

A. Vennila, Principal, Mydeen matric. Hr. sec. School, Kumbakonam
Thanjavur District.

FIRST REVISION TEST - 2024

PART - III - COMMERCE

Class: XII

Total Marks: 90

Time Allowed: 3.00 Hours

SECTION - I

(20 X 1 = 20 Marks)

Note: Answer all the questions.

1. Scientific management is developed by
a) Fayol b) Taylor c) Mayo d) Jacob
2. Which is the primary function of management?
(a) Innovating (b) Controlling (c) Planning (d) Decision-making
3. How many times a security can be sold in a secondary market?
a) Only one time b) Two time c) Three times d) Multiple times
4. Dividing work into various sub-tasks is called _____
a) Discipline b) Unity c) Division of labor d) Equality
5. Money Market provides _____
a) Medium-term Funds b) Short-term Funds c) Long-term Funds d) Shares
6. Stock exchange allow trading in
a) All types of Shares of any Company b) Bonds issued by the Govt.
c) Listed Securities d) Unlisted Securities
7. Human resource is a ----- asset.
a) Tangible b) Intangible c) Fixed d) Current
8. Recruitment bridges gap between ----- and -----
a) job seeker and job provider b) job seeker and agent
c) job provider and owner d) owner and servant
9. The process of placing the right man on the right job is called -----
(a) Training (b) Placement (c) Promotion (d) Transfer
10. The Spot market is classified on the basis of
a) Commodity b) Transaction c) Regulation d) Time
11. The initial stage of Marketing system is.....
a) Monopoly system b) Exchange to Money c) Barter system d) Self producing
12. Who is the father of Consumer Movement?
a) Mahatma Gandhi b) Mr. Jhon F. Kennedy c) Ralph Nader d) Jawaharlal Nehru
13. Which of the following is not a consumer right summed up by John F. Kennedy
a) Right to safety b) Right to choose c) Right to consume d) Right to be informed
14. _____ is the result of New Industrial Policy which abolished the 'License System'.
(a) Globalisation (b) Privatisation (c) Liberalisation (d) None of these
15. Match the following:
Negotiable Instrument Act - (i) 1881
Promissory Note - (ii) 1881 Sec 4
Cheque - (iii) 1881 Sec 6
Bills of Exchange - (iv) 1881 Sec 5
a) i, ii, iii, iv b) iv, iii, ii, i c) iii, ii, I, iv d) iv, ii, iii, i
16. The meeting of directors should be convened at least _____ times in a year.
a) 2 b) 3 c) 4 d) 5
17. Assertion (A): Key result areas are fixed on the basis of organizational objective Premises.
Reason (R): KRA indicates the strength of an organization.
(a) Both are correct. (R) is correct explanation of (A) (b) Both are correct. (R) is not correct explanation of (A) (c) (A) correct, (R) wrong (d) (A) wrong (R) correct.

18. _____ should cover aspects like sources of finance, technical know-how, source of labour and raw material, market potential and profitability.
 (a) Technical Report (b) Finance Report (c) Project Report (d) Progress Report
19. Which of the below is a factor of production?
 (a) Land (b) Labour (c) Entrepreneurship (d) All of the above
20. Find the odd one out:
 (a) Right shares (b) Ordinary shares (c) Bonus shares (d) Debenture

SECTION - II (7 X 2 =14 Marks)

Note: Answer any 7 questions in which Question No.30 is compulsory

21. What is meant by Negotiable Instrument?
 22. What is Government Securities Market?
 23. What were consumer rights as stated by John F Kennedy?
 24. What is Proxy?
 25. What is Privatization?
 26. Give two examples of adulteration.
 27. Give the meaning of Recruitment.
 28. What is Human Resource Management?
 29. List out the management tools.
 30. Can a company issue shares at a discount under Section 53 of the Companies Act 2013?

SECTION - III(7 X 3 =21 Marks)

Note: Answer any 7 questions in which Question No.40 is compulsory.

31. What is Niche Marketing?
 32. What is Start up India?
 33. What is Special Resolution?
 34. What is Liberalization?
 35. What do you understand about "Right to protection of health and safety"?
 36. What is meant by artificial scarcity?
 37. What is stress interview?
 38. Explain Bull and Bear..
 39. What is an agreement to sell?
 40. All other general meetings other than statutory and annual general meetings are called _____.

SECTION - IV (7 X 5 = 35 Marks)

Note: Answer all the questions.

41. Distinguish between Conditions and Warranty. (Or)
 Elaborate the functions of the Company Secretary.
42. Discuss the problems faced by Women Entrepreneurs. (Any five) (Or)
 How the market can be classified on the basis of geographical Area? (Any five)
43. How consumers are exploited? (Or)
 Describe the Meeting of Shareholders
44. Differentiate Recruitment and Selection. (Or)
 Differentiate HR from HRM.
45. Classify goods under the Sale of Goods Act.. (Or)
 Explain the rights of consumers.
46. Explain the main functions of management. (Or)
 Explain the functions of stock market.
47. Describe the principles of scientific management. (Or)
 Distinguish between new issue market and secondary market.

FIRST REVISION TEST – JANUARY - 2024 – KEY ANSWER
XII - COMMERCE [ENGLISH MEDIUM]

PART - I

I. CHOOSE THE CORRECT ANSWER

20 X 1 = 20

| Sl.No. | Option | Answer | Sl.No. | Option | Answer |
|--------|--------|-----------------------------|--------|--------|------------------|
| 1 | B | Taylor | 11 | C | Barter System |
| 2 | C | Planning | 12 | C | Ralph Nader |
| 3 | D | Multiple Times | 13 | C | Right to Consume |
| 4 | C | Division of Labour | 14 | C | Liberalisation |
| 5 | B | Short-Term Funds | 15 | A | i ii iii iv |
| 6 | C | Listed Securities | 16 | A | 2 |
| 7 | B | Intangible | 17 | A | Both are correct |
| 8 | A | Job Seeker and Job Provider | 18 | C | Project Report |
| 9 | B | Placement | 19 | D | All of the Above |
| 10 | B | Transaction | 20 | B | Ordinary Shares |

II. ANSWER ANY 7 QUESTIONS, IN WHICH QUESTION NO.30 IS COMPULSORY

7 X 2 = 14

21) Negotiable Instrument – Meaning:

- 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.

22) Government Securities Market:

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

23) 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."

24) Short note on 'Proxy':

- A proxy is a person who is designated by another to represent that individual at a meeting or before a public body.
- It also refers to the written authorization allowing one person to act on behalf of another.
- In corporate law, a proxy is the authority to vote stock.

25) Privatisation – Meaning:

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

26) Examples of Adulteration:

1. Mixing of stones with grains
2. Mixing of coconut oil with palmolein
3. Papayas seed is added to black pepper
4. Coffee powder is adulterated with tamarind seed

27) Recruitment - Meaning:

- 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.

28) 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.

29) Management Tools.

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

30) .1) No,

2) The companies act 2013, prohibits the issue of shares at discount (Section 53), except sweat Equity share.

III. ANSWER ANY 7 QUESTIONS, IN WHICH QUESTION NO.40 IS COMPULSORY**7 X 3 = 21****31) 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 a specialized offering.
3. The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts.

32) Start up India:

- ♣ Through the Start up India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating start ups throughout their life cycle.
- ♣ Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
- ♣ A 'Fund of Funds' has been created to help start ups gain access to funding.

33) Special Resolution:

- ♣ A special resolution is the one which is passed by a not less than 75% of majority.
- ♣ The number of votes, cast in favour of the resolution should be three times the number of votes cast against it.
- ♣ The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

34) Liberalisation:

- * Liberalization refers to laws or rules being liberalized, or relaxed, by a government.
- * Liberalization means relaxation of various government restrictions in the areas of social and economic policies in order to make economies free to enter in the market and establish their venture in the country.
- * Liberalization is the result of New Industrial Policy which abolished the “License System” or “Licence Raj”.

35) “Right to protection of Health and Safety”

- a) There may be few products that are more likely to cause physical danger to consumers’ health, lives and property.
- b) They may contain potentially harmful substances which are dangerous from the consumer welfare point of view.
- c) The health hazards which are likely to arise have to be eradicated or reduced altogether.

36) Artificial Scarcity:

- * 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.
- * In such situations consumers who are desperate to buy such goods have to pay high price to buy those goods and thus earning more profit unconscientiously.
- * 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) Stress Interview – Meaning:

- * This type of interview is conducted to test the temperament and emotional balance of the candidate
- * Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.
- * They assess the suitability of the candidate by observing the reaction and response of the candidate to the stressful situations.

38) Explanation of Bull and Bear:**Bull:**

- A Bull or Tejiwala is an operator who expects a rise in prices of securities in the future.
- The bull speculator stimulates the price to rise.
- He is an optimistic speculator.

Bear:

- 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.

39) 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.
- On the other hand, if the transfer of property takes place at a future date or on fulfilment of certain conditions, it is called ‘an agreement to sell’.

40) All other general meetings other than statutory and annual general meetings are called **Extraordinary General Meetings.**

IV. **ANSWER ALL THE QUESTIONS**

7 X 5 = 35

41.a. **Differences between Conditions and Warranty.**

| BASIC OF DIFFERENCE | CONDITION | WARRANTY |
|-----------------------|--|--|
| 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. |
| 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. |
| 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. |
| 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. |
| Treatment | Breach of condition may be treated as breach of warranty | Breach of warranty cannot be treated as breach of condition |

[OR]

41.b. **Functions of the Company Secretary:**

- As the principal officer of the company, the secretary must observe all the legal formalities in respect of the provisions of the Companies Act and other laws (e.g., Income-tax Act, Stamp Act, Sales-tax Acts, etc.) which have a bearing on the activities of the company.

According to Companies Act 2013

- To sign document and proceedings requiring authentication by the company
- To maintaining share registers and register of Directors and of contracts
- To give notice to register for increase in the share capital
- To deliver share certificate of allotment within 2 months after transfer
- To sign and send annual return
- To make a statutory declaration for receiving certificate of commencement of business
- To send notice of general meeting to every member of the company
- To make statutory books
- To prepare minutes of every general meeting and board meeting within 30 days
- To file a resolution with the registrar
- To assist in preparing the statement of affairs in a winding up

42.a. **Challenges 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.

[OR]**42.b. Market can be classified - On the Basis of Geographical Area:****a. Family Market:**

- ♣ When exchanges of goods or services are confined within a family or close members of the family, it's called as family market.

b. Local Market:

- ♣ Participation of both the buyers and sellers belonging to a local area or areas, may be a town or village, is called as local market.
- ♣ The demands are limited in this type of market.
- ♣ For example, perishable goods like fruits, fish, vegetables etc.

c. National Market:

- ♣ Certain type of commodities has demand throughout the country.
- ♣ Hence it is called as a national market.

d. International Market or World Market:

- ♣ World or international market is one where the buyers and sellers of goods are from different countries i.e., involvement of buyers and sellers beyond the boundaries of a nation.

43.a. 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 at times 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.

[OR]**43.b. Different types of Shareholders Meetings**

- The meeting held with the shareholders of the company is called shareholders meeting.

a) 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.

b) Annual General Meeting [AGM]

- Every year a meeting is held to transact the ordinary business of the company. Such meeting is called Annual General Meeting of the company (AGM).
- Company is bound to invite the first general meeting within eighteen months from the date of its registration. Then the general meeting will be held once in every year.
- Every Annual General meeting shall be held during business hours, on a day which is not a public holiday, at the Registered Office of the company

c) 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.

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 |

[ORI]**44.b. Difference between HR and HRM:**

| HR | HRM |
|--|---|
| It is only through human resource all other resources are effectively used | To identify manpower needs |
| The sustainable growth of an organisation depends on the important resource human resource | To incorporate change |
| Industrial relations depend on human resource | To ensure the correct requirement of manpower |
| Human relations is possible only through human resource | To select right man for right job |
| Human resource manages all other factors of production | To update the skill and knowledge |

45.a. The diagram given below exhibits the type of goods covered under the sale of goods act.**1. Existing Goods**

- ✎ Existing goods are those owned or possessed by the seller at the time of contract of sale. Goods possessed even refer to sale by agents or by pledgers.

Existing goods may be either

- (i) Specific Goods
- (ii) Ascertained Goods
- (iii) Generic or Unascertained Goods

2. Future Goods

- ✎ These are goods which a seller does not possess at the time of contract of sale but which will be manufactured or produced or acquired by him after entering into the contract of sale agreement.
- ✎ **Eg.** 'A' contractor agrees to supply 100 bags of rice to 'B' for giving marriage feast.
- ✎ It is a case of future goods.
- ✎ Similarly where the bus company agrees to buy spare parts from a particular supplier, it is an example of future contract.
- ✎ Future goods represents unascertained goods.

3. 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.
- ✘ Eg. 'A' agrees to sell a particular painting work, provided he gets from 'C'.
- ✘ In this case, the painting work represents contingent goods.
- ✘ Similarly a rice merchant agrees to supply 10 bags of basmathi rice from Pakistan if he get supplies.
- ✘ In this case, basmathi rice representing contingent goods may or may not be available to the rice merchant.

[OR]

45.b. Rights of Consumers:

i) Right to Protection of Health and Right of Safety

- ♣ There may be few products that are more likely to cause physical danger to consumers' health, lives and property.
- ♣ They may contain potentially harmful substances which are dangerous from the consumer welfare point of view.

ii) 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. Advertising and labelling on the package should provide objective information to buyers.

iii) Right to choose

- ♣ Consumer satisfaction is the ultimate aim of modern marketing and is the philosophy of marketing concept. A wise trader or dealer or manufacturer is one who maximises his profits by maximising the consumer satisfaction.

iv) Right to be Heard

- ✘ Consumers have every right to ventilate and register his/her dissatisfaction, disagreements and get the complaint heard and aired. This right is vital.

v) Right to Seek Redressal

- ♣ This step is one step ahead of the previous right. The complaints and protests are not just to be heard: but the aggrieved party is to be granted compensation within a reasonable time period .

46.a. Main Functions of Management:

I. Planning:

- Planning is the primary function of management.
- Nothing can be performed without planning.
- Planning refers to deciding in advance.
- Planning should take place before doing.

II. Organising:

- Organising is the process of establishing harmonious relationship among the members of an organisation and the creation of network of relationship among them.

III. Staffing:

- Staffing refers to placement of right persons in the right jobs.
- The success of any enterprise depends upon the successful performance of staffing function

IV. Directing:

- Directing denotes motivating, leading, guiding and communicating with subordinates on an ongoing basis in order to accomplish pre-set goals.

V. Motivating:

- 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.

[OR]**46.b. Functions of Stock Market (or) Exchange:****1. Ready and Continuous Market:**

- Stock Exchange is, in fact, a market for existing securities.
- If an investor wants to sell his securities, he can easily and quickly dispose them off on a stock exchange.

2. Protection to Investors:

- All dealings in a stock exchange are in accordance with well-defined rules and regulations.
- For example, brokers cannot charge higher rate of commission for their services. Any malpractice will be severely punished.

3. Aid to Capital Formation

- Stock exchanges thus ensure a steady flow of capital into industry and assist industrial development.

4. Correct Evaluation of Securities:

- The prices at which securities are bought and sold are recorded and made public.
- These prices are called “market quotations”.

5. Clearing House of Business Information:

- Stock exchange publishes every year books detailing the financial position of companies.
- Thus, it gives vital information to the investing public for deciding on investment.

47.a. Principles of Scientific Management:

Principles of scientific management propounded by Taylor are

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.

They are explained in brief as follows:

1. Science, Not Rule of Thumb:

- ♣ In order to increase organisational efficiency, the ‘Rule of Thumb’ method should be substituted by the methods developed through scientific analysis of work.
- ♣ Rule of Thumb means decisions taken by manager as per their personal judgments.

2. Harmony, Not Discord:

- ♣ Taylor emphasized that there should be complete harmony between the workers and the management since if there is any conflict between the two, it will not be beneficial either for the workers or the management.
- ♣ Both the management and the workers should realize the importance of each other.

3. Mental Revolution:

- ♣ The technique of Mental Revolution involves a change in the attitude of workers and management towards each other.
- ♣ Both should realize the importance of each other and should work with full cooperation.

4. Cooperation, Not Individualism:

- ♣ This principle is an extension of principle of 'Harmony, not discord' and lays stress on mutual cooperation between workers and the management.
- ♣ Cooperation, mutual confidence, sense of goodwill should prevail among both, managers as well as workers.

5. Development of each and every person to his or her greatest efficiency and prosperity:

- ♣ Efficiency of any organisation also depends on the skills and capabilities of its employees to a great extent.
- ♣ Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach.

[OR]

47.b. Difference between New Issue Market and Secondary Market:

| BASIS FOR COMPARISON | NEW ISSUE MARKET | SECONDARY MARKET |
|-----------------------------|-----------------------|------------------|
| Buying | Direct | Indirect |
| Gained person | Company | Investors |
| Intermediary | Underwriters | Brokers |
| Buying and Selling between | Company and Investors | Investors |
| How can securities be sold? | Only Once | Multiple times |

******* All the Best *******