

12th
STD

INSTANT SUPPLEMENTARY EXAM - 2023

Reg. No.

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PART - III

TIME ALLOWED : 3.00 Hours]

COMMERCE (with Answers)

[MAXIMUM MARKS : 90

Instructions :

- 1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
- 2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams

PART - I

Note : (i) Answer **all** the questions. **20 × 1 = 20**
 (ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

1. The principle of Scientific management is developed by :
 (a) Fayol (b) Taylor
 (c) Mayo (d) Jacob
2. The primary function of management is :
 (a) Innovating (b) Controlling
 (c) Planning (d) Decision making
3. NSEI was established in the year :
 (a) 1990 (b) 1992
 (c) 1998 (d) 1997
4. The market for buying and selling of Commercial Bills of Exchange is known as a _____.
 (a) Commercial Paper Market
 (b) Treasury Bill Market
 (c) Commercial Bill Market
 (d) Capital Market
5. A Pessimistic Speculator is :
 (a) Bull (b) Bear
 (c) Stag (d) Lame duck
6. SEBI is empowered by the Finance ministry to nominate _____ members on the governing body of every stock exchange.
 (a) 5 (b) 3 (c) 6 (d) 7
7. Which of the following improves the skill levels of employees to ensure better job performance?
 (a) Training (b) Selection
 (c) Recruitment
 (d) Performance appraisal
8. Selling goods or services through internet is called as _____.
 (a) Green marketing (b) E-marketing
 (c) Social marketing (d) Meta marketing
9. The term "Consumerism" came into existence in the year _____.
 (a) 1960 (b) 1957
 (c) 1954 (d) 1958

10. The initial stage of Marketing system is _____.
 (a) Monopoly system
 (b) Exchange to money
 (c) Barter system (d) Self producing
11. The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed.
 (a) ₹ 2 lakhs but does not exceed ₹ 5 lakhs
 (b) ₹ 20 lakhs but does not exceed ₹ 1 crore
 (c) ₹ 3 lakhs but does not exceed ₹ 5 lakhs
 (d) ₹ 4 lakhs but does not exceed ₹ 20 lakhs
12. GST stands for _____.
 (a) Goods and Social Tax
 (b) Goods and Service Tax
 (c) Goods and Sales Tax
 (d) Goods and Salary Tax
13. _____ is the result of New Industrial Policy which abolished the 'License System'.
 (a) Globalisation (b) Privatisation
 (c) Liberalisation (d) None of these
14. In Contract of sale, the _____ has the right to sell.
 (a) Buyer (b) Seller
 (c) Hirer (d) Consignee
15. The process of eliminating unsuitable candidate is _____.
 (a) Selection (b) Recruitment
 (c) Interview (d) Induction
16. Corporate Entrepreneur is also called as _____.
 (a) Intrapreneur (b) Promoter
 (c) Manager (d) Shareholder
17. _____ has to include the mechanisms for managing the venture in the project report.
 (a) Banker (b) Government
 (c) Lending Institutions (d) Entrepreneur
18. The shares which are offered to the existing shareholders, free of cost is known as _____.
 (a) Bonus shares (b) Equity Shares
 (c) Right Shares (d) Preference Shares

- 19. As per the Companies Act, 2013, a person cannot hold office as director for more than _____ companies.
(a) 5 (b) 10 (c) 20 (d) 15
- 20. _____ meeting will be held only once in the life time of the company.
(a) Statutory (b) Annual General
(c) Extra-ordinary (d) Class General

PART - II

Note : Answer **any seven** questions. Question No. **30** is **Compulsory.** $7 \times 2 = 14$

- 21. State the meaning of Authority.
- 22. What is Planning?
- 23. Who is a broker?
- 24. What is meant by Poaching in recruitment process?
- 25. Give any two advantages of Globalisation.
- 26. What is contingent goods?
- 27. Mention any two characteristics of entrepreneur.
- 28. Give a note on 'Digital India'.
- 29. Who is called as Managing Director?
- 30. What is Government Securities Market?

PART - III

Note : Answer **any seven** questions. Question No. **40** is **Compulsory.** $7 \times 3 = 21$

- 31. Define the term management.
- 32. What are the types of Treasury Bills?
- 33. Explain any three limitations of Stock Exchange.
- 34. What are the types of market on the basis of time?
- 35. Distinguish between Entrepreneur and Manager.
- 36. What is meant by artificial scarcity?
- 37. Write a note on New Economic Policy.
- 38. What is stress interview?
- 39. Who is a shadow director?
- 40. State any three characteristics of a Bill of Exchange.

PART - IV

Note : Answer **all** the questions. $7 \times 5 = 35$

- 41. (a) Explain any five concepts of Management.
(OR)
(b) Explain the highlights of the LPG Policy.
- 42. (a) Explain the duties of consumers.
(OR)
(b) Explain the characteristics of Government Securities.
- 43. (a) Distinguish between Stock Exchange and Commodity Exchange.
(OR)
(b) Explain any five internal sources of Recruitment.
- 44. (a) Narrate the Elements of Marketing Mix.
(OR)
(b) Distinguish between Condition and Warranty.

- 45. (a) Describe the steps in promoting Entrepreneurial Venture.
(OR)
(b) State the qualifications of Directors.
- 46. (a) Explain any five functions of Management.
(OR)
(b) Discuss the operative functions of Human Resource Management.
- 47. (a) Explain the benefits of training.
(OR)
(b) Explain the powers of SEBI.



ANSWERS

PART - I

- 1. (b) Taylor 2. (c) Planning
- 3. (b) 1992
- 4. (c) Commercial Bill Market
- 5. (b) Bear 6. (b) 3
- 7. (a) Training 8. (b) E-maketing
- 9. (a) 1960
- 10. (c) Barter system
- 11. (b) ₹ 20 lakhs but does not exceed ₹ 1 crore
- 12. (b) Goods and Service Tax
- 13. (c) Liberalisation
- 14. (b) Seller 15. (a) Selection
- 16. (b) Promoter
- 17. (d) Entrepreneur
- 18. (a) Bonus Shares 19. (c) 20
- 20. (a) Statutory

PART - II

- 21. Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.
- 22. Planning refers to deciding in advance. Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal.
- 23. (i) Brokers are commission agents, who act as intermediaries between buyers and sellers of securities.
(ii) They do not purchase or sell securities on their behalf.
(iii) They bring together the buyers and sellers and help them in making a deal.
(iv) Brokers charge a commission from both the parties for their service.

24. Organisations instead of training and developing their own employees hire employees of other competitive companies by paying them more both financial and non financial benefits. It is also called raiding.
25. **Advantages of Globalisation:**
- (i) Increase in foreign collaboration
 - (ii) Expansion of market
 - (iii) Technological development
26. (i) Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency.
- (ii) Contingent goods are a part of future goods.
27. **Characteristics of entrepreneur:**
- (i) Spirit of service
 - (ii) Self confidence
 - (iii) Flexibility
 - (iv) Innovation
28. The digital India initiative has been launched to modernize the Indian Economy to make all government services available electronically. The initiative aims at transforming India into digitally empowered society and knowledge economy with universal access to goods and services.
29. A Managing 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.
30. A market whereby the government or gilt edged securities can be bought and sold is called 'Government securities market'.
- PART - III**
31. According to Koontz and Weihrich, "Management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplish selected aims".
32. Treasury bills maybe classified into three. They are:
- (i) 91 days Treasury bills
 - (ii) 182 days Treasury bills and
 - (iii) 364 days Treasury bills
- (i) Ninety one days Treasury bills are issued at a fixed discount rate of 4 per cent as well as through auctions.
- (ii) The RBI holds 91 days and 182 Treasury bills and they are issued on tap basis throughout the week.
- (iii) 364 days Treasury Bills do not carry any fixed rate. The discount rate on these bills are quoted in auction by the participants and accepted by the authorities. Such a rate is called cut off rate.
33. The limitations of stock exchange are as follows :
- (i) Lack of uniformity and control of stock exchanges.
 - (ii) Absence of restriction on the membership of stock exchanges.
 - (iii) Failure to control unhealthy speculation
 - (iv) Allowing more than one stock exchange in the place.
34. **Types of market on the basis of time :**
- (i) **Very shot period market :** Markets which deal in perishable goods like fruits, milk, vegetables, etc. are called very short period market.
 - (ii) **Short period market :** In certain goods, supply is adjusted to meet the demand. The demand is greater then supply. Such markets are known as short period market.
 - (iii) **Long period market :** This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

35.

Basis of Difference	Entrepreneur	Manager
Motive	The very motive of an entrepreneur is to start a venture by setting of an entity.	The very motive of manager is to render service in an entity setup for execution of venture.
Status	Entrepreneur is owner of the entity.	Manager is a salaried employee in the entity set up for carrying on the venture.
Risk Bearing	Entrepreneur bears the eventual risk and uncertainty in operating the enterprise	Manager doesn't bear any risk in the venture where the venture is unsuccessful he/she simply quits the enterprise.

36. Artificial scarcity :

- (i) There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.
- (ii) In such situations consumers who are desperate to buy such goods have to pay hefty price to buy those goods and thus earning more profit unconscientiously.
- (iii) Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market.

37. New Economic Policy :

- (i) The base for New Economic Policy in various countries of the world is Dunkel Draft.
- (ii) It was all about the General Agreements on Trade and Tariff.
- (iii) Mr. Arthur Dunkel (1932-2005) submitted a 22,000 page document for the World Trade Organisation (WTO) and followed by many Nations to adopt their respective New Economic Policies.
- (iv) India is one among such nations to commit itself to the New Economic Policy in 1991.
- (v) The new set of economic reforms is commonly known as the LPG or Liberalisation, Privatisation and Globalisation model.

38. Stress Interview:

- (i) This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.
- (ii) Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.
- (iii) They assess the suitability of the candidate by observing the reaction and response of the candidate to the stressful situation.
- (iv) Mostly this type of interview is conducted for recruiting sales representatives, staff for defence and law enforcement agencies.

39. A person who is not the member of Board but has some power to run it can be appointed as the director but according to his / her wish.

40. Characteristics of a bill of exchange

- (i) A bill of exchange is a document in writing.
- (ii) The document must contain an order to pay.
- (iii) The order must be unconditional.

PART - IV

41. (a) The management concept can be understood from its profound characteristic features as follows:

- (i) **Body of Knowledge** : Management has now developed into a specialised body of management theory and philosophy. Management literature is growing in all countries.
- (ii) **Management Tools** : Tools of management have been developed such as, accounting, business law, psychology, statistics, econometrics, data processing, etc.
- (iii) **Separate Discipline** : Management studies in many universities and institutions of higher learning are recognised as a separate discipline.
- (iv) **Specialisation** : There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional areas of management.
- (v) **Code of Conduct** : Enlightened businessmen have recognised that business management is a social institution and it has social responsibilities to be fulfilled – towards customers, employees, and the public or community.

(OR)

(b) The salient highlights of the Liberalisation, Privatisation and Globalisation Policy in India are:

- (i) Introduction of new Foreign Trade Agreements
- (ii) Foreign Investment (FDI & FII)
- (iii) MRTP Act, 1969 (Amended)
- (iv) Deregulation
- (v) Opportunities for overseas trade
- (vi) Steps to regulate inflation
- (vii) Tax reforms
- (viii) Abolition of License

42. (a) **Duties of Consumers:**

- (i) **Buying quality products at reasonable price:**
 - (1) It is the responsibility of a consumer to purchase a product after gaining a thorough knowledge of its price, quality and other terms and conditions.
 - (2) The consumer must have the knowledge about the quality from his own experiences or from the experiences of other persons who used product or by browsing the website.

- (ii) **Reading the label carefully :**
 - (1) It is the duty of the consumer to thoroughly read the label of the product.
 - (2) It should have correct, complete and true information about the product.
- (iii) **Beware of false and attractive advertisements:**
 - (1) Often the products are not as attractive as shown in the advertisement by the sellers.
 - (2) Hence, it is the prime duty of consumer not to get misled by such fraudulent advertisements.
- (iv) **Ensuring the receipt of cash bill :**
 - (1) It is a legitimate duty of consumers to collect cash receipt and warranty card supplied along with bills.
 - (2) This will help them in seeking redressal for their grievances.
- (v) **Buying from reputed shops :** It is advisable for the consumer to make purchase from reputed shops or government shops like super bazaar, cooperative stores, and others.
- (vi) **Never purchase from black market:**
 - (1) The consumer should not buy things from black market and in excess of his requirements.
 - (2) At times of scarcity consumer should not resort to panic buying and stock things excessively.

(OR)

- (b) The characteristics of Government securities are discussed below :
 - (i) **Agencies :** Government securities are issued by agencies such as Central Government, State Governments, semi-government authorities like local government authorities, example, municipalities, autonomous institution such as metropolitan authorities, port trusts etc.
 - (ii) **RBI Special Role :** RBI takes a special and an active role in the purchase and sale of these securities as part of its monetary management exercise.
 - (iii) **Nature of Securities :** Securities offer a safe avenue of investment through guaranteed payment of interest and repayment of principal by the Government.
 - (iv) **Liquidity Profile :** The liquidity profile of gilt-edged securities varies. Accordingly liquidity profile of securities issued by Central Government is high.
 - (v) **Tax Rebate :** A striking feature of these securities is that they offer wide-range of tax incentives to investors. This has made these securities very popular for this benefit.
 - (vi) **Market :** As each sale and purchase has to be negotiated separately, the Gilt-Edged Market is an Over-The-Counter Market. The government securities market in India has two segments namely primary market and secondary market.

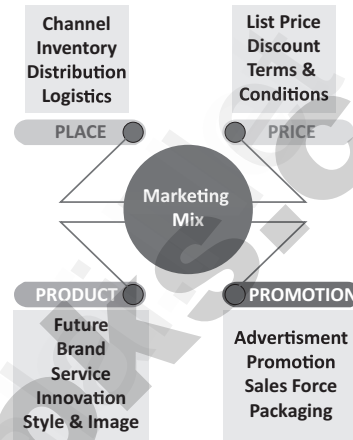
43. (a)

S.No.	Feature	Stock Exchange	Commodity Exchange
1.	Meaning	Stock exchange is an organised market for the purchase and sale of industrial and financial security	A commodity exchange is an exchange where commodities are traded
2.	Object	Object is facilitating capital formation and making best use of capital resources	Object is facilitating goods flow through risk reduction
3.	Participants	Investors and speculators	Producers, dealers, traders and a body of speculators
4.	Articles traded	Industrial securities such as stocks and bonds and government securities	Only durable, graded and goods having large volume of trade
5.	Speculation	Speculation ensures saleability of securities affording a broad, ready, liquid and continuous market of securities.	Speculation ensures assumption and absorption of price risk
6.	Price Quotation	As regards forward dealings, only one quotation is possible	For future dealings, multiple quotations are possible

(OR)

- (b) The following are the internal sources of Recruitment
- (i) **Transfer** - The simplest way by which an employee requirement can be filled is through transfer of employee from one department with surplus staff to that of another with deficit staff.
 - (ii) **Upgrading** - Performance appraisal helps in the process of moving employees from a lower position to a higher position
 - (iii) **Promotion** - Based on seniority and merits of the employees they are given opportunity to move up in the organisational hierarchy
 - (iv) **Demotion** - Movement of employee from a higher position to a lower position because of poor performance continuously to make him realise the significance of performance
 - (v) **Recommendation by existing Employees** - A family member, relative or friend of an existing employee can be recruited and placed
44. (a) They are discussed below :
- (i) **Product** : Product is the main element of marketing. Without a product, there can be no marketing.

- (ii) **Price** : Price is the value of a product expressed in monetary terms. It is the amount charged for the product.
- (iii) **Place** : The third element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.



- (iv) **Promotion** : An excellent product with competitive price cannot achieve a desired success and acceptance in market, unless and until its special features and benefits are conveyed effectively to the potential consumers.

(OR)

(b)

Sl. No.	Basis of Difference	Condition	Warranty
1.	Meaning	It is a stipulation which is essential to the main purpose of the contract of sale.	It is a stipulation which is collateral to the main purpose of contract.
2.	Significance	Condition is so essential to the contract that the breaking of which cancels out the contract.	It is of subsidiary or inferior character. The violation of warranty will not revoke the contract.
3.	Transfer of ownership	Ownership on goods cannot be transferred without fulfilling the conditions.	Ownership on goods can be transferred on the buyer without fulfilling the warranty.
4.	Remedy	In case of breach of contract, the affected party can cancel the contract and claim damages.	In the case of breach of warranty, the affected party cannot cancel the contract but can claim damages only.
5.	Treatment	Breach of condition may be treated as breach of warranty.	Breach of warranty cannot be treated as breach of condition.

45. (a) The various steps involved in starting a venture have been highlighted.
- (i) **Selection of the product :** An entrepreneur may select a product according to his aspiration, capacity and motivation after a thorough scrutiny of micro and macro environment of business.
 - (ii) **Selection of form of ownership :** Entrepreneur has to choose the form of organisation suitable and appropriate for his venture namely family ownership, partnership and private limited company.
 - (iii) **Selection of Site :** Entrepreneur has to choose suitable plot for accommodating his venture. He has four options open to him for housing his venture.
 - (iv) **Designing Capital Structure :** Entrepreneur has to determine the source of finance for funding the venture. He/she may mobilise funds from his own savings, loans from friends and relatives, term loans from banks and financial institutions.
 - (v) **Acquisition of Manufacturing know-how:** Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants.
 - (vi) **Preparation of project report :** Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions. An entrepreneur can get the report prepared either by technical consultancy organisation or by auditors or by consultants or by development agencies.

(OR)

- (b) **Qualification of Directors:**
- (i) As regards to the qualification of directors, there is no direct provision in the Companies Act, 2013.
 - (ii) In general, a director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
 - (iii) According to the different provisions relating to the directors; the following qualifications may be mentioned :

- (a) A director must be a person of sound mind
 - (b) A director must hold share qualification, if the articles of association provides such.
 - (c) A director must be an individual
 - (d) A director should be a solvent person
 - (e) A director should not be convicted by the court for any offence, etc.
46. (a) **Five Functions of Management:**
- (1) **Planning :**
 - (i) Planning is the primary function of management.
 - (ii) Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal.
 - (iii) E.g. Writing a book starts with planning.
 - (2) **Organising :**
 - (i) Organising is the process of establishing harmonious relationship among the members of an organisation.
 - (ii) Organising function work is assigned to employees who are given authority to carry out the work assigned and made accountable for it.
 - (3) **Staffing :**
 - (i) Staffing function comprises the activities of selection and placement of competent personnel.
 - (ii) Staffing refers to placement of right persons in the right jobs.
 - (4) **Directing :**
 - (i) Directing denotes motivating, leading, guiding and communicating with sub-ordinates.
 - (ii) Employees are kept informed of all necessary matters by circulars, instructions manuals, newsletters, notice-boards, meeting, participative mechanism, etc.
 - (5) **Motivating :**
 - (i) The goals are achieved with the help of motivation. Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers. This is done by a resourceful leader.
 - (ii) The workers expect, favourable climate conditions to work, fair treatment, monetary or non-monetary incentive, effective communication and gentleman approach.
- (OR)

- (b) The operative functions of HRM are as follows :
- (i) **Procurement** : Acquisition deals with job analysis, human resource planning, recruitment, selection, placement, transfer and promotion.
 - (ii) **Development** : Development includes performance appraisal, training, executive development, career planning and development, organisational development.
 - (iii) **Compensation** : It deals with job evaluation, wage and salary administration, incentives, bonus, fringe benefits and social security schemes.
 - (iv) **Retention** : This is made possible through health and safety, welfare, social security, job satisfaction and quality of work life.
 - (v) **Integration** : It is concerned with those activities that aim to bring about reconciliation between personal interest and organisational interest.
 - (vi) **Maintenance** : This encourages employees to work with job satisfaction, reducing labour turnover, accounting for human resource and carrying out audit and research.

47. (a) **Benefits of Training:**

(1) **Benefits to the organisation :**

- (i) It improves the skill of employees and enhances productivity and profitability of the entity.
- (ii) It reduces wastages of materials and idle time.
- (iii) It exposes employees to latest trends.
- (iv) It minimizes the time for supervision.
- (v) It reduces the frequency of accidents at workplace and consequent compensation payment.

(2) **Benefits to the employees :**

- (i) It improves the employees productivity.
- (ii) It enhances the morale of the employee.
- (iii) Employees get higher earnings through incentives and rewards.
- (iv) It builds up the confidence of employee by changing his attitude positively towards to work

- (v) It enables him to observe safety practices voluntarily during his engagement

(3) **Benefits to the customer :**

- (i) Customers get better quality of product service.
- (ii) Customers get innovative products or value added or feature rich products.

(OR)

(b) The various powers of SEBI are as follows :

- (i) **Powers Relating to Stock Exchanges and Intermediaries** : SEBI has wide powers regarding the stock exchanges and intermediaries dealing in securities. It can ask information from the stock exchanges and intermediaries regarding their business transactions for inspection or scrutiny and other purpose.
- (ii) **Power to impose monetary penalties**: SEBI has been empowered to impose monetary penalties on capital market intermediaries and other participants for a range of violations.
- (iii) **Power to initiate actions in functions assigned**: SEBI has a power to initiate actions in regard to functions assigned. For example, it can issue guidelines to different intermediaries or can introduce specific rules for the protection of interests of investors.
- (iv) **Power to regulate insider – trading**: SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.
- (v) **Powers under securities contracts Act** : For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13th September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI.
- (vi) **Power to regulate business of stock exchanges** : SEBI is also empowered to regulate the business of stock exchanges. It controls intermediaries associated with the securities market as well as mutual funds, fraudulent and unfair trade practices relating to securities and regulation of acquisition of shares and takeovers of companies.

