

XII- COMMERCE - VERY SHORT ANSWER QUESTIONS

CHAPTER- 1

1. What is management ?

- Management is goal oriented and it is an art of getting things done with and through others.
- Management helps to achieve the organizational mission and determines the future of the business.

2. List the tools of management .

Accounting, business law, psychology,
statistics, econometrics, data processing, etc.

3. State Henry Fayols definition of management .

" To manage is to forecast, to plan, to organise, to command to co- ordinate and to control."- *Henry Fayol*

4. Who is a manager ?

According to P. Drucker, the manager has to balance and integrate three major jobs of a business .

- (i) Managing a business;
- (ii) Managing manager; and
- (iii) Managing workers and work.

Hence, a **manager is a dynamic and life giving element in every business.**

5. State the meaning of authority.

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

6. What do you mean by Span of management?

- Span of Management means the number of subordinates a superior can manage efficiently.
- The manager having the group of subordinates who report him directly is called as the span of management.

CHAPTER- 2

1. Write a short note about Planning.

- Planning is the primary function of management.
- Planning refers to deciding in advance.
- Planning should take place before doing.

2. What is meant by Motivation?

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

3. What is meant by Controlling?

- It facilitates comparison of actual performance with predetermined standards.
- Controlling helps to evaluate the performance of employees and deciding increments and promotion decisions.

4. How do you coordinate your classroom with peace?

- Observe the capabilities of the child.
- Allocate tasks based on their ability.
- Then balancing and keeping together the team.
- Secure Unity of action in achieving the Goal.

5. What is meant by Innovation?

- Innovation refers to the preparation of personnel and organisation to face the changes made in the business.
- Innovation includes developing new material, new products, new techniques in production, new package, new design of a product and cost reduction .

CHAPTER- 3**1. Define - MBO**

- Prof. Reddin defines MBO as, “the establishment of effective standards for managerial positions and the periodic conversion of those into measurable time bound objectives linked vertically and horizontally and with future planning.

2. What are the objectives of MBO?

- To measure and judge performance
- To relate individual performance to organisational goals
- To clarify both the job to be done and the expectations of accomplishment
- To improve communications between superiors and subordinates

3. Bring out the meaning of MBE.

- Management by exception is a business management style that identify and handle cases that deviate from the norm.
- Management by exception examines the financial and operational results of a business, and refers to the management only if there is a large differences between the budgeted and expected amount.

4. Mention any two advantages of MBO?

- MBO helps the managers to understand their role in the total organisation.
- Manager recognises the need for planning and appreciates the planning.
- Systematic evaluation of performance is made with the help of MBO .
- Delegation of authority is easily done through MBO

5. Write any two importance of MBE.

- It saves the time of managers as they deal only with exceptional matters.
- Routine problems are left to subordinates.
- Managers deal only with major problems. So there is better utilisation of managerial talents and energy

6. What is known as KRA?

- Key result areas are fixed on the basis of organisational objectives premises.
- Key Result Areas (KRA) are arranged on a priority basis.
- KRA indicates the strength of an organisation.
- The examples of KRA are profitability, market standing, innovation etc.

CHAPTER- 4**1. What are the components of organized sectors?**

Organized sector consist of,

- Regulators
- Financial Institutions
- Financial and Financial Services .

2. Write a note on financial market.

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

3. What is equity market?

- It is the financial market for trading in Equity Shares of Companies
- An equity market is a market in which shares are issued and traded, either through exchanges or over-the-counter markets.

4. What is debt market?

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

5. How is price decided in a secondary market?

- Financial markets allow for the determination of the price of the traded financial asset through the interaction of buyers and sellers.
- Prices in the secondary market are determined based on demand and supply through the mechanism called price discovery process.
- If the majority of investors believe a stock will increase in value and rush to buy it, the stock's price will typically rise.

CHAPTER- 5**1. What is Capital Market?**

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

2. Write a note on OTCEI.

- The OTCEI was set up as a premier financial institution.
- It allows the trading of securities across the electronic counters throughout the country.
- It solves some specific problems of both investors and medium-size companies.

3. What is Mutual Fund?

- Financial institutions that help in channeling savings of small investors into avenues of productive investments are called 'Mutual Funds'. (Or)
- A mutual fund company invests the funds pooled from shareholders and gives them the benefit of diversified investment portfolio and a reasonable return .

4. Who are the participants in a Capital Market?

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

5. How is price determined in a Capital Market?

- After a company goes public and starts trading on the exchange, its price is determined by supply and demand for its shares in the market.

CHAPTER- 6**1. Define the term "Money Market".**

- According to Crowther, "the money market is the collective name given to the various firms and institutions that deal in the various grades of near money".

2. What is commercial bill market?

- A bill of exchange issued by a commercial organization to raise money for short- term needs.
- These bills are of 30 days, 60 days and 90 days maturity.

3. What is a CD market?

- Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.

4. What is Government Securities Market?

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

5. What are the Instruments of Money Market?

- Treasury Bills
- Money at call and Short Notice in the Call Loan market.
- Commercial Bills and promissory notes in the Bill Market.
- Commercial papers
- Certificate of deposits.
- Inter Bank participation Certificates.
- Repo Instruments.

6. Explain the two oldest money markets.**Treasury bill:**

- A Treasury bill is a promissory note issued for a specified period stated therein.
- The Government promises to pay the specified amount to the bearer of the instrument on the due date.
- The period does not exceed a period of one year.

Commercial Bills:

- A bill of exchange issued by a commercial organization to raise money for short- term needs.
- These bills are of 30 days, 60 days and 90 days maturity.

7. What do you meant by Auctioning?

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

8. What do you meant by Switching?

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

CHAPTER-7**1. What is meant Stock Exchange?**

- Stock Exchange is an organized market for the purchase and sale of industrial and financial security.
- Stock Exchange (also called Stock Market or Share Market) is one of the important constituents of Capital market.

2. Define Stock Exchange.

- According to Husband and Dockerary, "Stock exchanges are privately organized markets which are used to facilitate trading in securities."

3. Write any 5 Stock Exchanges in India.

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

4. What is meant by Remisier?

- Remisier acts as an agent for the member of a stock exchange.
- He obtains business for the member and gets a commission for that service.

5. Who is called a Broker?

- Brokers are commission agents.
- They act as intermediaries between buyers and sellers of securities and help them in making a deal.
- They do not purchase or sell securities on their behalf.

6. What are the types of Speculator?

- Bull
- Bear
- Stag
- Lame Duck .

7. What is meant by Commodity Exchange?

- A commodity exchange is an exchange where commodities are traded. Tradable commodities :
- Metals (e.g. gold, silver, copper)
- Energy (e.g. crude oil, natural gas)
- Agricultural (e.g. rice, wheat, cocoa)
- Livestock and meat (e.g. live cattle, lean hog)

8. Mention the Recent Development in Stock Exchange?

- National Stock Market system was advocated by Shri.M.J.Pherwani committee on the establishment of New stock exchanges .
- National stock Market consists of
 1. National Stock Exchange of India Limited (NSE)
 2. Stock Holding Corporation of India Limited (SHCIL)
 3. National Clearing and Depository System (NCDS)
 4. Securities Trading Corporation of India (STCI)
 5. National Securities Depository Limited (NSDL)

9. What is the stock trading time in India?

There are 2 major stock exchanges in India :

- Bombay stock exchange & National stock exchange
- The timing of both is the same.
- Stock market in India is closed on weekends i.e. Saturday and Sunday and on national Holidays.
- The normal trading time for equity market is between 9:15 a.m. to 03:30 p.m. Monday to Friday.

10. Explain Dalal Street.

- Dalal Street is an area in downtown Mumbai, India.
- Dalal in Marathi means broker or intermediary.
- It received the name Dalal Street after the Bombay Stock exchange moved to the area in 1874 .
- It became the first stock exchange to be recognized by the Indian Government and is the largest stock exchange in India.
- The Bombay Stock Exchange (BSE) and other reputable financial institutions are situated here.

CHAPTER- 8**1. Write a short notes on SEBI.**

- Securities and exchange board of India(SEBI) is an apex body that maintains and regulates our capital market.
- It was established in 1988 by Indian government but got the statutory powers in 1992

2. Write any two objectives of SEBI.

- Regulation of Stock Exchanges
- Protection to the Investors

3. What is Demat account?

- A demat account holds all the shares that are purchased in electronic or dematerialized form.
- A demat account holds the certificates of financial instruments like shares, bonds, government securities, mutual funds and exchange traded funds (ETFs).

4. Mention the headquarters of SEBI.

- SEBI has its headquarters at the business district of Bandra Kurla Complex in Mumbai.
- Northern, Eastern, Southern and Western Regional Offices are in New Delhi, Kolkata, Chennai and Ahmedabad respectively.

5. What are the various ID proofs?

- PAN card, voter's ID, passport, driver's license, bank attestation, IT returns, electricity bill, telephone bill, ID cards with applicant's photo issued by the central or state government and its departments, statutory or regulatory authorities, etc..

CHAPTER- 9**1. Give the meaning of Human Resource.**

- Only those individuals who have the required skill sets, talents, knowledge, competencies and capabilities to accomplish both individual and organisational objectives are called as human resource.

2. What is Human Resource Management ?

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

3. State two features of HRM.

- Universally relevant :
- Goal oriented :
- systematic Approach.
- It is a continuous process.

4. Mention two characteristics of Human Resource.

- Human resource is the only factor of production that lives
- Human resource created all other resources
- Human resource exhibits innovation and creativity.
- Human Resource are movable and can work as a team.

5. List the functions of HRM

- **Managerial function** - Planning, Organising, Directing, Controlling.
- **Operative function** – Procurement, Development, Compensation, Retention, Integration, Maintenance.

CHAPTER-10

1. Give the 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.

2. What is promotion?

- Based on seniority and merits of the employees they are given opportunity to move up in the organisational hierarchy

3. State two benefits of internal source of recruitment.

- Reduce time to hire
- Cost less
- Continuity of operations
- Increased morale and retention

4. Mention any two features of campus recruitment.

- We can identify new talents
- It's a costless method of recruitment
- We can conduct interview for more number of candidates and select best one

5. List the benefits of external source of recruitment.

- **I) WIDER CHOICE** : External recruitment helps you to assess a pool of best or talented employees for the job you need to fill.
- **II) Fresh outlook** : External recruitment provides an opportunity for a fresh outlook on the industry that a company may need to stay competitive.

CHAPTER- 11

1. What is selection?

- Selection is the process of choosing the most suitable person for the vacant position in the organization.
- The main aim of selection process is to find out the suitable candidate for specific job.

2. What is an interview?

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

3. What is intelligence test?

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

4. What do you mean by test?

- Tests are conducted to ensure whether the candidate possess the necessary qualification to fit into various positions in the organization. (or)
- Test is a systematic and standardized procedure of sampling human behavior in order to obtain qualified applicants for organizational activities.
- It is used to assess the ability, aptitude and personality of prospective candidates.

5. What do you understand about bio data?

- Biodata is biographical data containing factual kinds of questions about life and work experiences, as well as items involving opinions, values, beliefs, and attitudes that reflect a historical perspective.”

6. What do you mean by placement?

- Placement is a process of assigning a specific job to each and every candidate selected.
- The process of placing the right man on the right job is called ‘Placement’.

CHAPTER-12**1. What is meant by training?**

- Training is the act of increasing / enhancing the new skill of problem solving activity and technical knowledge of an employee for doing the jobs them self. • Training enables the employees to guide their behaviour.

2. What is Mentoring training method?

- Mentoring is the process of sharing knowledge and experience of an employee.
- Mentoring is always done by senior person, it is also one-to-one interaction , like coaching.
- The focus in this training is on the development of attitude of trainees.

3. What is Role play?

- Under this method trainees are explained a situation.
- They have to act out the roles assigned to them without any rehearsal.
- Thus they have to assume role and play the role without any preparation.

4. State e-learning method?

- e-learning is training provided via a computer or other digital device, allowing technology to facilitate learning anytime, anywhere.
- E learning is also often referred to us online learning or web based training.
- E learning training courses can save money as costly seminars need not be arranged to improve employees skills.

CHAPTER-13**1. What is Market?**

- The word market is derived from the Latin word ‘Marcatus’ which means trade, commerce, merchandise, a place where business is transacted.
- The common usage of market means a place where goods are bought or sold.
- The meeting place of buyers and sellers in an area is called Market.

2. Define Marketer.

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

3. What is mean by Regulated Market?

These are types of markets which are organized, controlled and regulated by statutory measures.

Example: Stock Exchanges of Mumbai, Chennai, Kolkata etc.

4. Mention any four differences between Wholesale Market and Retail market?

Basis	Wholesale Market	Retail market
Connecting link between	Manufacturer and retailers	Wholesaler and customer
Competition	Less	Very high
Nature of products deals with	Limited products	Different products
Capital requirement	Huge	Little

5. What is meant by Commodity Market?

A commodity market is a place where produced goods or consumption goods are bought and sold. Commodity markets are sub-divided into:

- Produce Exchange Market
- Manufactured goods market
- Bullion Market

CHAPTER-14**1. Define Marketing Mix.**

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

2. Give any two internal factors affecting the price of product / service.

- Marketing Objectives
- Marketing Mix Strategy
- Organizational considerations
- Costs
- Organization Objectives

3. Define Product.

“A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”. - **Philip Kotler.**

CHAPTER-15

1. What is E business?

- Electronic business via, web, internet, intranets, extranets or some combination thereof to conduct business.
- If all the business transaction carried out through internet and other online tools is called E-business

2. What is green marketing?

- Green marketing involves developing and promoting products and services which satisfy customers' wants and needs for quality, performance, pricing and convenience – all without causing a detrimental impact on the environment.

3. What is service marketing?

- Service marketing is a specialized branch of marketing.
- The processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,

4. Define E-Marketing.

“E-Marketing is achieving marketing objectives through use of digital technologies like Internet, world wide web, email, wireless media, and management of digital customer data and electronic customer management systems.”

5. What is E-Tailing?

- Electronic retailing refers to selling of goods and services through a shopping internet to the ultimate consumer.
- E-tailing is a business to consumer (B2C) transaction model.
- E-tailing is also called online retailing

6. What is Social marketing?

- Social marketing is a new marketing tool.
- It is the systematic application of marketing philosophy and techniques to achieve specific behavioral goals which ensure social good.
- It helps to eradicate social evils that affect the society and quality of life