

**PUBLIC EXAMINATION - ANSWER KEY – MARCH - 2024****XII STANDARD – COMMERCE – ENGLISH MEDIUM**

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**

| <b>A</b> |   |   | <b>B</b> |   |   |
|----------|---|---|----------|---|---|
| 1        | A | Walkins   | 1        | C | Apprenticeship Training   |
| 2        | A | Long Term Finance   | 2        | B | 1960  |
| 3        | B | 1960  | 3        | D | Marketing   |
| 4        | C | Trustees  | 4        | A | Walkins   |
| 5        | B | Consumer  | 5        | B | Bonus Shares  |
| 6        | A | Barter System   | 6        | C | Defining Organisational Objectives  |
| 7        | B | Test ( <b>Book Back Answer</b> )  | 7        | A | Barter System   |
|          | C | Placement ( <b>Inside Answer</b> )  |          |   |   |
| 8        | A | 1930  | 8        | D | Internal and External   |
| 9        | C | Apprenticeship Training   | 9        | B | Co-ordinating   |
| 10       | A | Eighteen  | 10       | C | Trustees  |
| 11       | B | Bonus Shares  | 11       | C | Needs of the Consumers  |
| 12       | C | Defining Organisational Objectives  | 12       | B | Consumer  |
| 13       | C | Needs of the Consumers  | 13       | B | Complaint must be registered within 6 months from the date of defect in goods or service. |
| 14       | B | 3   | 14       | C | Adaptive  |
| 15       | B | Co-ordinating   | 15       | A | Long Term Finance   |
| 16       | B | Complaint must be registered within 6 months from the date of defect in goods or service. | 16       | A | 1930  |
| 17       | D | Make in India   | 17       | A | Eighteen  |
| 18       | D | Internal and External   | 18       | B | 3   |
| 19       | D | Marketing   | 19       | D | Make in India   |
| 20       | C | Adaptive  | 20       | B | Test ( <b>Book Back Answer</b> )  |
|          |   |   |          | C | Placement ( <b>Inside Answer</b> )  |

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

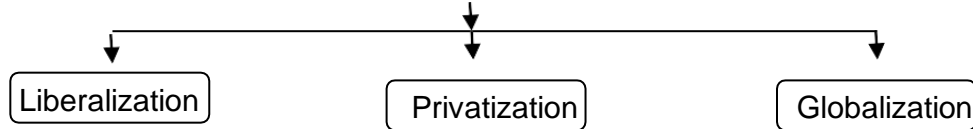
**7 x 2 = 14****21) Subsidiary Functions of Management:**

- ✓ Innovation,
- ✓ Representation,
- ✓ Decision-making and
- ✓ Communication

- ✎ 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.

23)

Branches of New Economic Policy



24) Meaning of MBE

- ♣ Management by exception is a style of business management that focuses on identifying and handling cases that deviate from the norm.
- ♣ Management by exception is the practice of examining the financial and operational results of a business, and only bringing issues to the attention of management if results represent substantial differences from the budgeted or expected amount.

25) 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.

26) Participants in a Capital Market

- Individuals,
- Corporate sectors,
- Govt.,
- Banks and
- Other financial institutions.

27) 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.

28) Stock Exchange:

- 1) Stock Exchange is an organized market for the purchase and sale of industrial and financial security.
- 2) Stock Exchange (also called Stock Market or Share Market) is one of the important constituents of Capital market.
- 3) It is an investment intermediary and facilitates economic and industrial development of a country.

29) Meaning of Auctioning:

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

**30) Kinds of Resolutions:**

- a) Special Resolution
- b) Ordinary Resolution

**PART - III****III. Answer any seven questions. Question No.40 is compulsory.****7 x 3 = 21****31) Meaning of Financial Market:**

- A market wherein financial instruments such as financial claims, assets and securities are traded is known as a 'financial market'.

**32) Management – Definition:**

- ✓ “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.” — **Peter F. Drucker**
- ✓ “To manage is to forecast, to plan, to organise, to command, to co-ordinate and to control.” — **Henry Fayol.**

**33) Objectives of Marketing:**

- 1) To develop the marketing field.
- 2) To develop guiding policies and their implementation for a good result.
- 3) To suggest solutions by studying the problems relating to marketing.
- 4) To find sources for further information concerning the market problems.
- 5) To take appropriate actions in the course of action.

**34) Characteristics of a Bill of Exchange: (Any 3)**

1. A bill of exchange is a document in writing.
2. The document must contain an order to pay.
3. The order must be unconditional.
4. The instrument must be signed by the person who draws it.
5. The name of the person on whom the bill is drawn must be specified in the bill itself.
6. The bill may be payable on demand or after a specified period.

**35) Shadow Director:**

- 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.

**36) Differences between Entrepreneur and Manager**

| Basis of difference | Entrepreneur   | Manager  |
|---------------------|--|--|
| Status              | He/ She is an owner of the entity.   | He/ She is a salaried employee in the entity set up for carrying on the venture. |
| Risk Bearing        | He/ She bears the eventual risk and uncertainty in operating the Enterprise. | He/ She doesn't bear any risk in the venture.                                    |
| Rewards             | Entrepreneur is rewarded by profit for the risk bearing exercise.            | Manager's reward salary, bonus, allowances is certain and regular.               |

**37) 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.

**38) Impacts on Globalisation**

1. Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
2. Multinational corporations (MNCs) can manufacture, buy and sell goods worldwide.
3. Globalisation has led to a boom in consumer products market.

**39) 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.
- ✎ A private company or a public company having no share capital need not conduct a statutory meeting.
- ✎ The company gives the circular to shareholders before 21 days of the meeting.

**40) Most expected questions that would be asked during the Interview: (Any 3)**

1. Tell me about (yourself)
2. Why do you want to work for this Organization?
3. Why are you interested in this position?
4. Why should we select you?
5. What is your greatest strength?
6. Tell about the time, when you failed?
7. What is your salary requirement?
8. What is your five year plan ?
9. Why are you looking to leave your present job?
10. Do you have any questions for me!

**IV. Answer all questions.****7 x 5 = 35****41.a. Operative Functions HRM:****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 the those activities that aim to bring about reconciliation between personal interest and organisational interest.

**[OR]****41.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   |

**42.a. Important Methods of Interview:****i) Preliminary Interview**

- ✓ This interview is conducted to know the general suitability of the candidates who have applied for the job.
- ✓ Team of experts conducts their interview primarily to eliminate those who are unqualified and unfit candidates.

**ii) Structure/Guided/Planned Interview**

- ✓ A series of questions to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview.
- ✓ Ultimately interviewees are ranked on the basis of score earned by the candidate in the interview.

✓ There is no pre-prepared question. Interviewers determine the suitability of the candidate based on their response to the random questions raised in the interview.

**iv) In depth Interview**

✓ Interview helps the interviewers to learn about the candidate's expertise and practical exposure with respect to his/her area of specialization.

**v) Stress Interview**

✓ 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.

[OR]

**42.b. Major Advantages of Management By Objectives (MBO):**

1. MBO process helps the managers to understand their role in the total organisation.
2. Manager recognises the need for planning and appreciates the planning.
3. Systematic evaluation of performance is made with the help of MBO.
4. MBO gives the criteria of performance. It helps to take corrective action.
5. The responsibility of a worker is fixed through MBO.

**43.a.**

**Differences between a cheque and a bill of exchange.**

| BASIC OF DIFFERENCE | BILL OF EXCHANGE  | CHEQUE                                     |
|---------------------|---|--|
| Payability          | It is payable on demand or on the expiry of a certain period. | It is payable on demand only.              |
| Sets                | Foreign bills of exchange are drawn in sets of three.         | It is not so in case of cheque.            |
| Discounting         | A bill can be discounted with a bank.                         | A cheque cannot be discounted              |
| Stamping            | Bills are to be sufficiently stamped                          | Cheques need not be stamped                |
| Currency            | A bill can be drawn and payable in any currency.              | A cheque is payable only in home currency. |

[OR]

**43.b. Characters of a Capital Market:**

**(i) Securities Market:**

- ❖ The dealings in a capital market are done through the securities like shares, debentures, etc.,
- ❖ The capital market is thus called securities market.

**(ii) Price:**

- ❖ The price of the securities is determined based on the demand and supply prevailing in the capital market for securities.

**(iii) Participants:**

- ❖ There are many players in the capital market. The participants of the capital market include individuals, corporate sectors, Govt., banks and other financial institutions.

**(iv) Location :**

- ❖ Capital market is not confined to certain specific locations, although it is true that parts of the market are concentrated in certain well known centers known as Stock Exchanges.

**(v) Market for Financial Assets:**

- ❖ Capital market provides a transaction platform for long term financial assets

**44.a. Characteristics of an Entrepreneur:**

**1. Spirit of Enterprise**

- ✓ Entrepreneur should be bold enough to encounter risk arising from the venture undertaken.
- ✓ Entrepreneur should not get discouraged by setbacks or frustrations emerging during the course of entrepreneurial journey.

**2. Flexibility**

- ✓ Entrepreneur should not single-mindedly stick to decisions in a rigid fashion.
- ✓ Entrepreneur should change the decisions made already in the light of ever-changing business environment.

**3. Innovation**

- ✓ Entrepreneur should contribute something new or something unique to meet the changing requirements of customers namely new product, new method of production or distribution, etc.,

**4. Hard work**

- ✓ Entrepreneur should put in tireless efforts and constant endeavours to accomplish the goals of the venture successfully.
- ✓ They have to courageously face uncertainties, risks and constraints.

**5. Foresight**

- ✓ Entrepreneur should have a foresight to visualise future business environment.

[OR]

**44.b. Role of Macro Environment of Business:**

- The success of a business is dependent on its ability to adapt to the macro environment, since these are uncontrollable factors.

**i) Economic Environment:**

- The business is an integral part of the economic system prevalent in a nation.
- It includes the nature of economy based on the stage of development.
- The nature of economic system can be classified as Capitalistic, Socialistic and Mixed economy.

**ii) Socio-Cultural Environment:**

- Business is a part of the society. Social environment refers to the sum total of factors of the society in which the business is located.
- Social and cultural environment of society affects the business.

**iii) Political and Legal Environment:**

- The framework for running a business is given by the political and legal environment.
- The success of a business lies in its ability to adapt and sustain to political and legal changes.

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- The development in the IT and telecommunications has created a global market.
- Technology is widely used in conducting market research for understanding the special needs of the customer.

**v) Global Environment:**

- With the rapid growth of technology the physical boundaries are fast disappearing and the new global market is emerging.
- The international environmental factors which affects a business

**45.a. Difference between the Money Market and Capital Market.**

| FEATURES                    | MONEY MARKET   | CAPITAL MARKET   |
|-----------------------------|--|--|
| Duration of Funds           | It is a market for short-term loanable funds for a period of not exceeding one year.                       | It is a market for long-term funds exceeding period of one year.           |
| Deals with Instruments      | It deals with instruments like commercial bills (bill of exchange, treasury bill, commercial papers etc.,) | It deals with instruments like shares, debentures, Government bonds, etc., |
| Availability of Instruments | Money Market instruments generally do not have secondary market.   | Capital market instruments generally have secondary markets.               |
| Risk                        | Low credit and market risk.  | High credit and market risk  |
| Liquidity                   | High liquidity in Money Market   | Low liquidity in Capital Market  |

[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. Powers of SEBI:**

**1. Powers Relating to Stock Exchanges & 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.

**2. 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.
- It can even impose suspension of their registration for a short period.



**3. 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.

**4. Power to Regulate Insider Trading**

- SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.

**5. Power to Regulate Business of Stock Exchanges**

- SEBI is also empowered to regulate the business of stock exchanges, 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.

[OR]

**46. b. Short Notes On :****(i). Digital India:**

- 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 a digitally-empowered society and knowledge economy with universal access to goods and services.

**(ii). Startup India:**

- Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups 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 startups gain access to funding.

47.a

**Differences between on the job training and off the job training:**

| Basis       | On the Job Training   | Off the Job Training   |
|-------------|---|--|
| Meaning     | The employee learns the job in the actual work environment. | Off the Job training involves the training of employees outside the actual work location |
| Location    | At the work place   | Away from the work place   |
| Approach    | Practical approach  | Theoretical approach   |
| Principle   | Learning by performing                                      | Learning by acquiring knowledge  |
| Carried out | It is carried out by the experienced employee               | Training which is provided by the experts.   |

[OR]

**47.b. Qualification of Directors**

- ✓ As regards to the qualification of directors, there is no direct provision in the Companies Act, 2013.
  
- ✓ 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.
  
- ✓ According to the different provisions relating to the directors; the following qualifications may be mentioned:
  1. A director must be a person of sound mind.
  2. A director must hold share qualification, if the article of association provides such.
  3. A director must be an individual.
  4. A director should be a solvent person.
  5. A director should not be convicted by the Court for any offence, etc.

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