization
14	B	Uncontrollable	14	B	Serving or retired Judge of the Supreme Court of India
15	D	3	15	A	3
16	A	New Issue Market	16	A	Consumer Satisfaction
17	D	1996	17	B	Motivation
18	C	Environmental Marketing	18	A	New Issue Market
19	A	Globalization	19	D	On the Jon and Off the Job
20	A	Art and Science	20	D	24

II. Answer any seven questions. Question No.30 is compulsory.

7 x 2 = 14

21) List out the management tools.

Management Tools.

- • Accounting,
- • Business law,
- • Psychology,
- • Statistics,
- • Econometrics,
- • Data processing, etc.

22) Capital Market – Meaning:

- Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, and stocks.
- The buying/selling is undertaken by participants such as individuals and institutions.

23) Types of Speculators:

- 1) Bull
- 2) Bear
- 3) Stage
- 4) Lamé Duck

24) Meaning of Recruitment:

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

25) Marketing Mix – Definition:

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

26) 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.”

27) Role Play Method

- ♣ Under this method trainees are explained the situation and assigned roles.
- ♣ They have to act out the roles assigned to them without any rehearsal.
- ♣ There are no pre-prepared dialogues.

28) Contract of Sale of Goods – Meaning:

✎ 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.

29) QUORUM – Meaning:

- ♣ A single person does not contain a meeting so it has to be seen that the required number of people are present.
- ♣ Requisite number of person at the meeting is called as quorum.

30) Entrepreneur possess Decision Making Skill – because,

- 1) To take timely and correct decision with regard to nature and type of product to be produced, type of technology to be adopted, type of human assets to be employed, location of the enterprise, size of the unit, volume of production and so on.
- 2) The very success of any enterprise hinges on prompt, correct and relevant decisions made by the entrepreneur.

PART - III

III. Answer any seven questions. Question No.40 is compulsory.

7 x 3 = 21

31) Main Functions of Management:

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Motivating
6. Controlling
7. Co-ordination

32) Note on Secondary Market

- ♣ The place where formerly issued securities are traded is known as Secondary Market.(Resale Market)
- ♣ Secondary Market is the market for securities that are already issued.
- ♣ Stock Exchange is an important institution in the secondary market.
- ♣ It does not provide funding to companies

33) Bear Speculator:

- A bear or Mandiwala speculator expects prices to fall in future and sells securities at present with a view to purchase them at lower prices in future.
- The bear speculator tends to force down the prices of securities.
- A bear is a pessimistic speculator.

34) Characteristics of Human resources:

- ✎ Human resource is the only factor of production that lives.
- ✎ Human resource created all other resources.
- ✎ Human resources are emotional beings.

35) Niche marketing:

1. Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population.
2. A niche market does not mean a small market, but it involves specific target audience with aspecialized offering.
3. The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts.

36) Members of the State Commission:

- ♣ A person who is or has been a Judge of a High Court appointed by the State Government as its President.
- ♣ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, industry, public affairs or administration of them, one shall be a woman.

37) Differences between Negotiability and Assignability

Sl. No.	Basic of Difference	Negotiability	Assignability
1.	Legal Ownership	It passes to the transferee by mere endorsement in the case of a bearer instrument and by endorsement and delivery in the case of an order instrument.	An assignment can be made by observing certain formalities. For instance, an instrument is to be made in writing, duly stamped and signed by the transferor or his agent.
2.	Notice	Notice is not necessary for the holder of negotiable instrument to claim the payment from the debtor.	In case of actionable claim, notice of the assignment by the transferee regarding the transfer of debt to the debtor is necessary.
3.	Consideration	Consideration is presumed	The assignee has to prove the consideration for the transfer.

38) Issue of Shares at Premium

- ♣ When shares are issued at a price above the face or nominal value, they are said to be issued at a premium.
- ♣ For example, a share having the face value of Rs.10 is issued at Rs.12. Here, Rs.2 is the premium.

39) Principles of Taylor:

1. Science, Not Rule of Thumb
2. Harmony, Not Discord
3. Mental Revolution
4. Cooperation, Not Individualism
5. Development of each and every person to his or her greatest efficiency and prosperity

40) Make in India Scheme:

- ✓ This scheme is designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014.
- ✓ It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to centralize information about opportunities in India's manufacturing sector.
- ✓ This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

PART - IV

IV. Answer all questions.

7 x 5 = 35

41.a. Principles of Modern Management:

- The Father of Modern Management is Mr. Henry Fayol, and according to him there are 14 major principles of management.

i. Division of Work:

- ♣ According to this principle the whole work is divided into small tasks.
- ♣ It leads to specialization which increases the efficiency of labour.

ii. Authority and Responsibility:

- ♣ Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

iii. Discipline:

- ♣ It is obedience, proper conduct in relation to others, respect of authority, etc.
- ♣ It is essential for the smooth functioning of all organizations.

iv. Unity of Command:

- ♣ This principle states that each subordinate should receive orders and be accountable to one and only one superior.
- ♣ If an employee receives orders from more than one superior, it is likely to create confusion and conflict.

v. Unity of Direction:

- ♣ All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.

[OR]

41.b. Micro environmental factors of business

- This refers to those factors which are in the immediate environment of a business affecting its performance.
- These include the following:

i) Suppliers:

- In any organisation the suppliers of raw materials and other inputs play a very vital role.
- Organisations have realised the importance of nurturing and maintaining good relationship with the suppliers.

ii) Customers:

- The aim of any business is to satisfy the needs of its customers. The customer is the king business.
- Customer relationship management aims at creating and sustaining cordial relations with customers.

iii) Competitors:

- All organisations face competition at all levels local, national and global.
- Competitors may be for the same product or for similar products.
- It is important for a business to understand its competitors and modify their business strategies in the face of competition.

iv) Marketing Channel members:

- The marketing inter-mediaries serve as a connecting link between the business and its customers.
- Market research agencies help the firm to understand the needs of the customers

v) Public:

- This refers to any group like media group, citizen action group and local public which has an impact on the business.
- The public group has the ability to make or mar a business. Many companies had to face closure due to actions by local public.

42.a. Functions of Capital Market:

(i) Savings and Capital Formation:

- In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.)
- This accelerates the capital formation in the country.

(ii) Permanent Capital:

- The existence of a capital market/stock exchange enables companies to raise permanent capital.
- The stock exchange resolves this dash of interests by offering an opportunity to investors to buy or sell their securities, while permanent capital with the company remains unaffected.

(iii) Industrial Growth:

- The stock exchange is a central market through which resources are transferred to the industrial sector of the economy

(iv) Ready and Continuous Market:

- The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities.
- Easy marketability makes investment in securities more liquid as compared to other assets.

(v) Reliable Guide to Performance:

- The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency.

[OR]

42.b. Problems faced by Women Entrepreneurs

1. Problem of Finance:

- The access of women to external sources of funds is limited as they do not generally own properties in their own name.
- Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

2. Limited Mobility:

- Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them.
- This restricts the mobility of women entrepreneur significantly.

3. Lack of Education

- Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, etc.,
- This reduces the efficiency of operating the business successfully.

4. Stiff Competition

- Women entrepreneurs have to face serious competition for their goods from organised sector and from their male counterparts.
- Since they are not able to spend freely due to financial restrictions, they are not able to compete effectively and efficiently in the market.

5. Lack of Information

- Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their pre occupation with household responsibilities.

43.a. Functions of SEBI:

- 1) Safeguarding the interests of investors by means of adequate education and guidance.
- 2) Regulating and controlling the business on stock markets.
- 3) Barring insider trading in securities.
- 4) SEBI regulates mergers and acquisitions as a way to protect the interest of investors.
- 5) Promoting self-regulatory organization of intermediaries. It has extensive legal powers.

[OR]

43.b. Elements of Contract of Sale

(1) Two Parties

- ❖ A contract of sale involves two parties—the seller and the buyer.
- ❖ The buyer and the seller should be two different persons.
- ❖ If a person buys his own goods, there is no sale.
- ❖ When the goods of a person are sold in execution of a decree, he himself may buy the goods to

retain their ownership.

(2) Transfer of Property

- ❖ To constitute sale, the seller must transfer or agree to transfer the ownership in the good to the buyer.
- ❖ A simple transfer of possession does not amount to sale.

(3) Goods

- ❖ The subject matter of contract of sale must be goods. It excludes money, actionable claims and immovable property.
- ❖ The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc.
- ❖ Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.

(4) Price

- ❖ The monetary consideration for the goods sold is called price.
- ❖ If goods are exchanged for goods, it is only barter and not a sale.
- ❖ But if goods are sold partly for goods and partly for money, the contract is one of sale.

(5) Includes both 'Sale' and 'Agreement to Sell'

- ❖ The term contract of sale includes both sale and agreement to sell.
- ❖ If the property in goods is transferred immediately to the buyer it is called a sale.
- ❖ If the transfer of property takes place at a future date or on fulfillment of certain conditions, it is called 'an agreement to sell'.

44.a.

Difference Recruitment and Selection

Basis of Comparison	Recruitment	Selection
Meaning	Recruitment is an activity of searching candidates and encouraging them to apply for it.	Selection refers to the process of selecting the suitable candidates and offering them job.
Approach	Approach under recruitment is positive one.	Approach under selection is negative one.
Sequence	First.	Second.
Method	It is an economical method.	It is an expensive method.
Process	Recruitment process is very simple.	Selection process is very complex and complicated.

[OR]

44.b.

Difference between Debentures and Shares

BASIS FOR COMPARISON	SHARES	DEBENTURES
Meaning	The shares are the owned funds of the company.	The debentures are the borrowed funds of the company.
Holder	The holder of shares is known as shareholder.	The holder of debentures is known as debenture holder.
Status of Holders	Owners	Creditors

Form of Return	Shareholders get the dividend.	Debenture holders get the interest.
Payment of return	Dividend can be paid to shareholders only out of profits.	Interest can be paid to debenture holders even if there is no profit.
Security for payment	No	Yes

45.a. (i) Statutory Meeting

- According to Companies Act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.
- This is the first general meeting of the public company is called the Statutory Meeting.
- This meeting is conducted only once in the lifetime of the company.
- The company gives the circular to shareholders before 21 days of the meeting.

(ii) Extra-Ordinary General Meeting

- All other general meetings other than statutory and annual general meetings are called extraordinary general meetings.
- If any meeting conducted in between two annual general meeting to deal with some urgent or special or extraordinary nature of business is called as extra-ordinary general meetings.

[OR]

45.b. Responsibilities of Consumers:

- 1) The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
- 2) The consumer has got a responsibility to apply to the seller for the delivery of the goods. He/she has to take delivery of the goods in time.
- 3) The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
- 4) The consumer must get cash receipt as a proof of goods purchased from the seller.
- 5) The consumer should never compromise on the quality of goods.

46.a. Market can be classified on the basis of Economics

a. Perfect Market:

- A market is said to be a perfect market, if it satisfies the following conditions:
 - i. Large number of buyers and sellers are there.
 - ii. Prices should be uniform throughout the market.
 - iii. Buyers and sellers have a perfect knowledge of market.
 - iv. Goods can be moved from one place to another without restrictions.
 - v. The goods are identical or homogenous.
 - vi. It should be remembered that such types of markets are rarely found.

b. Imperfect Market:

- A market is said to be imperfect when
 - i. Products are similar but not identical.
 - ii. Prices are not uniform.
 - iii. There is lack of communication.
 - iv. There are restrictions on the movement of goods.

[OR]

46. b. Consumers are Exploited:

1. Selling at Higher Price

- ❖ The price charged by the seller for a product service may not be matching with the quality but attimes it is more than the fair price.

2. Adulteration

- ❖ It refers to mixing or substituting undesirable material in food. This causes heavy loss to the consumers.
- ❖ This will lead to monetary loss and spoil the health.

3. Duplicate or Spurious goods

- ❖ Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, clothes and even for currency notes.

4. Sub-standard

- ❖ On opening a packet or sealed container one may find the content to be of poor quality.
- ❖ A consumer finds it difficult to exchange the defective one for good one.
- ❖ Some seller give bills which contain a stipulation that goods sold cannot be taken back.

5. Warranty and Services

- ❖ Warranty service may not be extended to many parts/components of the product sold.
- ❖ Thus consumers may be charged exorbitant charges in the name of repair costs.

47.a Features of a Cheque

(i) Instrument in Writings:

- ✓ A cheque or a bill or a promissory note must be an instrument in writing.
- ✓ Though the law does not prohibit a cheque being written in pencil, bankers never accept it because of risks involved.

(ii) Unconditional Orders:

- ✓ The instrument must contain an order to pay money.
- ✓ It is not necessary that the word 'order' or its equivalent must be used to make the document a cheque.

(iii) Drawn on a Specified Banker Only:

- ✓ The cheque is always drawn on a specified banker.
- ✓ The customer of a banker can draw the cheque only on the particular branch of the bank where he has an account.

(iv) A Certain Sum of Money Only:

- ✓ The order must be for payment of only money.
- ✓ If the banker is asked to deliver securities, the document cannot be called a cheque.

(v) Payee to be Certain:

- ✓ The cheque must be made payable to a certain person or to the order of a certain person or to the bearer of the instrument.

[OR]

47.b. Purpose of Training or Need for Training:

The purpose of Training can be explained as follows

i) Improved Quality of Work

- ✎ Training helps to focus on specific area and develop employee skills.
- ✎ It enables employee to increase the quality of work carried out by them.

ii) Enhance Employee Growth

- ✎ Employees who undergo training becomes good at their job. Imparting new skills helps in performance enhancement of the employees.

iii) Prevention of Obsolence

- ✎ Training helps to learn more knowledge regarding the latest technologies and techniques.
- ✎ The employee gets updated with the latest technology and trend.
- ✎ The major purpose of training is to avoid obsolence.

iv) Enlightening New Recruits

- ✎ New employee can learn the methods of working, techniques, reporting, related tools and equipment used in the job, the work culture of the company etc. with the help of training.

v) Improved Safety Measures

- ✎ Employees gain awareness about the risks involved in job and safety measure to be adopted through a proper training program.
- ✎ This helps to improve safety in the work place and avoid accidents.

***** All the best Children *****