

**12<sup>th</sup>**  
**STD**

**PUBLIC EXAM - MAY - 2022**  
**COMMERCE (with Answers)**

Reg. No.

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TIME ALLOWED : 3.00 Hours]

PART - III

[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.

- Dividing the work into small tasks is known as:
  - Division of work
  - Discipline
  - Equity
  - Unity
- Stock Exchanges are \_\_\_\_\_.
  - Protection to Investors
  - Facilities for speculation
  - Ready Market
  - All of the above
- Human Resource Management is both \_\_\_\_\_.
  - Theory and Practice
  - Histor and Geography
  - Science and Art
  - None of the above
- Sale of Goods Act was passed in the year:
  - 1930
  - 1940
  - 1960
  - 1997
- There are \_\_\_\_\_ stock exchanges in the country.
  - 20
  - 21
  - 25
  - 24
- Which one of the market deals in the purchase and sale of shares and debentures?
  - Local market
  - Stock exchange market
  - Family market
  - Manufactured goods market
- Government securities are issued by agencies such as \_\_\_\_\_.
  - State Governments
  - Semi-Government authorities
  - Central Government
  - All of the above
- Which meeting will be held once in the lifetime of the company?
  - Extra-ordinary
  - Statutory
  - Class General
  - Annual General
- Negotiable Instrument is :
  - Transferable
  - Title of the holder is free from all defects
  - (a) and (b) are correct
  - (a) and (b) are wrong
- Entrepreneur is not classified as:
  - Employee
  - Risk Bearer
  - Organizer
  - Innovator
- The final aim of modern marketing is \_\_\_\_\_.
  - Consumer satisfaction
  - Maximum profit
  - Service to the society
  - Minimum profit
- Capital market is a market for:
  - Long-term finance
  - Short-term finance
  - Both short-term and medium term finance
  - Medium term finance
- Advertisement is a \_\_\_\_\_ source of recruitment.
  - agent
  - internal
  - outsourcing
  - external
- A private company shall have a minimum of \_\_\_\_\_ Directors.
  - 3
  - 7
  - 2
  - 5
- Who is supreme in the market?
  - Wholesaler
  - Customer
  - Retailer
  - Seller
- Management is what a \_\_\_\_\_ does.
  - Supervisor
  - Manager
  - Superior
  - Subordinate
- Which of the following is not a main function of management?
  - Organising
  - Decision-making
  - Staffing
  - Planning
- The process of eliminating unsuitable candidates is called \_\_\_\_\_.
  - Interview
  - Selection
  - Induction
  - Recruitment
- \_\_\_\_\_ is the result of New Industrial Policy which abolished the 'License System'.
  - Privatisation
  - Liberalisation
  - Globalisation
  - None of these

[1]

20. The term 'Consumerism' came into existence in the year \_\_\_\_\_.  
(a) 1954 (b) 1960 (c) 1958 (d) 1957

**PART - II**

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

21. What is management?  
22. What is stock exchange?  
23. Explain any two features of Human Resource Management.  
24. What is meant by Spot Market and Future Market?  
25. Give four examples of adulteration.  
26. What is privatisation?  
27. What is a contingent goods?  
28. List any two challenges faced by the women entrepreneurs.  
29. Give a note on 'Digital India'.  
30. List out the Key Managerial Personnel in a Company.

**PART - III**

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

31. Differentiate management from administration (any 3).  
32. What are the features of Treasury Bills?  
33. Explain stag type of speculator.  
34. What is meant by job portals?  
35. Write any three objectives of marketing.  
36. What do you understand by "Right to Redressal"?  
37. Write a short note on New Economic Policy.  
38. What is meant by existing goods?  
39. What is 'Startup India'?  
40. India Tech public company issued equity shares and preference shares. After some years the company went into liquidation. Which type of shareholder will get their share capital first? Explain.

**PART - IV**

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

41. (a) Explain any five main functions of management.  
(OR)  
(b) Explain the impact of LPG on Indian Economy.  
42. (a) Differentiate between money market and capital market (any 5).  
(OR)  
(b) Distinguish between conditions and warranty.  
43. (a) Explain any five functions of Stock Exchange.  
(OR)  
(b) Explain any five kinds of Debentures.  
44. (a) Explain any five external sources of Recruitment.  
(OR)  
(b) Mention any five responsibilities of consumers.

45. (a) Explain how traditional marketing differ from E-marketing.  
(OR)  
(b) Explain any five characteristics of an entrepreneur.  
46. (a) Explain any five roles of business in consumer protection.  
(OR)  
(b) Enumerate any five different kinds of Financial Market.  
47. (a) Explain the advantages and disadvantages of E-Marketing.  
(OR)  
(b) Explain any five principles of modern management.

**ANSWERS  
PART - I**

1. (a) Division of work  
2. (d) All of the above  
3. (c) Science and Art  
4. (a) 1930  
5. (d) 24  
6. (b) Stock exchange market  
7. (d) All of the above  
8. (b) Statutory  
9. (a) Transferable  
10. (a) Employee  
11. (a) Consumer satisfaction  
12. (a) Long-term finance  
13. (d) external  
14. (c) 2  
15. (b) Customer  
16. (b) Manager  
17. (b) Decision-making  
18. (b) Selection  
19. (b) Liberalisation  
20. (b) 1960

**PART - II**

21. Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organisation.  
22. Stock Exchange is an organised market for the purchase and sale of industrial and financial security. It is an organised market for buying and selling of corporate and other securities. It is also called as stock market or share market.  
23. The following are the characteristics of human resource management :  
(i) **Universally relevant** : Human Resource Management has universal relevance.  
(ii) **Goal oriented** : The accomplishment of organisational goals is made possible through best utilisation of human resource in an organisation.

24. **Spot Market :** In such markets, goods are exchanged and the physical delivery of goods takes place immediately.
- Future Market :** A Future market is an auction market in which participants buy and sell commodity and futures contracts for delivery on a specified future date.
25. (i) Mixing of stones with grains.  
(ii) Mixing of coconut oil with palmolein.  
(iii) Coffee powder is adulterated with tamarind seed.  
(iv) Chilli powder is adulterated with brick powder.
26. Privatization is the incidence or process of transferring ownership of a business enterprise, agency or public service from the government to the private sector.
27. (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.
28. (i) Problem of finance  
(ii) Limited mobility  
(iii) Lack of Education  
(iv) Lack of Network support
29. 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.
30. (i) The Chief Executive Officer  
(ii) The Managing Director or the Manager  
(iii) The Company Secretary  
(iv) The Whole - time Director  
(v) The Chief Financial officer; and  
(vi) Such other officer as may be prescribed.

**PART - III**

31.

	Basis	Management	Administration
1.	Meaning	An organised way of managing people and things of a business organisation is called management	The process of administering an organisation by a group of people is known as the administration
2.	Authority	Middle and lower level	Top level
3.	Concerned with	Policy implementation	Policy formulation

32. The treasury bills incorporate the following general features :
- (i) Issuer (ii) Finance Bills  
(iii) Liquidity (iv) Vital Source  
(v) Monetary Management
33. **Stag :**
- (a) A stag is cautious speculator in the stock exchange.  
(b) He applies for shares in new companies and expects to sell them at a premium, if he gets an allotment.  
(c) He selects those companies whose shares are in more demand and are likely to carry a premium.  
(d) He sells the shares before being called to pay the allotment money. He is called a premium hunter.
34. (i) A job portal is a website which helps in the recruitment process by bringing together both the employer and the job seeking candidate.  
(ii) The candidate will have to create his profile by uploading his resume which will be then viewed by the employer as and when there is any opening.  
(iii) It is a simplified process of job hunting.  
(iv) A job portal also known as a career portal is a modern name for an online job board that helps applicants find jobs and aids employers in their quest to locate ideal candidates.
35. **The following are the objectives of marketing :**
- (i) Intelligent and capable application of modern marketing policies.  
(ii) To develop the marketing field.  
(iii) To develop guiding policies and their implementation for a good result.
36. (i) The complaints and protests are not just to be heard; but the aggrieved party is to be granted compensation within a reasonable time period.  
(ii) There should be prompt settlement of complaints and claims lodged by the aggrieved customers.  
(iii) This will boost consumer confidence and help render justice to buyers.  
(iv) There should be fair and just settlement of deserving claims in a definite time frame.
37. (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. 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. The existing goods may be either :
- Specific Goods :** Specific goods denote goods identified and agreed upon at the time of contract of sale.
  - Ascertained Goods :** The term 'ascertained goods' is also used as similar in meaning to specific goods.
  - Unascertained or Generic Goods :** These are goods which are not identified and agreed upon at the time of contract of sale.
39. (i) Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- (ii) Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
- (iii) A 'Fund of Funds' has been created to help startups gain access to funding.
40. Section 42 of the Companies Act, 2013 the term 'preference shares' mean that part of the share capital the holders of which have a preferential right over payment of dividend (fixed amount or rate) and repayment of share capital in the event of winding up of the company.
- Hence, India Tech Public company will repay the preference share capital firstly on the time of liquidation.

#### PART - IV

41. (a) **Main functions :**
- Planning :**
    - Planning is the primary function of management.
    - Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal.
    - E.g. Writing a book starts with planning.
  - Organising :**
    - Organising is the process of establishing harmonious relationship among the members of an organisation.
    - Organising function work is assigned to employees who are given authority to carry out the work assigned and made accountable for it.
  - Staffing :**
    - Staffing function comprises the activities of selection and placement of competent personnel.
    - Staffing refers to placement of right persons in the right jobs.
  - Directing :**
    - Directing denotes motivating, leading, guiding and communicating with subordinates.

- Employees are kept informed of all necessary matters by circulars, instructions manuals, newsletters, notice-boards, meeting, participative mechanism, etc.

(v) **Motivating :**

- 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.
- The workers expect, favourable climate conditions to work, fair treatment, monetary or non-monetary incentive, effective communication and gentleman approach.

(OR)

(b) a) **Impact of Liberalization :**

- Liberalisation has opened up new business opportunities abroad and increased foreign direct investment.
- New market for various goods came into existence and resulted not only in urban but also in rural development.
- It became very easy to obtain loans from banks for business expansion.
- "Foreign Collaboration" is the latest outcome of liberalization.
- A number of multinational companies started operating world-wide including India.

b) **Impact of Privatization :**

- Privatization has a positive impact on the financial growth by decreasing the deficits and debts.
- Increase in the efficiency of government undertakings.
- Provide better goods and services to the consumers.
- Making way for Foreign Direct Investment (FDI)

c) **Impact of Globalization**

- Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
- Multinational corporations (MNCs) can manufacture, buy and sell goods worldwide.
- Globalisation has led to a boom in consumer products market.
- The advent of foreign companies and growth in economy has led to job creation.
- Globalisation has touched every aspect of agriculture like technological advancement, improved production techniques and quality based enhancement.



42. (a)

No	Features	Money Market	Capital Market
1.	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.
2.	Deals with Instruments	It deals with instruments like commercial bills (bills of exchange, treasury bill, commercial papers, etc.)	It deals with instruments like shares, debentures and Government bonds, etc.
3.	Money value	Each single money market instrument is of large amount. Each certificate of deposits or commercial paper is for minimum of ₹ 5 lakhs.	Each single capital market instrument is of small amount. Each share value is ₹ 10. Each debenture value is ₹ 100.
4.	Role of major institutions	The central bank and commercial banks are the major institutions in the money market.	Development banks and Insurance companies play a dominant role in the capital market.
5.	Liquidity	High liquidity in Money Market	Low liquidity in Capital Market

(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.

43. (a) The various functions of stock exchange are as follows:

(i) **Ready and continuous market :**

- Stock exchange is 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.

(ii) **Correct evaluation of securities :**

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

(iii) **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.

(iv) **Proper channalisation of capital :**

- People like to invest in the shares of such companies which yield good profits.

(b) The savings of individuals are directed towards promising companies which declare good dividends over a period of time.

(v) **Aid to capital formation :**

(a) The publicity which the stock exchange gives to various industrial securities and their prices.

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

(OR)

(b) (i) **Non Convertible Debentures (NCD):** These instruments retain the debt character and cannot be converted into equity shares.

(ii) **Partly Convertible Debentures (PCD):** A part of these instruments are converted into Equity shares in the future at notice of the issuer. The issuer decides the ratio for conversion. This is normally decided at the time of subscription.

(iii) **Fully convertible Debentures (FCD):** These are fully convertible into Equity shares at the issuer's notice. The ratio of conversion is decided by the issuer. Upon conversion the investors enjoy the same status as ordinary shareholders of the company.

(iv) **Optionally Convertible Debentures (OCD):** The investor has the option to either convert these debentures into shares at a price decided by the issuer/agreed upon at the time of issue.

(v) **Secured Debentures:** These instruments are secured by a charge on the fixed assets of the issuer company. So if the issuer fails on payment of either the principal or interest amount, such fixed assets can be sold to repay the liability to the investors.

44. (a) **External Sources of Recruitment :**

(i) **Advertisements** – The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation specifying the nature of work, nature of vacancy, qualification and experience required, salary offered, mode of applying and the time limit within which the candidate has to apply.

(ii) **Walk-ins**– Walk-in applicants with suitable qualification and requirement can be another source of requirement.

(iii) **Campus Recruitment** – The organisations visit the educational institutions to identify and recruit suitable candidates.

(iv) **Recruitment at Factory gate** – Usually casual or temporary unskilled employees are recruited by this way. They are recruited at factory gate and paid on hourly or daily basis.

(v) **Rival firms** – This is also called poaching where the efficient employees of rival companies are drawn to the organisations by higher pay and benefits. For example Salesmen, Chartered Accountants, Management professionals etc.

(OR)

(b) The responsibilities of consumer are listed below ;

(i) The consumer must pay the price of the goods according to the terms and conditions of the sales contract.

(ii) The consumer has got a responsibility to apply to the seller for the delivery of the goods.

(iii) The consumer has to bear any loss which may arise to the seller when the consumer delays taking delivery of the goods as per the terms of contract.

(iv) The consumer is bound to pay any interest and special damages caused to the seller in case if there is delay in the payment.

(v) The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.

(vi) The consumer has the responsibility to express unambiguously to the seller of his requirements and expectations from the product.

45. (a)

S. No.	E-Marketing	Traditional Marketing
1.	Electronic marketing or E-marketing is the process of marketing of products and services over internet and tele networks.	Goods and services are directly purchased and sold in the market is known as traditional marketing.
2.	It is very economical and faster way to promote the products	It is very expensive and takes more time to promote product
3.	It is quite easier for promoting product globally in the short time	It is very expensive and time consuming to promote product/ service under traditional marketing
4.	E-Business enterprises can expand their operation with minimum man power	It needs more man power
5.	In this marketing product can be sold or bought 24×7, round the year with minimum manpower	That is not possible in traditional marketing

(OR)

**(b) Characteristics of an entrepreneur:**

- (i) **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.
- (ii) **Self Confidence** : Entrepreneur should have a self confidence in order to achieve high goals in the business. The negativities like inconvenience, discomfort, disappointments, rejections, frustrations and so on should not weaken his steely resolve to make the venture a grand success.
- (iii) **Flexibility** : Entrepreneur should not doggedly stick to decisions in a rigid fashion. Entrepreneur should change the decisions made already in the light of ever-changing business environment.
- (iv) **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, adding new features to the existing product, uncovering a new territory for business, innovating new raw material etc.
- (v) **Resource Mobilisation** : Entrepreneur should have the capability to mobilise both tangible inputs like manpower, money materials, technology, market, method etc. Which are scattered over a wide area and certain intangible inputs like motivation, morale and innovativeness cannot be purchased in the market outright.
46. (a) (i) **Avoidance of Price Hike** : Business enterprises should desist from hiking the price in the context of acute shortage of goods /articles.
- (ii) **Avoidance of Hoarding** : Business enterprises should allow the business to flow normally. It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.
- (iii) **Guarantees for Good Quality** : Business enterprises should not give false warranty for the products. It should ensure supply of good quality.
- (iv) **Product Information** : Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc.

- (v) **Truth in advertising** : Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

(OR)

- (b) Financial markets can be classified in different ways. They are as follows :

**(i) On the Basis of Type of Financial Claim :**

- (a) **Debt Market** : Debt market is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, corporate Debentures or Bonds).
- (b) **Equity Market** : Equity market is the financial market for trading in Equity Shares of Companies.

**(ii) On the Basis of Maturity of Financial Claim:**

- (a) **Money Market** : Money market is the market for short term financial claim (usually one year or less) Example: Treasury Bills, Commercial Paper, Certificates of Deposit.
- (b) **Capital Market** : Capital market is the market for long term financial claim more than a year Example : Shares and Debentures.

**(iii) On the Basis of Time of Issue of Financial Claim:**

- (a) **Primary Market** : Primary market is a term used to include all the institutions that are involved in the sale of securities for the first time by the issuers (companies). Here the money from investors goes directly to the issuers.
- (b) **Secondary Market** : Secondary market is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

**(iv) On the Basis of Timing of Delivery of Financial Claim**

- (a) **Cash/Spot Market** : Cash or Sport market is a market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed immediately.
- (b) **Forward or Futures Market** : Forward or futures market is a market where the delivery of asset and payment of cash takes place at a pre-determined time in future.

**(v) On the Basis of the Organizational Structure of the Financial Market :**

- (a) **Exchange Traded Market :** Exchange traded market is a centralized organization (stock exchange) with standardized procedures.
- (b) **Over-the-Counter Market :** Over – the – counter market is a decentralized market (outside the stock exchange) with customized procedures.

**47. (a) Advantages of E-Marketing :**

- (i) Any Time market: E - Marketing provides 24 hours and 7 days “24/7” service to its users. So consumer can shop or order the product anytime from anywhere.
- (ii) Direct contact of end consumer by the manufacturers cuts down the substantially intermediation cost. Thus products bought through e-marketing become cheaper.
- (iii) Customer can buy whatever they want/ need just by browsing the various sites.

**Disadvantages of E-Marketing :**

- (i) High Cost for E- marketing which requires a strong online advertising campaign for a which company has to spend large amount.
- (ii) It is not suitable for small size business and also deters customers from buying who lives on long distances.

- (iii) While the number of customers are continuously growing, companies hardly update the information on website.
- (iv) Many buyers are suspicious about the security of the internet.

**(OR)**

- (b) Henry Fayol is the father of modern management. The following are the major principles of modern management are,

- (i) **Division of work :** According to this principle the whole work is divided into small tasks. The specialization of the workforce according to the skills of a person, creating specific personal and professional development within the labour force and therefore increasing productivity.
- (ii) **Authority and Responsibility :** Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.
- (iii) **Discipline :** It is obedience, proper conduct in relation to others, respect of authority, etc. It is essential for the smooth functioning of all organisations.
- (iv) **Unity of command :** This principle states that each subordinate should receive orders and be accountable to one and only one superior.
- (v) **Unity of direction :** All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.

