

**CHOOSE THE BEST ANSWER (ONE MARK)****Chapter -1 PRINCIPLES OF MANAGEMENT**

1. Management is what a \_\_\_\_\_ does?  
a) **Manager** b) Subordinate c) Supervisor d) Superior
2. Management is an \_\_\_\_\_  
a) Art b) Science c) **Art and Science** d) Art or Science
3. Scientific management is developed by  
a) Fayol b) **Taylor** c) Mayo d) Jacob 1
4. Dividing the work into small tasks is known as  
a) Discipline b) Unity c) **Division of work** d) Equity
5. With a wider span, there will be \_\_\_\_\_ hierarchical levels.  
a) More b) **Less** c) Multiple d) Additional

**Chapter -2 FUNCTIONS OF MANAGEMENT**

1. Which is the primary function of management?  
a) Innovating b) Controlling c) **Planning** d) Decision-making
2. Which of the following is not a main function?  
a) **Decision-making** b) Planning c) Organising d) Staffing
3. \_\_\_\_\_ is included in every managerial function.  
a) **Co-ordinating** b) Controlling c) Staffing d) Organising
4. Which of the following is verification function?  
a) Planning b) Organising c) Staffing d) **Controlling**
5. The goals are achieved with the help of \_\_\_\_  
a) **Motivation** b) Controlling c) Planning d) Staffing

**Chapter -3 MANAGEMENT BY OBJECTIVES (MBO)  
MANAGEMENT BY EXCEPTION (MBE)**

1. \_\_\_\_\_ System gives full Scope to the Individual Strength and Responsibility.  
a) **MBO** b) MBE c) MBM d) MBA
2. Which is the First step in Process of MBO?  
a) Fixing Key Result Area b) Appraisal of Activities  
c) Matching Resources with Activities d) **Defining Organisational Objectives**
3. \_\_\_\_\_ keeps Management Alert to Opportunities and Threats by Identifying Critical Problems.  
a) MBA b) **MBE** c) MBM d) MBO
4. Delegation of Authority is Easily Done with the Help of \_\_\_\_\_.  
a) MBM b) MBE c) **MBO** d) MBA
5. MBO is popularised in the USA by \_\_\_\_\_.  
a) Prof. Reddin b) **George Odiorne** c) Henry Fayol d) F.W Taylor

**Chapter -4 INTRODUCTION TO FINANCIAL MARKETS**

1. Financial market facilitates business firms  
a) **To rise funds** b) To recruit workers c) To make more sales d) To minimize fund requirement
2. Capital market is a market for  
a) Short Term Finance b) Medium Term Finance  
c) **Long Term Finance** d) Both Short Term and Medium-Term Finance
3. Primary market is also called as  
a) Secondary market b) Money market c) **New Issue Market** d) Indirect Market
4. Spot Market is a market where the delivery of the financial instrument and payment of cash occurs  
a) **Immediately** b) In the future c) Uncertain d) After one month
5. 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**

**Chapter -5 CAPITAL MARKET**

- Capital market do not provide  
a) **Short term Funds** b) Debenture Funds c) Equity Funds d) Long term Funds
- When the NSEI was established  
a) 1990 b) **1992** c) 1998 d) 1997
- Primary market is a Market where securities are traded in the  
a) **First Time** b) Second Time c) Three Time d) Several Times
- Participants in the Capital Market includes  
a) Individuals b) Corporate c) Financial Institutions d) **All of the above**
- The \_\_\_\_\_ was set up by a premier financial institution to allow the trading of securities across the electronic counter throughout the country.  
a) **OTCEI** b) Factoring c) Mutual Funds d) Venture Funds Institutions

**Chapter -6 MONEY MARKET**

- The money invested in the call money market provides high liquidity with \_\_\_\_\_.  
a) **Low Profitability** b) High Profitability c) Limited Profitability d) Medium Profitability
- A major player in the money market is the \_\_\_\_\_.  
a) **Commercial Bank** b) Reserve Bank of India c) State Bank of India d) Central Bank.
- Debt Instruments are issued by Corporate Houses are raising short-term financial resources from the money market are called \_\_\_\_\_.  
a) Treasury Bills b) **Commercial Paper** c) Certificate of Deposit d) Government Securities
- The market for buying and selling of Commercial Bills of Exchange is known as a \_\_\_\_\_.  
a) Commercial Paper Market b) Treasury Bill Market  
c) **Commercial Bill Market** d) Capital Market
- A marketable document of title to a time deposit for a specified period may be referred to as a \_\_\_\_\_.  
a) Treasury Bill b) **Certificate of Deposit** c) Commercial Bill d) Government. Securities

**Chapter -7 STOCK EXCHANGE**

- \_\_\_\_\_ is the oldest stock exchange in the world.  
a) London Stock Exchange b) Bombay Stock Exchange  
c) National Stock Exchange d) **Amsterdam Stock Exchange**
- There are \_\_\_\_\_ stock exchange in the country.  
a) 21 b) **24** c) 20 d) 25
- Jobbers transact in a stock exchange  
a) For their clients b) **For their Own Transactions** c) For other Brokers d) For other Members
- A pessimistic speculator is  
a) Stag b) **Bear** c) Bull d) Lame Duck
- An optimistic speculator is  
a) **Bull** b) Bear c) Stag d) Lame duck

**Chapter -8 SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)**

- Securities Exchange Board of India was first established in the year \_\_\_\_\_.  
a) **1988** b) 1992 c) 1995 d) 1998
- The headquarters of SEBI is \_\_\_\_\_.  
a) Calcutta b) **Bombay** c) Chennai d) Delhi
- Registering and controlling the functioning of collective investment schemes as \_\_\_\_\_.  
a) **Mutual Funds** b) Listing c) Rematerialisation d) Dematerialization
- SEBI is empowered by the Finance ministry to nominate \_\_\_\_\_ members on the Governing body of every stock exchange.  
a) 5 b) **3** c) 6 d) 7
- Trading in dematerialized shares commenced on the NSE is \_\_\_\_\_.  
a) January 1996 b) June 1998 c) **December 1996** d) December 1998

**Chapter- 9 FUNDAMENTALS OF HUMANRESOURCE MANAGEMENT**

- Human resource is a \_\_\_\_\_ asset.  
a) Tangible    **b) Intangible**    c) Fixed    d) Current
- Human Resource management is both \_\_\_\_\_ and \_\_\_\_\_ .  
**a) Science and art** b) Theory and practice c) History and Geography d) None of the above
- Planning is a \_\_\_\_\_ function.  
a) selective    **b) pervasive**    c) both a and b    d) none of the above
- Human resource management determines the \_\_\_\_\_ relationship.  
a) internal, external    **b) employer, employee**    c) Owner, Servant    d) Principle, Agent
- Labour turnover is the rate at which employees \_\_\_\_\_ the organisation  
a) enter    **b) leave**    c) Salary    d) None of the above

**Chapter- 10 RECRUITMENT METHODS**

- Recruitment is the process of identifying \_\_\_\_\_.  
**a) right man for right job**    b) good performer    c) Right job    d) All of the above
- 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
- Advertisement is a \_\_\_\_\_ source of recruitment  
a) internal    **b) external**    c) agent    d) outsourcing
- Transfer is an \_\_\_\_\_ source of recruitment.  
**a) internal**    b) external    c) outsourcing    d) None of the above
- E-recruitment is possible only through \_\_\_\_\_ facility.  
a) Computer    **b) internet**    c) Broadband    d) 4G

**Chapter- 11 EMPLOYEE SELECTION PROCESS**

- The recruitment and Selection Process aimed at right kind of people.  
a) At right people    b) At right time    c) To do right things    **d) All of the above**
- Selection is usually considered as a \_\_\_\_\_ process  
a) Positive    **b) Negative**    c) Natural    d) None of these
- Which of the following test is used to measure the various characteristics of the candidate?  
a) physical Test    **b) Psychological Test**    c) attitude Test    d) Proficiency tests
- The process of eliminating unsuitable candidate is called  
**a) Selection**    b) Recruitment    c) Interview    d) Induction
- Job first man next is one of the principles of \_\_\_\_\_.  
**a) Test**    b) Interview    c) Training    d) placement

**Chapter- 12 EMPLOYEE TRAINING METHOD**

- Off the Job training is given  
a) In the class room    b) On off days    **c) Outside the factory**    d) In the playground
- Improves Skill Levels of employees to ensure better job performance  
**a) Training**    b) Selection    c) Recruitment    d) Performance appraisal
- When trainees are trained by supervisor or by superior at the job is called  
a) Vestibule training    b) Refresher training    c) Role play    **d) Apprenticeship training**
- \_\_\_\_\_ is useful to prevent skill obsolescence of employees  
**a) Training**    b) Job analysis    c) Selection    d) Recruitment
- Training methods can be classified into \_\_\_\_\_ and \_\_\_\_\_ training.  
a) Job rotation and Job enrichment    **b) On the Job and Off the Job**  
c) Job analysis and Job design    d) Physical and mental

**Chapter- 13 CONCEPT OF MARKET AND MARKETER**

- One who promotes (or) Exchange of goods or services for money is called as  
a) Seller      **b) Marketer**      c) Customer      d) Manager
- The marketer initially wants to know in the marketing is .  
a) Qualification of the customer      b) Quality of the product  
c) Background of the customers      **d) Needs of the customers**
- The Spot market is classified on the basis of .  
a) Commodity      **b) Transaction**      c) Regulation      d) Time
- Which one of the market deals in the purchase and sale of shares and debentures?  
**a) Stock Exchange Market**      b) Manufactured Goods Market      c) Local Market      d) Family Market
- Stock Exchange Market is also called \_\_\_\_\_  
a) Spot Market      b) Local Market      **c) Security Market**      d) National Market

**Chapter- 14 MARKETING AND MARKETING MIX**

- The initial stage of Marketing system is \_\_\_\_\_  
a) Monopoly system      b) Exchange to Money      **c) Barter system**      d) Self producing
- Who is supreme in the Market?  
**a) Customer**      b) Seller      c) Wholesaler      d) Retailer
- In the following variables which one is not the variable of marketing mix?  
a) Place Variable      b) Product Variable      **c) Program Variable**      d) Price Variable
- Marketing mix means a marketing program that is offered by a firm to its target \_\_\_\_\_ to earn profit through satisfaction of their wants.  
a) Wholesaler      b) Retailer      **c) Consumer**      d) Seller
- Which one is the example of Intangible product?  
**a) Education**      b) Mobiles      c) Garments      d) Vehicles

**Chapter- 15 RECENT TRENDS IN MARKETING**

- Selling goods/ services through internet is  
a) Green marketing      **b) E- business**      c) Social marketing      d) Meta marketing
- Which is gateway to internet?  
a) Portal      b) CPU      **c) Modem**      d) Webnaire
- Social marketing deals with:  
a) Society      **b) Social Class**      c) Social change      d) Social evil
- Effective use of social media marketing increase conversion rates of \_\_\_\_\_.  
**a) Customer to buyers**      b) Retailer to customers  
c) One buyer to another buyer's      d) Direct contact of marketer
- Pure play retailers are called  
a) Market creators      **b) Transaction brokers**      c) Merchants      d) Agents

**Chapter- 16 CONSUMERISM**

- The term 'consumerism' came into existence in the year \_\_\_\_\_.  
**a) 1960**      b) 1957      c) 1954      d) 1958
- Who is the father of Consumer Movement?  
a) Mahatma Gandhi      b) Mr. Jhon F. Kennedy      **c) Ralph Nader**      d) Jawaharlal Nehru
- Sale of Goods Act was passed in the year?  
a) 1962      b) 1972      **c) 1930**      d) 1985
- The Consumer Protection Act came into force with effect from  
a) 1.1.1986      b) 1.4.1986      **c) 15.4.1987**      d) 15.4.1990
- \_\_\_\_\_ of every year is declared as a Consumer Protection Day to educate the public about their rights and responsibilities.  
a) August 15      b) April 15      **c) March 15**      d) September 15

**Chapter- 17 RIGHTS, DUTIES & RESPONSIBILITIES OF CONSUMER**

- The final aim of modern marketing is \_\_\_\_\_.  
a) Maximum profit      b) Minimum profit      c) **Consumer satisfaction**      d) Service to the society
- \_\_\_\_\_ is the king of modern marketing.  
a) **Consumer**      b) Wholesaler      c) Producer      d) Retailer
- As the consumer is having the rights, they are also having \_\_\_\_\_.  
a) Measures      b) Promotion      c) **Responsibilities**      d) Duties
- 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
- It is the responsibility of a consumer that he must obtain \_\_\_\_\_ as a proof for the purchase of goods.  
a. **Cash receipt**      b. Warranty card      c. Invoice      d. All of these

**Chapter- 18 GRIEVANCE REDRESSAL MECHANISM**

- The Chairman of the National Consumer Disputes Redressal Council is \_\_\_\_\_.  
a) **Serving or Retired Judge of the Supreme Court of India.**      b) Prime Minister  
c) President of India      d) None of the above
- The Chairman of the State Consumer Protection Council is \_\_\_\_\_.  
a) **Judge of a High Court**      b) Chief Minister      c) Finance Minister      d) None of the above
- The Chairman of the District Forum is \_\_\_\_\_.  
a) **District Judge**      b) High Court Judge      c) Supreme Court Judge      d) None of the above
- The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed  
a) `2 lakhs but does not exceed `5 lakhs      b) **`20 lakhs but does not exceed `1 crore**  
c) `3 lakhs but does not exceed `5 lakhs      d) `4 lakhs but does not exceed `20 lakhs
- The International Organisation of Consumers Unions (IOCU) was first established in  
a) **1960**      b) 1965      c) 1967      d) 1987

**Chapter- 19 ENVIRONMENTAL FACTORS**

- VUCA stands for \_\_\_\_, \_\_\_\_, \_\_\_\_, \_\_\_\_\_.  
a) **Volatility, Uncertainty, Complexity and Ambiguity**  
b) Value, Unavoidable, Company and Authority  
c) Volatility, Uncontrollable, Company and Auction      d) All of the above
- GST stands for \_\_\_\_, \_\_\_\_, \_\_\_\_\_.  
a) Goods and Social Tax      b) **Goods and Service Tax**  
c) Goods and Sales Tax      d) Goods and Salary Tax
- Factors within an organisation constitute \_\_\_\_\_ environment.  
a) **Internal Thinker**      b) External Thinker      c) Fellow human beings      d) All of the above
- Macro Environment of business is an \_\_\_\_\_ factor.  
a) **Uncontrollable**      b) Controllable      c) Manageable      d) Immanageable
- The two major types of business environment are \_\_\_\_\_ and \_\_\_\_\_.  
a) Positive and Negative      b) **Internal and External**      c) Good and Bad      d) Allowable and Unallowable

**Chapter- 20 LIBERALIZATION, PRIVATIZATION AND GLOBALISATION**

- \_\_\_\_\_ is the result of New Industrial Policy which abolished the 'License System'.  
a) Globalisation      b) Privatisation      c) **Liberalisation**      d) None of these
- \_\_\_\_\_ means permitting the private sector to set up industries which were previously reserved for public sector.  
a) Liberalisation      b) **Privatisation**      c) Globalisation      d) Public Enterprise
- \_\_\_\_\_ ownership makes bold management decisions due to their strong foundation in the international level.  
a) **Private**      b) Public      c) Corporate      d) MNC's

4. \_\_\_\_\_ results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour.  
 a) Privatisation      b) Liberalisation      c) **Globalisation**      d) Foreign Trade
5. New Economic Policy was introduced in the year \_\_\_\_\_.  
 a) 1980      b) **1991**      c) 2013      d) 2015

#### Chapter- 21 THE SALE OF GOODS ACT 1930

1. Sale of Goods Act was passed in the year  
 a) 1940      b) 1997      c) **1930**      d) 1960
2. Which of the below constitutes the essential element of contract of sale?  
 a) Two parties      b) Transfer of property      c) Price      d) **All of the above**
3. Which of the below is not a good?  
 a) Stocks      b) **Dividend due**      c) Crops      d) Water
4. In case of the sale, the \_\_\_\_ has the right to sell  
 a) Buyer      b) **Seller**      c) Hirer      d) Consignee
5. The property in the goods means the  
 a) Possession of goods      b) Custody of goods      c) **Ownership of goods**      d) Both (a) and (b)

#### Chapter- 22 THE NEGOTIABLE INSTRUMENTS ACT 1881

1. Negotiable Instrument Act was passed in the year \_\_\_\_\_.  
 a) 1981      b) **1881**      c) 1994      d) 1818
2. Number of parties in a bill of exchange are  
 a) 2      b) 6      c) **3**      d) 4
3. Section 6 of Negotiable Instruments Act 1881 deals with  
 a) Promissory Note      b) Bills of exchange      c) **Cheque**      d) None of the above
4. \_\_\_\_\_ cannot be a bearer instrument.  
 a) Cheque      b) **Promissory Note**      c) Bills of exchange      d) None of the above
5. A cheque will become stale after \_\_\_\_\_ months of its date:  
 a) **3**      b) 4      c) 5      d) 1

#### Chapter- 23 ELEMENTS OF ENTREPRENEURSHIP

1. Which of the below is a factor of production?  
 a) Land      b) Labour      c) Entrepreneurship      d) **All of the above**
2. Entrepreneur is not classified as  
 a) Risk Bearer      b) Innovator      c) **Employee**      d) Organizer
3. What are the characteristics of an entrepreneur?  
 a) Spirit of enterprise      b) Flexibility      c) Self Confidence      d) **All of the above**
4. Which of the below is not classified into managerial functions?  
 a) Planning      b) **Marketing**      c) Organizing      d) Controlling
5. Which of the below is a commercial function?  
 a) **Accounting**      b) Coordination      c) Discovery of idea      d) Planning

#### Chapter- 24 TYPES OF ENTREPRENEURS

1. Which of the following is the Activity of a Business Entrepreneur?  
 a) Production      b) Marketing      c) Operation      d) **All of the above**
2. Find the odd one out in context of Trading Entrepreneur.  
 a) Selling      b) Commission      c) Buying      d) **Manufacturing**
3. Corporate Entrepreneur is also called as \_\_\_\_\_.  
 a) Intrapreneur      b) **Promoter**      c) Manager      d) Shareholder
4. Which of these is based on Technology?  
 a) Modern      b) **Professional**      c) corporate      d) Industrial
5. Which of the below is not a Characteristic of a Fabian Entrepreneur?  
 a) Conservative      b) Risk averse      c) Sceptical      d) **Adaptive**

**Chapter- 25 GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT**

- The \_\_\_\_\_ initiative was launched to modernize the Indian economy to make all government services available electronically.
  - Stand-up India
  - Start-up India
  - Digital India**
  - Make in India
- \_\_\_\_\_ is designed to transform India into a global design and manufacturing hub.
  - Digital India
  - Make in India**
  - Start-up India
  - Design India.
- \_\_\_\_\_ is the Government of India's endeavour to promote culture of innovation and entrepreneurship.
  - AIM**
  - STEP
  - SEED
  - AIC
- \_\_\_\_\_ should cover aspects like sources of finance, technical know-how, source of labour and raw material, market potential and profitability.
  - Technical Report
  - Finance Report
  - Project Report**
  - Progress Report
- \_\_\_\_\_ has to include the mechanism for managing venture in the project report.
  - Banker
  - Government
  - Lending Institutions
  - Entrepreneur**

**Chapter- 26 COMPANIES ACT 2013**

- The Company will have to issue the notice of situation of Registered Office to the Registrar of Companies within \_\_\_\_\_ days from the date of incorporation.
  - 14 days
  - 21 days
  - 30 Days**
  - 60 Days
- How does a person who envisages the idea to form a company called?
  - Director
  - Company Secretary
  - Registrar
  - Promoter**
- Which of the following types of shares are issued by a company to raise capital from the existing shareholders?
  - Equity Shares
  - Rights Shares**
  - Preference Shares
  - Bonus Shares
- The shares which are offered to the existing shareholder at free of cost is known as \_\_\_\_\_.
  - Bonus Share**
  - Equity Share
  - Right Share
  - Preference Share
- The shares which are offered first to the existing shareholder at reduced price is known as \_\_\_\_\_.
  - Bonus Share
  - Equity Share
  - Right Share**
  - Preference Share

**Chapter- 27 COMPANY OF MANAGEMENT**

- A person shall hold office as a director in \_\_\_\_\_ companies as per the Companies Act, 2013.
  - 5 companies
  - 10 companies
  - 20 companies**
  - 15 companies
- A Private Company shall have a minimum of \_\_\_\_\_.
  - Seven directors
  - Five directors
  - Three directors
  - Two directors**
- A Public Company having a paid-up Share Capital of Rs. \_\_\_\_\_ or more may have a director, elected by such small shareholders.
  - One crore
  - Three crores
  - Five crores**
  - Seven crores
- What is the status of Directors who regulate money of the company.
  - Banker
  - Holder
  - Agent
  - Trustees**
- According to Companies Act, the Directors must be appointed by the.
  - Central Government
  - Company Law Tribunal
  - Company in General Meeting**
  - Board of Directors.

**Chapter- 28 COMPANY SECRETARY**

- Mention the status of a Company Secretary in a company.
  - A member
  - A director
  - An independent
  - An employee contractor**
- Who can become a secretary for a company?
  - Individual person**
  - Partnership firm
  - Co-operative societies
  - Trade unions
- Which meeting will be held only once in the life time of the company?
  - Statutory**
  - Annual General
  - Extra - ordinary
  - Class General
- Who is not entitled to speak at the annual general meeting of the company.
  - Auditor
  - Shareholder
  - Proxy**
  - Directors

5. From the date of its incorporation the First Annual General Meeting is to be conducted within \_\_\_\_\_ months.

- a) Twelve      b) Fifteen      c) **Eighteen**      d) Twenty-one

## Chapter -1 PRINCIPLES OF MANAGEMENT

### VERY SHORT ANSWER QUESTIONS (TWO MARK)

#### 1. What is Management?

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

#### 2. List out the management tools?

1. Accounting 2. Business law 3. Psychology 4. Statistics 5. Econometrics 6. Data processing

#### 3. State the meaning of Authority?

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

#### 4. What do you mean by Span of management?

Span of Management refers to the number of subordinates who can be managed efficiently by a superior.

### SHORT ANSWER QUESTIONS (THREE MARK)

#### 1. Define the term management.

“Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.”— **Peter F. Drucker**

#### 2. Differentiate management from Administration. (any 3)

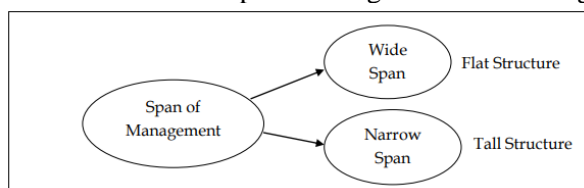
Basis For Comparison	Management	Administration
Role	Executive	Decisive
Authority	Middle and lower level	Top level
Key person	Manager	Administrator
Concerned with	Policy implementation	Policy formulation

#### 3. What are the principles of Taylor?

- ❖ Science, Not Rule of Thumb
- ❖ Harmony, Not Discord
- ❖ Mental Revolution
- ❖ Cooperation, Not Individualism
- ❖ Development of each and every person to his or her greatest efficiency and prosperity.

#### 4. What determines the span of management?

1. Influences the complexities of the individual manager 's job
2. Determine the shape or configuration of the Organization





**LONG ANSWER QUESTIONS (FIVE MARK)****1. Explain the concept of management. (any 5)****i) Body of Knowledge**

Management has now developed into a specialised body of management theory and philosophy. Management literature is growing in all countries.

**ii) Management Tools**

Accounting, Business Law, Psychology, Statistics, Econometrics, Data Processing.

**iii) Separate Discipline**

Management studies in many universities and institutions of higher learning are recognised as a separate discipline. Since 1951, many specialised schools of management offering master's degree in business management and administration.

**iv) Specialisation**

There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional areas of management.

**v) Code of Conduct**

Enlightened businessmen have recognised that business management is a social institution and it has social responsibilities to be fulfilled — towards customers, employees, and the public or community. Corporations have now social conscience and awareness.

**vi) Professional Association**

The Business Management Associations in many countries to promote the spread of knowledge in all management areas and to build up the bright public image of managerial profession.

**2. Explain the principles of modern management. (any 5)****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 organizations.

**iv) Unity of Command**

This principle states that each subordinate should receive orders and be accountable to one and only one superior. If an employee receives orders from more than one superior, it is likely to create confusion and conflict.

**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.

**vi) Order**

Social order ensures the fluid operation of a company through authoritative procedure. Material order ensures safety and efficiency in the workplace. Order should be acceptable and under the rules of the company.

## Chapter -2 FUNCTIONS OF MANAGEMENT

### VERY SHORT ANSWER QUESTIONS (TWO MARK)

#### 1. Write a short note about Planning.

Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal. Planning is the primary function of management.

#### 2. What is meant by Motivation?

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.

#### 3. List the subsidiary functions of management?

1. Innovation 2. Representation 3. Decision-making 4. Communication

#### 4. What is the Traditional proverb used in planning?

“Think before you Act”, “Look before you Leap.”

### SHORT ANSWER QUESTIONS (THREE MARK)

#### 1. List out the main functions of management?

i) Planning      ii) Organising      iii) Staffing      iv) Directing

#### 2. State the importance of staffing.

- Staffing refers to placement of right persons in the right job.
- It comprises the activities of selection and placement of competent personnel.
- The success of any enterprises depends upon the staffing functions.

#### 3. How the employees are informed about important matters in a company?

- Employees are kept informed of all necessary matters.
- By Circulars, Instructions manuals, Newsletters, Notice boards, Meetings, etc.
- In order to enable the employees to accomplish the organizational goals.

### LONG ANSWER QUESTIONS (FIVE MARK)

#### 1. Explain the various functions of management. (any 5)

##### i) Planning

‘Think Before you Act’ or ‘Look Before you Leap’ are some of the usual traditional proverbs; which provide a basis or logic for planning. Planning is the primary function of management.

##### 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) 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.

##### iv) Innovation

Innovation refers to the preparation of personnel and organisation to face the changes made in the business world. Continuous changes are being made in the business.

##### v) Decision-making

Every employee of an organisation has to take a number of decisions every day. Decisionmaking helps in the smooth functioning of an organisation.

##### vi) Communication

Communication is the transmission of human thoughts, views or opinions from one person to another person.

**Chapter -3 MANAGEMENT BY OBJECTIVES (MBO)**  
**MANAGEMENT BY EXCEPTION (MBE)**

**VERY SHORT ANSWERS (TWO MARK)**

**1. What are the objectives of MBO?**

- ❖ To measure and judge performance
- ❖ To relate individual performance to organisational goals
- ❖ To stimulate the subordinates' motivation

**2. Bring out the meaning of MBE.**

Management by exception is a style of business management that focuses on identifying and handling cases that deviate from the norm.

**3. Mention any two advantages of MBO?**

- ❖ Delegation of authority is easily done with the help of MBO.
- ❖ The responsibility of a worker is fixed through MBO.

**4. What is known as KRA?**

Key result areas are fixed on the basis of organisational objectives premises. KRA indicates the strength of an organisation.

**SHORT ANSWERS (THREE MARK)**

**1. Write the features of MBO.**

- MBO tries to combine the long run goals of organisation with short run goals.
- Management tries to relate the organisation goals with society goals.
- MBO's emphasis is not only on goals but also on effective performance.

**2. What are the Process of MBE?**

- MBE is necessary to set objectives or norms with Predictable or Estimated results.
- These performances are assessed and equated to the actual performance.
- The deviation gets analysed.
- With an insignificant or no deviation, no action is required.
- If the actual performance deviates significantly, the issue needs to be passed to the senior managers, as an exception has occurred.
- Finally, the aim is to solve this "exception" immediately.

**3. List out any three process of MBO.**

- Defining Organisational Objectives
- Goals of Each Section
- Fixing Key Result Areas
- Matching Resources with Objectives
- Periodical Review Meeting Activities
- Appraisal of Activities

**LONG ANSWER QUESTIONS (FIVE MARK)**

**1. What are the major advantages of MBO? (any 5)**

- MBO process helps the managers to understand their role in the total organisation.
- Manager recognises the need for planning and appreciates the planning.
- MBO provides a foundation for participative management. Sub-ordinates are also involved in goal setting.
- Systematic evaluation of performance is made with the help of MBO.
- MBO gives the criteria of performance. It helps to take corrective action.
- Delegation of authority is easily done with the help of MBO.
- MBO motivates the workers by job enrichment and makes the jobs meaningful.

**2. What are the advantages of MBE? (any 5)**

- i) It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates.
- ii) It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy.
- iii) It facilitates delegation of authority. Top management concentrates on strategic decisions and operational decisions are left to the lower levels. There is increase in span of control. This leads to motivation and development of subordinates.
- iv) It is a technique of separating important information from unimportant one. It forces managers to review past history and study related business data for identifying deviations. There is better use of knowledge of trends, history and available business data.
- v) MBE keeps management alert to opportunities and threats by identifying critical problems. It can avoid uninformed and impulsive action.
- vi) Management by exception provides better yardsticks for judging results. It is helpful in objective performance appraisal.

**3. Discuss the disadvantages of MBE.**

- i) The main disadvantage of MBE is, only managers have the power over really important decisions, which can be demotivating for employees at a lower level.
- ii) Furthermore, it takes time to pass the issues to managers. Managing employees who deviate from the normal procedures. Because of compliance failures are considered difficult to manage and typically find themselves with limited job duties and ultimately dismissed/terminated.

**Chapter -4 INTRODUCTION TO FINANCIAL MARKETS****VERY SHORT ANSWERS (TWO MARK)****1. What are the components of organized sectors?**

1.Regulators 2. FinancialInstitutions 3. Financial Markets 4. FinancialServices.

**2. What is Spot Market?**

Cash/Spot Market is a marketwhere the delivery of the financialinstrument and payment of cashoccurs immediately.

**3. What is Debt Market?**

Debt Market is the financial marketfor trading in Debt Instruments.  
Ex: Government Bonds or Securities,Corporate Debentures or Bonds.

**4. How is price decided in a Secondary Market?**

The Prices are decided in a secondary market by demand and supply force. Through the mechanism called Price Discovery Processes.

**SHORT ANSWERS (THREE MARK)****1. Give the meaning of Financial Market.**

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

**2. Write a note on Secondary Market.**

Secondary Market is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

**3. Bring out the scope of Financial Market in India.**

- It provides financial assistance to individual, agricultural section, industrial and service sectors, etc.
- Through the financial market, the institutions get their short term as well as long term financial assistance.
- It leads to the overall economic development.

**LONG ANSWER QUESTIONS****1. Distinguish between New issue market and Secondary Market. (any 5)**

Basis For Comparison	New Issue Market	Secondary Market
Meaning	The market place for new shares is called primary market. (Initial Issues Market)	The place where formerly issued securities are traded is known as Secondary Market. (Resale Market)
Buying	Direct	Indirect
sold	Only once	Multiple times
Buying and selling between	Company and Investors	Investors
Gained person	Company	Investors
Intermediary	Underwriters	Brokers

**2. Enumerate the different types of Financial Markets. (any 5)****a. On the Basis of Type of Financial Claim**

(i) Debt Market is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)

(ii) Equity Market is the financial market for trading in Equity Shares of Companies.

**b. On the Basis of Maturity of Financial Claim**

(i) Money Market is the market for short term financial claim (usually one year or less) E.g. Treasury Bills, Commercial Paper, Certificates of Deposit

(ii) Capital Market is the market for long term financial claim more than a year E.g. Shares, Debentures

**c. On the Basis of Time of Issue of Financial Claim**

(i) 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.

(ii) Secondary Market is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

**d. On the Basis of Timing of Delivery of Financial Claim**

(i) Cash/Spot Market is a market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed immediately.

(ii) Forward or Futures Market is a market where the delivery of asset and payment of cash takes place at a pre-determined time frame in future.

**e. On the Basis of the Organizational Structure of the Financial Market**

(i) Exchange Traded Market is a centralized organization (stock exchange) with standardized procedures.

(ii) Over-the-Counter Market is a decentralized market (outside the stock exchange) with customized procedures. The above classification is not rigid. One market may come under more than one category.

**3. Discuss the role of Financial Market.****(i) Savings Mobilization**

Obtaining funds from the savers or 'surplus' units such as household individuals, business firms, public sector units, Government is an important role played by financial markets.

**(ii) Investment**

Financial market plays a key role in arranging the investment of funds thus collected, in those units which are in need of the same.

**(iii) National Growth**

Financial markets contribute to a nation's growth by ensuring an unfettered flow of surplus funds to deficit units. Flow of funds for productive purposes is also made possible. It leads to overall economic growth.

**(iv) Entrepreneurship Growth**

Financial markets contribute to the development of the entrepreneurial class by making available the necessary financial resources.

**(v) Industrial Development**

The different components of financial markets help an accelerated growth of industrial and economic development of a country and thus contributing to raising the standard of living and the society's well-being.

## Chapter -5 CAPITAL MARKET

### VERY SHORT ANSWERS (TWO MARK)

**1. What is Capital Market?**

"A market for borrowing and lending of long-term capital funds required by business enterprises". Capital market offers an ideal source of external finance.

**2. Write a note on OTCEI.**

Over the Counter Exchange of India. The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counter throughout the country.

**3. Who are the participants in a Capital Market?**

1. Individuals. 2. Corporate sectors. 3. Government 4. Banks 5. financial institutions.

**4. How is price determined in a Capital Market?**

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

### SHORT ANSWERS (THREE MARK)

**1. What are the various kinds of Capital Market? Explain (any 3)****i) Primary Market**

Primary market is a market for new issues or new financial claims. Hence, it is also called New Issue Market. The primary market deals with those securities which are issued to the public for the first time.

**ii) Secondary Market**

Secondary Market may be defined as the market for old securities, in the sense that securities which are previously issued in the primary market are traded here.

**2. Explain any two functions of Capital Market.**

- Savings and Capital Formation
- Permanent Capital
- Industrial Growth
- Ready and Continuous Market

**3. Explain about Factoring and Venture Capital Institutions.****i) Factoring Institutions**

"Factoring" is an arrangement whereby a financial institution provides financial accommodation on the basis of assignment/ sale of account receivables. The factoring institutions collect the book debts for and on behalf of its clients.

**ii) Venture Fund Institutions**

Venture capital financing is a form of equity financing designed especially for funding new and innovative project ideas. Venture capital funds bring into force the HI technology projects which

areconverted into commercial production. Many specialized financial institutions have promoted their own venture capital funds.

### **LONG ANSWERS (FIVE MARK)**

#### **1. Discuss the 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. It has its impact in the overall economy, wherever suppliers and users of capital get together and do business.

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

Capital market provides a transaction platform for long term financial assets.

#### **2. Briefly explain the functions of Capital Market. (any 5)**

##### **(i) Savings and Capital Formation**

In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.). The twin features of reasonable return and liquidity in stock exchange are definite incentives to the people to invest in securities. This accelerates the capital formation in the country.

##### **(ii) Permanent Capital**

The existence of a capital market/stock exchange enables companies to raise permanent capital. The investors cannot commit their funds for a permanent period but companies require funds permanently.

##### **(iii) Industrial Growth**

The stock exchange is a central market through which resources are transferred to the industrial sector of the economy. The existence of such an institution encourages people to invest in productive channels.

##### **(iv) Reliable Guide to Performance**

The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency.

##### **(v) Foreign Capital**

Capital markets makes possible to generate foreign capital. Indian firms are able to generate capital funds from overseas markets by way of bonds and other securities.

##### **(vi) Easy Liquidity**

With the help of secondary market investors can sell off their holdings and convert them into liquid cash. Commercial banks also allow investors to withdraw their deposits, as and when they are in need of funds.

#### **3. Explain the various types of New Financial Institutions. (any 5)**

##### **(i) Venture Fund Institutions**

Venture capital financing is a form of equity financing designed especially for funding new and innovative project ideas. Venture capital funds bring into force the hitechnology projects which are converted into commercial production.

##### **(ii) Mutual Funds**

Financial institutions that provide facilities for channelling savings of small investors into avenues of productive investments are called 'Mutual Funds'.

**(iii) Factoring Institutions**

“Factoring” is an arrangement whereby a financial institution provides financial accommodation on the basis of assignment/ sale of account receivables. The factoring institutions collect the book debts for and on behalf of its clients.

**(iv) Over the Counter Exchange of India (OTCEI)**

The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.

**(v) National Stock Exchange of India Limited (NSEI)**

NSEI was established in 1992 to function as a model stock exchange. The Exchange aims at providing the advantage of nationwide electronic screen based “scripless” and “floorless” trading system in securities.

## Chapter -6 MONEY MARKET

### VERY SHORT ANSWER (TWO MARK)

**1. What is a CD market?**

Certificate Deposit market is a market where buying and selling of certificate deposits is known as “CD market”.

**2. What is Government Securities Market?**

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

**3. What do you mean by 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’.

**4. What do you mean by Switching?**

The purchase of one security against the sale of another security carried out by the RBI in the secondary market as part of its open market operations is described as ‘Switching’.

### SHORT ANSWER (THREE MARK)

**1. What are the features of Treasury Bills? (any 3)**

- ❖ Issuer
- ❖ Finance Bills
- ❖ Liquidity
- ❖ Vital Source
- ❖ Monetary Management

**2. Who are the participants of Money Market? (any 3)**

- ❖ Private and Public Banks
- ❖ Mutual Funds Institutions
- ❖ Insurance Companies
- ❖ RBI and SBI
- ❖ State Governments
- ❖ Public

**3. Explain the types of Treasury Bills? (any 3)**

On the basis of periodicity, Treasury Bills may be classified into three. They are:

- 1) 91 days Treasury Bills
- 2) 182 days Treasury Bills and
- 3) 364 days Treasury Bills



**4. What are the types of Commercial Bill? (any 3)**

- ❖ Demand Bills
- ❖ Clean bills and documentary Bills
- ❖ Inland bills and Foreign Bills
- ❖ Indigenous Bills
- ❖ Accommodation Bills

**LONG ANSWER (FIVE MARK)****1. Differentiate between the Money Market and Capital Market. (any 5)**

S.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.	Place of Transaction	Transactions mostly take place over the phone and there is no formal place.	Transactions take place at a formal place. Eg. stock exchange.
3.	Risk	Low credit and market risk.	High credit and market risk
4.	Liquidity	High liquidity in Money Market	Low liquidity in Capital Market
5.	Regulator	Central Bank is the Regulator of Money Market.	Besides Central Bank, Special regulatory authority like SEBI, etc.
6.	Underwriting	Underwriting is not a primary function.	It is a primary function.

**2. Explain the characteristics of Money Market? (any 5)****i) Short-term Funds**

It is a market purely for short-term funds or financial assets called near money.

**ii) Maturity Period**

It deals with financial assets having a maturity period upto one year only.

**iii) Conversion of Cash**

It deals with only those assets which can be converted into cash readily without loss and with minimum transaction cost.

**iv) Existence of Secondary Market**

There should be an active secondary market for these instruments.

**v) Demand and Supply of Funds**

There should be a large demand and supply of short-term funds. It presupposes the existence of a large domestic and foreign trade.

**vi) Wholesale Market**

It is a wholesale market and the volume of funds or financial assets traded in the market is very large.

**vii) Flexibility**

Due to greater flexibility in the regulatory framework, there are constant endeavours for introducing new instruments.

**3. What are the characteristics of Government Securities? (any 5)****i) Agencies**

Government securities are issued by agencies such as Central Government, State Governments, semi-government authorities like local Government authorities, e.g. municipalities, autonomous institution such as metropolitan authorities, port trusts etc.,

**ii) RBI Special Role**

RBI takes a special and an active role in the purchase and sale of these securities as part of its monetary management exercise.

**iii) Nature of Securities**

Securities offer a safe avenue of investment through guaranteed payment of interest and repayment of principal by the Government.

**iv) Participants**

The participants in Government securities market include the Government sector comprising Central and State Governments whose holdings represent governmental transfer of resources.

**v) Switching**

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

**vi) 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'.

## Chapter -7 STOCK EXCHANGE

### VERY SHORT ANSWER (TWO MARK)

**1. What is meant Stock Exchange?**

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

**2. Write any 5 Stock Exchanges in India.**

1. The Bombay Stock Exchange 2. Bangalore Stock Exchange Ltd. 3. The Madras Stock Exchange Ltd. 4. The Hyderabad Stock Exchange Ltd. 5. The Jaipur Stock Exchange Ltd.

**3. What is meant by Remisier?**

- ❖ He acts as an Agent of a member of a Stock Exchange.
- ❖ He obtains business for his principal.
- ❖ For that service he gets commission.

**4. Who is called a Broker?**

- ❖ Brokers are commission Agents, who act as an intermediary between Buyers and Sellers of Securities.
- ❖ They do not purchase or sell securities on their behalf.
- ❖ They bring together the buyers and sellers and help them in making a deal.

**5. What are the types of Speculator?**

1. Bull – Tejiwala 2. Bear – Mandiwala 3. Stag - Premium hunter 4. Lame Duck

### SHORT ANSWER (THREE MARK)

**1. What are the limitations of Stock exchange? (any 3)**

- ❖ Lack of uniformity and control of stock exchanges.
- ❖ Absence of restriction on the membership of stock exchanges.
- ❖ Failure to control unhealthy speculation.
- ❖ Allowing more than one charge in the place.

**2. Explain Bull and Bear.****i) Bull**

A Bull or Tejiwala is an operator who expects a rise in prices of securities in the future. In anticipation of price rise he makes purchases of shares at present and other securities with the intention to sell at higher prices in future. He is an optimistic speculator.

**ii) 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. A bear does not have securities at present but sells them at higher prices in anticipation that he will supply them by purchasing at lower prices in future. A bear is a pessimistic speculator.

**3. Explain Stag and Lame Duck.****i) Stag**

A stag is a cautious speculator in the stock exchange. He applies for shares in new companies and expects to sell them at a premium, if he gets an allotment. He selects those companies whose shares are in more demand and are likely to carry a premium. He sells the shares before being called to pay the allotment money. He is also called a premium hunter.

**ii) Lame Duck**

When a bear finds it difficult to full fill his commitment, he is said to be struggling like a lame duck. A bear speculator contracts to sell securities at a later date. On the appointed time he is not able to get the securities as the holders are not willing to part with them. In such situations, he feels concerned. Moreover, the buyer is not willing to carry over the transactions.

**LONG ANSWER (FIVE MARK)****1. Explain the functions of Stock Exchange. (Any 5)****i) 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.

**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.

**iv). Aid to Capital Formation**

The publicity which the stock exchange gives to various industrial securities and their prices and the facilities provided by it for their purchase and sale induce people to save and invest. Stock exchanges thus ensure a steady flow of capital into industry and assists industrial development.

**v) Facilities for Speculation**

Speculation is an integral part of stock exchange operations. As a result of speculation, demand for and supply of securities are equalized. Similarly, price movements are rendered smoothly.

**vi) Seasoning of Securities**

Speculators and underwriters hold for a temporary period, securities issued by new companies. They unlock them when the market is prepared to absorb the new issues.

**2. Explain the features of Stock Exchange. (Any 5)****i) Market for Securities**

Stock exchange is a market, where securities of corporate bodies, government and semi-government bodies are bought and sold.

**ii) Deals in Second Hand Securities**

It deals with shares, debentures bonds and such securities already issued by the companies. In short, it deals with existing or second hand securities and hence it is called secondary market.

**iii) Regulates Trade in Securities**

Stock exchange does not buy or sell any securities on its own account. It merely provides the necessary infrastructure and facilities for trade in securities to its members and brokers who trade in securities. It regulates the trade activities so as to ensure free and fair trade.

**iv) Allows Dealings only in Listed Securities**

In fact, stock exchanges maintain an official list of securities that could be purchased and sold on its floor. Securities which do not figure in the official list of stock exchange are called unlisted securities.

**v) Transactions Effected only through Members**

All the transactions in securities at the stock exchange are effected only through its authorised brokers and members. Outsiders or direct investors are not allowed to enter in the trading circles of the stock exchange.

**vi) Association of Persons**

A stock exchange is an association of persons or body of individuals which may be registered or unregistered.

**vii) Recognition from Central Government**

Stock exchange is an organised market. It requires recognition from the Central Government.

**3. Distinguish between Stock Exchange and Commodity Exchange (any 5).**

Feature	Stock Exchange	Commodity Exchange
Meaning	Stock Exchange is an organized market for the purchase and sale of industrial and financial security.	A commodity exchange is an exchange where commodities are traded. Ex-metals, energy, agriculture
Function	Providing easy marketability	Offering hedging or price insurance services and liquidity to securities.
Participants	Investors and Speculators	Producers, dealers, traders and a body of speculators.
Object	Object is facilitating capital formation and making best use of capital resources	Object is facilitating goods flow through risk reduction
Forward	contract Forward dealings are simplified as securities are fully standardized	Standards are to be fixed for deliverable grades to facilitate futures contract
Price	Quotation As regards forward dealings, only one quotation is possible	For future dealings, multiple quotations are possible

**Chapter -8 SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)****VERY SHORT ANSWER (TWO MARK)****1. Write a short notes on SEBI.**

Securities and exchange Board of India (SEBI) was first established in the year 1988 as a non-statutory body for regulating the securities market. It was made as an autonomous body by The Government of India on 12 May 1992 and given statutory powers in 1992.

**2. Write any two objectives of SEBI.**

1. Regulation of Stock Exchanges 2. Protection to the Investors 3. Control over Brokers

**3. Mention the headquarters of SEBI.**

SEBI has its headquarters at the business district of Bandra Kurla Complex in Mumbai, Regional offices- New Delhi, Kolkata, Chennai Ahmedabad.

**4. What are the various ID proofs?**

1. PAN Card 2. Voter's ID 3. Passport 4. Driver's License 5. Bank Attestation.

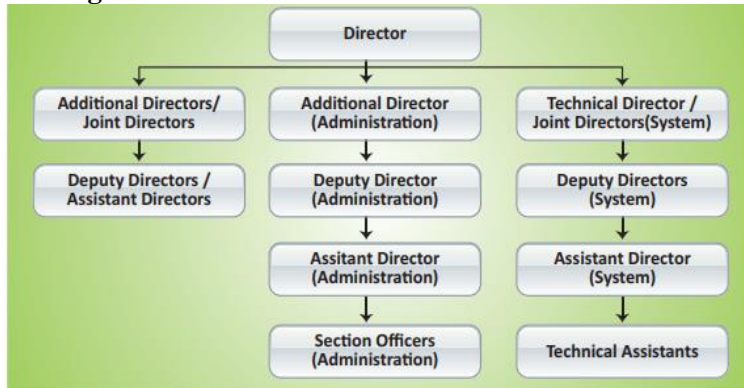
**SHORT ANSWER (THREE MARK)****1. What is meant by Dematerialization?**

Dematerialization is the process by which physical share certificates of an investor are taken back by the company/registrar and destroyed. Then an equivalent number of securities in the electronic form are credited to the investors account with his Depository Participant.

## 2. What are the documents required for a Demat account?

- i) Ration card    ii) VOTER ID    iii) passport size photograph    iv) PAN card  
v) Pass port    vi) Bank pass book

## 3. Draw the organization structure of SEBI.



### LONG ANSWER (FIVE MARK)

#### 1. What are the functions of SEBI? (any 5)

- i) Safeguarding the interests of investors by means of adequate education and guidance.
- ii) Regulating and controlling the business on stock markets
- iii) Conduct inspection and inquiries of stock exchanges, intermediaries and self-regulating organizations and to take appropriate measures wherever required.
- iv) Barring insider trading in securities.
- v) SEBI issues Guidelines and Instructions to businesses concerning capital issues.
- vi) Levying fee or any other type of charges to carry out the purpose of the Act.
- vii) Performing functions that may be assigned to it by the Central Government of India.

#### 2. Explain the powers of SEBI. (any 5)

##### i) Powers Relating to Stock Exchanges & Intermediaries

SEBI has wide powers regarding the stock exchanges and intermediaries dealing in securities.

##### ii) Power to Impose Monetary Penalties

SEBI has been empowered to impose monetary penalties on capital market intermediaries and other participants for a range of violations. It can even impose suspension of their registration for a short period.

##### iii) Power to Initiate Actions in Functions Assigned

SEBI has a power to initiate actions in regard to functions assigned. For example, it can issue guidelines to different intermediaries or can introduce specific rules for the protection of interests of investors.

##### iv) Power to Regulate Insider Trading

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

##### v) Powers Under Securities Contracts Act

For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13 September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI. SEBI is also empowered by the Finance Ministry to nominate three members on the Governing Body of every stock exchange.

##### vi) 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.

## Chapter- 9 FUNDAMENTALS OF HUMANRESOURCE MANAGEMENT

### VERY SHORT ANSWER (TWO MARK)

#### 1. What is Human Resource Management?

The branch of management that deals with managing human resource is known as Human Resource Management. In order to achieve the personal and organisational objectives human resources are to be trained up and managed.

#### 2. State two features of HRM.

1. Universally relevant. 2. Goal oriented. 3. A systematic approach. 4. It is intangible

#### 3. Mention two characteristics of Human Resource.

- ❖ Human resource is the only factor of production that lives.
- ❖ Human resource created all other resources
- ❖ Human resources are emotional beings.

#### 4. What are the managerial functions of HRM.

1. Planning 2. Organising 3. Directing 4. Controlling

### SHORT ANSWER (THREE MARK)

#### 1. Define the term Human Resource Management.

HRM as that part of management process which is primarily concerned with the human constituents of an organisation. -E.F.L.Brech

#### 2. What are the characteristics of Human resources? (Any 3)

- ❖ Human resource is the only factor of production that lives
- ❖ Human resource created all other resources
- ❖ Human resources are movable
- ❖ Human resource can work as a team

#### 3. What is the significance of Human resource? (any 3)

- ❖ It is only through human resource all other resources are effectively used
- ❖ Industrial relations depend on human resource
- ❖ Human relations is possible only through human resource
- ❖ Human resource manages all other factors of production

### LONG ANSWER (FIVE MARK)

#### 1. Explain the characteristics of Human Resource (any 5).

- ❖ Human resource is the only factor of production that lives
- ❖ Human resource created all other resources
- ❖ Human resource alone can think, act, analyse and interpret
- ❖ Human resources are emotional beings
- ❖ Over years human resources gains value and appreciates
- ❖ Human resources are movable
- ❖ Human resource can work as a team

#### 2. Describe the significance of Human Resource Management (any 5).

##### i) To identify manpower needs:

Determination of manpower needs in an organisation is very important as it is a form of investment.

##### ii) To incorporate change:

Change is constant in any organisation and this change has to be introduced in such a way that the human resource management acts as an agent to make the change effective.

**iii) To select right man for right job:**

Human resource management ensures the right talent available for the right job, so that no employee is either under qualified or over qualified.

**iv) To update the skill and knowledge:**

Managing human resource plays a significant role in the process of employee skill and knowledge enhancement to enable the employees to remain up to date through training and development programmes.

**v) To improve competitive advantage:**

Organisations with capable and competent employees can truly gain competitive advantage in the globalised market.

**vi) To determine employee commitment:**

Human resource management determines the level of commitment of employees to their work either through interview or questionnaire.

**3. Discuss the 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 those activities that aim to bring about reconciliation between personal interest and organisational interest

**vi. Maintenance**

This encourages employees to work with job satisfaction, reducing labour turnover, accounting for human resource and carrying out audit and research.

**Chapter- 10 RECRUITMENT METHODS****VERY SHORT ANSWER (TWO MARK)****1. Give the meaning of Recruitment.**

Recruitment is the process of finding suitable candidates for the various posts in an organisation.

**2. What is promotion?**

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

**3. Write any two internal sources of recruitment.**

1. Transfer, 2. Upgrading, 3. Promotion, 4. Demotion.

**4. What is meant by Poaching?**

Organisations instead of training and developing their own employees hire employees of other competitive companies by paying them more both financial and non-financial benefits. It is also called raiding.

**SHORT ANSWER (THREE MARK)****1. What is meant by unsolicited applicants?**

These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations.

**2. What is meant by job portals?**

Using internet job portals organisations can screen for the prospective candidates and fill up their vacancies. Ex- Naukri. Times Jobs. Indeed.

**3. State the steps in Recruitment process outsourcing.**

i) Requirement Understanding, ii) Adverse & Source, iii) Screening, iv) Validation, v) Profile submission vi) Interview Process & Feedback vii) Selection & Follow-up

**LONG ANSWER (FIVE MARK)****1. Explain the Internal sources of Recruitment (any 5).****i) Transfer**

The simplest way by which an employee requirement can be filled is through transfer of employee from one department with surplus staff to that of another with deficit staff.

**ii) Upgrading**

Performance appraisal helps in the process of moving employees from a lower position to a higher position

**iii) Promotion**

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

**iv) Recommendation by existing Employees**

A family member, relative or friend of an existing employee can be recruited and placed

**v) Job rotation**

One single employee managing to learn how to perform in more than one job on rotation.

**vi) Dependants**

The legal heir or the dependent employee may be given a chance to replace the deceased.

**2. Explain the External sources of Recruitment (any 5).****A. Direct****i) Unsolicited applicants**

These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations.

**ii) Walkins**

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.

**B. Indirect****i) Deputation**

A person who is already an employee of an organisation can be deputed for a specific job for a specified period as a short-term solution.

**ii) Word of mouth**

The information relating to job seekers is collected through people of repute who pass on the message about the vacancy to their known people.

**iii) Labour Contractors**

Organisations recruit unskilled and manual labourers through these contractors.



**3. What is the Recent trends in Recruitment?****A) Outsourcing**

There are outsourcing firms that help in the process of recruiting through screening of applications and finding the right person for the job for which job they are paid service charges.

**Recruitment Process Outsourcing**

- i) Requirement Understanding.
- ii) Adverse & Source,
- iii) Screening.
- iv) Validation.
- v) Profile submission
- vi) Interview Process & Feedback
- vii) Selection & Follow-up

**B) Poaching**

Organisations instead of training and developing their own employees hire employees of other competitive companies by paying them more both financial and non-financial benefits. It is also called raiding.

**Chapter – 11 EMPLOYEE SELECTION PROCESS****VERY SHORT ANSWER (TWO MARK)****1. What is selection?**

. Selection is the process of choosing the most suitable person for the vacant position in the organization.

**2. What is an interview?**

interview represents a face-to-face interaction between the interviewer and interviewee. According to Scott and others “an interview is a purpose full exchange of ideas, the answering of questions and communication between two or more persons.”

**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.

**4. What do you mean by placement?**

The process of placing the right man on the right job is called ‘Placement’.

**SHORT ANSWER (THREE MARK)****1. What is stress interview?**

This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed. Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.

**2. What is structured interview?**

Under this method, a series of question to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview.

**3. Name the types of selection test?**

Selection Test	
Ability Test	Personality Test
1. Aptitude test	1. Interest Test
2. Achievement Test	2. Personality Inventory Test
3. Intelligence Test	3. Projective Test
4. Judgment Test	4. Attitude Test

**4. What do you mean by achievement test?**

This test measures a candidate's capacity to achieve in a particular field. In other words, this test measures a candidate's level of skill in certain areas, accomplishment and knowledge in a particular subject. It is also called proficiency test.

Ex: - Music student may be asked to play a given instrument.

**LONG ANSWER (FIVE MARK)****1. Briefly explain the various types of tests. (any 5)****A) Ability Test****i) Aptitude test**

Aptitude test is a test to measure suitability of the candidates for the post/ role. It actually measures whether the candidate possess a set of skills required to perform a given job.

**ii) Achievement Test**

This test measures a candidate's capacity to achieve in a particular field. In other words this test measures a candidate's level of skill in certain areas, accomplishment and knowledge in a particular subject.

**iii) 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.

**B) Personality Test****i) Interest Test**

Interest test measures a candidate's extent of interest in a particular area chosen by him/ her so that organization can assign the job suited to his/her in term.

**ii) Personality Inventory Test**

Under this method standardised questionnaire is administered to the candidate to find out traits like interpersonal rapport, dominance, introvertness, extravert Ness, self-confidence, lower sign quality etc.

**iii) Attitude Test**

This test measures candidate's tendencies towards the people, situation, action and related things. Ex- morale study, values study.

**2. Explain the important methods of interview (any 5)****i) Screening Interview**

Where the candidates live far away from organization and find it difficult to attend preliminary interview for various reasons, telephone interview is conducted by some organization to eliminate unfit and unsuitable candidate at the preliminary stage itself.

**ii) In depth Interview**

This interview is conducted to test the level of knowledge of the interviewee in a particular field intensively and extensively.

**iii) Preliminary Interview**

This interview is conducted to know the general suitability of the candidates who have applied for the job.

**iv) Stress Interview**

This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed. Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.

**v) Structure Interview**

Under this method, a series of question to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview.

**vi) Online Interview**

Due to tremendous growth in information and communication technology, these days interviews are conducted by means of internet via Skype, Wechat, Google duo, Viber, Whatsapp or Video chat applications.

**3. Differentiate Recruitment and Selection. (any 5)**

S. No	Basis	Recruitment	Selection
1.	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.
2.	Approach	Approach under recruitment is positive one.	Approach under selection is negative one.
3.	Sequence	First	Second
4.	Method	It is an economical method	It is an expensive method
5.	Process	Recruitment process is very simple	Selection process is very complex and complicated
6.	Time	Requires less time since it merely involves just identifying vacancies and advertising them. Hence less time is required	It is more consuming as each and every candidate has to be tested on various aspects before selecting the candidates. Hence more time is required

**Chapter -12 EMPLOYEE TRAINING METHOD****VERY SHORT ANSWER (TWO MARK)****1. What is meant by training?**

Training is the act of increasing the Knowledge and skills of an employee for doing particular jobs”.

**2. What is Mentoring training method?**

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

**3. What is Role play?**

Under this method trainees are explained the situation and assigned roles. They have to act out the roles assigned to them without any rehearsal. There are no pre-prepared dialogues. Thus, they have to assume role and play the role without any preparation. For example, the role of customer and salesman, management and union leader, foreman and worker etc.

**4. State e-learning method?**

E learning is the use of technological process to access of a traditional classroom or office. E learning is also often referred to us online learning or web-based training.

**SHORT ANSWER (THREE MARK)****1. What is vestibule training?**

Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose. This type of training is given to avoid any damage or loss to machinery in the actual place by trainees and avoid disturbing the normal workflow in the actual workplace. It is given to Drivers, Pilots, Space Scientists etc.,

**2. What do you mean by on-the-job Training?**

On the job training refers to the training which is given to the employee at the work place by his immediate supervisor. In other words the employee learns the job in the actual work environment. It is based on the principle of "Learning by Doing and Learning While Earning"

**3. Write down various steps in a training programme.**

- ❖ Whom to Train?
- ❖ Who is the Trainee?
- ❖ Who are Trainers?
- ❖ What Method will be used for Training?
- ❖ What should be Level the Training?
- ❖ Where to Conduct the Training Programme?

**4. Write short note on trainer and trainee.****A) Trainer**

Trainer is a person who teaches skills to employee and prepare them for a job activity. Trainers may be supervisor, co-workers, HR staffs, specialists

**B) Trainee**

A person who is learning and practising the skills of particular job is called trainee. Trainees should be selected on the basis of self-interest and recommendation by the supervisor or by the human resource department itself.

**LONG ANSWER (FIVE MARK)****1. Discuss various types of training. (any 5)****A) On the Job Training****i) Coaching Method**

In the coaching method of training, the superior teaches or guides the new employee about the knowledge and skills relevant to a given job. In this method superior plays the role of coach or guide and an instructor.

**ii) Mentoring method**

Mentoring is the process of sharing knowledge and experience of an employee. The focus in this training is on the development of attitude of trainees. It is mostly used for managerial employees.

**iii) Job Rotation Method**

Job rotation is an important method for broadening the knowledge of executives. Under this method a trainee is periodically shifted from one work to another work and from one department / division to another department / division for a particular period of time. The main aim of job rotation is to expose the employee to various inter related jobs.

**B) Off the Job Training****i) Lecture Method**

Under this method trainees are educated about concepts, theories, principles and application of knowledge in any particular area. Trainer may be generally drawn from Colleges, Universities, Consultancies, Institutions, Manufacturing concern, Union etc.,

**ii) Group Discussion Method**

Group of people participate and discuss particular subject or one topic. Under this method participants are divided into various groups. They were provided a particular issue for deliberation.

**iii) Case Study Method**

Trainees are described a situation which stimulate their interest to find solution. They have to use their theoretical knowledge and practical knowledge to find solution to the problem presented. There is no single solution to the problem.

**2. What are the difference between on-the-job training and off the job training? (any 5)**

Basis of comparison	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.
Deals with	Training is very relevant and practical dealing with day –to –day requirement of job	It can more easily deal with groups of workers at the same time.

**3. Explain the benefits of training. (2 points from each heading)****i) Benefits to the Organization**

- ❖ It reduces wastages of materials and idle time
- ❖ It exposes employees to latest trends.
- ❖ It minimizes the time for supervision.

**ii) Benefits to the Employees**

- ❖ It adds to the knowledge skill and competency of employee
- ❖ It enables him to gain promotion or achieve career advancement in quick time.
- ❖ It improves the employee's productivity

**iii) Benefits of Customer**

- ❖ Customers get better quality of product/ service.
- ❖ Customers get innovative products or value added or feature rich products.

**Chapter -13 CONCEPT OF MARKET AND MARKETER****VERY SHORT ANSWER (TWO MARK)****1. What is Market?**

“Market includes both place and region in which buyers and sellers are in free competition with one another.”

**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 organised, controlled and regulated by statutory measures. Example: Stock Exchanges of Mumbai, Chennai, Kolkata etc.

**4. What is meant by Spot Market?**

In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

**5. What is meant by Commodity Market?**

A commodity market is a place where produced goods or consumption goods are bought and sold.

**SHORT ANSWER (THREE MARK)****1. What can be marketed in the Market? (any 3)**

- i) Goods ii) Services iii) Experiences iv) Events v) Persons vi) Places

**2. Mention any three Role of Marketer?**

- ❖ Instigator
- ❖ Innovator
- ❖ Integrator
- ❖ Implementer

**3. Explain the types of market on the basis of time.**

- ❖ Very Short Period Market
- ❖ Short Period Market
- ❖ Long Period Market

**LONG ANSWER (FIVE MARK)****1. How the market can be classified? (any 5)****i) On the Basis of Geographical Area****a. Family Market:**

When exchange of goods or services are confined within a family or close members of the family, such a market can be 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.

**ii) On the Basis of Commodities/Capital****a) Produce Exchange Market:**

It is an organised market where commodities or agricultural produce are bought and sold on wholesale basis. Generally, it deals with a single commodity.

**b) Money Market:**

It is a type of market where short-term securities are exchanged. It provides short term and very short-term finance to industries, banks, governments agencies and financial intermediates.

**iii) On the Basis of Transaction****a) Spot Market:**

In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

**b) Future Market:**

In such markets, contracts are made over the price for future delivery. The dealing and settlement take place on different dates.

**iv) On the Basis of Time****a) Very Short Period Market:**

Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market. There is no change in the supply of goods. Price is determined on the basis of demand.

**b) Short Period Market:**

In certain goods, supply is adjusted to meet the demand. The demand is greater than supply. Such markets are known as Short Period Market.

**v) On the Basis of Volume of Business****a) Wholesale Market:**

In wholesale market goods are supplied in bulk quantity to dealers/ retailers. The goods and services are not sold to customers directly.

**b) Retail Market:**

In retail market the goods are purchased from producer or wholesales and sold to customers in small quantities by retailers.

**2. How the market can be classified on the basis of Economics?****a) Perfect Market:**

A market is said to be a perfect market, if it satisfies the following conditions:

- ❖ Large number of buyers and sellers are there.
- ❖ Prices should be uniform throughout the market.
- ❖ Buyers and sellers have a perfect knowledge of market.
- ❖ Goods can be moved from one place to another without restrictions.
- ❖ The goods are identical or homogenous. It should be remembered that such types of markets are rarely found.

**b) Imperfect Market:**

A market is said to be imperfect when

- ❖ Products are similar but not identical.
- ❖ Prices are not uniform.
- ❖ There is lack of communication.
- ❖ There are restrictions on the movement of goods

**Chapter -14 MARKETING AND MARKETING MIX****VERY SHORT ANSWER (TWO MARK)****1. What is Marketing?**

marketing is the performance of buying activities that facilitate to more flow of goods and services from producer to ultimate user.

**2. Define Marketing Mix.**

“Marketing mix is a pack of four set of variables namely product variable, price variable, promotion variable, and place variable”.

-Mr. Jerome McCarthy

**3. What is meant by Grading?**

Grading means classification of standardized products in to certain well-defined classes.

**SHORT ANSWER (THREE MARK)****1. What are the objectives of marketing?**

- ❖ Intelligent and capable application of modern marketing policies.
- ❖ To develop the marketing field.
- ❖ To develop guiding policies and their implementation for a good result.
- ❖ To suggest solutions by studying the problems relating to marketing.
- ❖ To find sources for further information concerning the market problems.
- ❖ To revive existing marketing function, if shortcomings are found.

**2. What are the concept of marketing?****i) What I can sell?**

MAKE WHAT YOU CAN SELL, BUT DO NOT TRY TO SELL WHAT YOU CAN MAKE.

**ii) Shall I first create products?**

NO, FIRST CREATE A CUSTOMER, THEN CREATE PRODUCTS.

**iii) Shall I love my products?**

NO, LOVE YOUR CUSTOMERS AND NOT THE PRODUCTS.

**iv) Who is supreme in markets?**

CUSTOMER IS SUPREME OR KING.

**v) Who will shape my decisions?**

CUSTOMER'S PREFERENCES SHAPE YOUR DECISIONS.

**3. What do you mean by marketing mix? Write any two elements.**

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

**Two Elements:****Product**

Product is the main element of marketing. Without a product, there can be no marketing.

**Price**

Price is the value of a product expressed in monetary terms. It is the amount charged for the product.

**LONG ANSWER (FIVE MARK)****1. Discuss about the Evolution of marketing. (any 5)****i. Barter System:**

The goods are exchanged against goods, without any other medium of exchange, like money.

**ii. Production Orientation:**

This was a stage where producers, instead of being concerned with the consumer preferences, concentrated on the mass production of goods for the purpose of profit. They cared very little about the customers.

**iii. Sales Orientation:**

The stage witnessed major changes in all the spheres of economic life. The selling became the dominant factor, without any efforts for the satisfaction of the consumer needs.

**iv. Marketing Orientation:**

Customers' importance was realised but only as a means of disposing of goods produced. Competition became more stiff. Aggressive advertising, personal selling, large scale sales promotion etc. are used as tools to boost sales.

**v. Consumer Orientation:**

Under this stage only such products are brought forward to the markets which are capable of satisfying the tastes, preferences and expectations of the consumers-consumer satisfaction.

**vi. Management Orientation:**

The marketing function assumes a managerial role to co-ordinate all interactions of business activities with the objective of planning, promoting and distributing want-satisfying products and services to the present and potential customers.

**2. Narrate the Elements of Marketing mix.****i) Product**

Product is the main element of marketing. Without a product, there can be no marketing.

**ii) Price**

Price is the value of a product expressed in monetary terms. It is the amount charged for the product.

**iii) Place (Physical Distribution)**

The third element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.

**iv. Promotion**

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



## Chapter -15 RECENT TRENDS IN MAEKTING

### VERY SHORT ANSWER (TWO MARK)

#### 1. What is service marketing?

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

#### 2. What is green marketing?

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

#### 3. What is Ambush marketing?

Ambush marketing technique is a new technique whereby a particular advertiser seeks to connect his product to the event in the mind of potential customer without paying sponsoring expenses to the event.

#### 4. What is social marketing?

Social marketing is a new marketing tool. It is the systematic application of marketing philosophy and techniques to achieve specific behavioural goals which ensure social good.

### SHORT ANSWER (THREE MARK)

#### 1. What are the advantages of E-Marketing?

- ❖ 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.
- ❖ Direct contact of end consumer by the manufacturers cuts down the substantially intermediation cost. Thus products bought through e-marketing become cheaper.
- ❖ Customer can buy whatever they want/ need just by browsing the various sites.

#### 2. Discuss the objectives E-Marketing. (Any 3)

- ❖ Expansion of market share
- ❖ Reduction of distribution and promotional expenses.
- ❖ Achieving higher brand awareness.
- ❖ Strengthening database.

#### 3. Explain in detail about Niche marketing.

Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population. Actually there is no market in niche market. It is found by company, by identifying the need of customers which are not served or under served by the competitors.

### LONG ANSWER (FIVE MARK)

#### 1. Explain in detail how traditional marketing differ from E-marketing.

E-Marketing	Traditional Marketing
It is very economical and faster way to promote the products.	It is very expensive and takes more time to promote product.
It is quiet easier for promoting product globally in the short time.	It is very expensive and time consuming to promote product/ service under traditional marketing.
E-Business enterprises can expand their operation with minimum manpower.	It needs more man power.
In this marketing product can be sold or bought 24 x 7, round the year with minimum manpower	That is not possible in traditional marketing.

**2. Discuss any two new methods of marketing.****a) Niche Marketing**

- ❖ Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population. Actually, there is no market in niche market.
- ❖ It is found by company, by identifying the need of customers which are not served or under served by the competitors.
- ❖ The company which identified niche market develops solution to satisfy the needs of niche market.
- ❖ A niche market does not mean a small market, but it involves specific target audience with a specialized offering.

**b) Viral Marketing**

- ❖ Viral marketing is marketing technique that impels the users to pass on a marketing message to other users, creating a potentially exponential growth in the message's visibility and effect.
- ❖ Viral marketing is able to generate interest and the potential sale of a brand or product through messages that spread quickly like a virus from person to person.

**Chapter -16 CONSUMERISM****VERY SHORT ANSWER (TWO MARK)****1. Who is a consumer?**

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.

**2. Give two examples of adulteration.**

- ❖ Mixing of stones with grains
- ❖ Mixing of coconut oil with palmolein
- ❖ Coffee powder is adulterated with tamarind seed
- ❖ Papayas seed is added to black pepper

**3. What is Caveat Emptor?**

'Caveat emptor' is a Latin term that means "let the buyer beware." Similar to the phrase "sold as is," this term means that the buyer assumes the risk that a product fails to meet expectations or have defects.

**4. What is Caveat Venditor?**

caveat venditor, which means "let the seller beware," by which goods are covered by an implied warranty of merchantability. Unless otherwise advertised (for example, "sold as is") or negotiated with the buyer, nearly all consumer products are guaranteed to work, if used for their intended purpose.

**5. Write a short note on Consumer Protection Act, 1986.**

The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers. The act provides safeguards to consumers against defective goods, deficient services, unfair trade practices, and other forms of their exploitation.

**SHORT ANSWER (THREE MARK)****1. What are the important legislations related to consumerism in India? (any 3)**

- ❖ The Indian Contract Act, 1872 was passed to bind the people on the promise made in the contract.
- ❖ The Trademark Act, 1999 prevents the use of fraudulent marks on the product.
- ❖ The Drugs and Cosmetics Act, 1940 ensures the safety of drugs and cosmetics sold in India.
- ❖ The Air (Prevention and Control of Pollution) Act, 1981 controls and prevents pollution in India

**2. What is meant by 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 hefty price to buy those goods and thus earning more profit unconscientiously.

**3. Write the importance of consumerism.**

- Awakening and uniting consumers.
- Discouraging unfair trade practices.
- Protecting against exploitation.
- Awakening the government.
- Effective implementation of consumer protection laws.
- Providing complete and latest information.
- Discouraging anti-social activities

**LONG ANSWER (FIVE MARK)****1. How consumers are exploited? (any 5)****i) Selling at Higher Price**

The price charged by the seller for a product service may not be commensurate with the quality but at times it is more than the fair price.

**ii) 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.

Ex- Mixing of stones with grains.

Mixing of coconut oil with palmolein

**iii) 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 hefty price to buy those goods and thus earning more profit unconscientiously.

**iv) Product Risk**

Whenever the usage of goods is likely to cause danger or hurts to customers, manufactures have to forewarn the consumers of various sources of dangers involved in the products and the precautionary measures to be taken by the consumers.

**v) Warranty and Services**

In case of consumer durable goods like televisions, washing machines, refrigerators, cars, two wheelers and air conditioners etc. free service is guaranteed only for few years called warranty period.

**vi) False Advertisements**

The main purpose of advertisement is to educate the consuming public and customers of various aspects of the products/ service. In reality, advertisements convey very little information about the product. Many times it makes false representation about the quality, price, grade, composition, utility guaranteed, performance etc.

**2. Explain the role of business in consumer protection. (any 5)****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.

**vi) Consumer Grievances**

Where the business enterprises have customer care department, it should handle the grievances of consumer immediately or within a definite time frame.

**3. What are the objectives of Consumer Protection Act, 1986? (any 5)**

- Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.
- Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.
- Protecting consumers from unfair trade practices of traders.
- Empowering consumers to seek redressal against exploitation
- Educating the consumer of their rights and duties
- Ensuring better standard of living for consumers by providing them with quality products at fair price.
- Putting in place right mechanism like councils and other authorities to enable the consumers to enforce their rights.

**Chapter -17 RIGHTS, DUTIES & RESPONSIBILITIES OF CONSUMERS****VERY SHORT ANSWER (TWO MARK)****1. Write short notes on: "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.

**2. What are the rights of consumer according to John F. Kennedy?**

- ❖ The Right of Safety,
- ❖ The Right to be informed,
- ❖ The Right to choose and
- ❖ The Right to be heard.

**3. Which is the supreme objective of business?**

Satisfaction of consumers wants and needs is stated to be the prime and supreme objective of a business.

**SHORT ANSWER (THREE MARK)****1. What do you understand by "Right to redressal".**

The complaints and protests are not just to be heard: but the aggrieved party is to be granted compensation within a reasonable time period. There should be prompt settlement of complaints and claims lodged by the aggrieved customers. This will boost consumer confidence and help render justice to buyers.

**2. What do you understand about "Right to protection of health and 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. The best examples of this kind are Food additives, colours, emulsifiers, preservatives. The health hazards which are likely to arise have to be eradicated or reduced altogether.

**LONG ANSWER (FIVE MARK)****1. Explain the duties of consumers. (any 5)****i) Buying Quality Products at Reasonable Price**

It is the responsibility of a consumer to purchase a product after gaining a thorough knowledge of its price, quality and other terms and conditions.

**ii) Ensure the Weights and Measurement before Making Purchases**

The sellers often cheat consumer by using unfair weights and measures. The consumer should ensure that he/she is getting the product of exact weight and measure.

**iii) Reading the Label Carefully**

It is the duty of the consumer to thoroughly read the label of the product. It should have correct, complete and true information about the product.

**iv) Misleading Schemes**

Mostly advertisements are used to be very attractive and appealing to the senses. They may be occasionally false and misleading. The consumer is supposed to be careful with the attractive advertisements and avoid such misleading and false advertisements.

**v) Buying from Reputed Shops**

It is advisable for the consumer to make purchase from the reputed shops or government shops like super bazaar, cooperative stores, and the like.

**vi) Knowledge of Consumer Rights**

These days it is not uncommon to see a seller trying to cheat the consumer in every possible way in order to earn quick profits. It is the duty of the consumer to be aware of his rights.

**2. What are the responsibilities of consumers? (any 5)**

- The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
- 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.
- 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.
- The consumer is bound to pay any interest and special damages caused to the seller in case if there is delay in the payment.
- The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
- The consumer has every right to safety, right to be informed, right to choose, right to represent, and right to seek redressal and right to seek information.

**Chapter -18 GRIEVANCE REDRESSAL MECHANISM****VERY SHORT ANSWER (TWO MARK)****1. What do you meant by Redressal Mechanism?**

Consumers are exploited by the sellers in many ways because they are not aware of the products and services available. Hence the government has created Redressal mechanism to save consumers. This mechanism consists of consumer protection councils at the district, state and central Levels for the purpose of spreading consumer awareness.

**2. What do you know about National Commission?**

The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi. The Commission is headed by a serving or retired judge of the Supreme Court of India.

**3. State the meaning of the term State Commission.**

The State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. The state consumer protection council is also known as "Consumer Disputes Redressal Commission".

**4. What is an term District Forum?**

As per the Consumer Protection Act of 1986 and Section 9 thereof the establishment of a District Forum by the State Government in each district is necessary today to protect the interest of aggrieved consumers in that district.

**SHORT ANSWER (THREE MARK)****1. Who are the members of the National Commission?**

- ❖ The National Commission should have five members.
- ❖ One should be from judiciary.
- ❖ Four other members of ability, knowledge and experience from any other fields.
- ❖ It should include a woman.

**2. Who are the members of the State Commission?**

- ❖ A person who is or has been a Judge of a High Court appointed by the State Government as its President.
- ❖ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, industry, public affairs or administration of them.
- ❖ one shall be a woman.

**3. Write a note on the Voluntary Consumer Organisation.**

Consumer is a broad label for any individuals or households that use goods and services produced within the economy. Voluntary consumer organisations refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

**LONG ANSWER (FIVE MARK)****1. Explain the overall performance of National Commission.****i) National commission**

The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi. The Commission is headed by a serving or retired judge of the Supreme Court of India. The National Consumer Disputes Redressal Commission (NCDRC) is also called as National Commission.

**ii) Members**

- ❖ The National Commission should have five members.
- ❖ One should be from judiciary.
- ❖ Four other members of ability, knowledge and experience from any other fields.
- ❖ It should include a woman.

**iii) Jurisdiction**

- ❖ To entertain a complaint valued more than 1 Crore.
- ❖ Revised the orders of State Commissions.
- ❖ To call for the records and pass appropriate orders from the State Commission and District Forum.

**iv) Powers**

- ❖ Adoption of uniform procedure in the hearing of the matters is followed in the National Commission
- ❖ Prior service of copies of documents produced by one party to the opposite parties.

## 2. Explain the overall performance of State Commission.

### i) State Commission

The State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. The state consumer protection council is also known as "Consumer Disputes Redressal Commission". Both goods and services are included in the purview of the council.

### ii) Members

- ❖ A person who is or has been a Judge of a High Court appointed by the State Government as its President.
- ❖ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, industry, public affairs or administration of them.
- ❖ one shall be a woman.

### iii) Jurisdiction

- ❖ The State Commission can entertain complaints within the territory of entire state and where the value of the goods or services and the compensation, if any claimed exceed Rs. 20 lakhs and below Rupees One Crore.
- ❖ The State Commission also has the jurisdiction to entertain appeals against the orders of any District Forum within the State.

### iv) Powers

- ❖ The State Commission also has the power to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.
- ❖ To produce before and allow to be examined by an officer of any of these agencies, such books of accounts, documents or commodities as may be required and to keep such books, documents, etc., under his custody for the purposes of the Act.

## Chapter -19 ENVIRONMENTAL FACTORS

### VERY SHORT ANSWER (TWO MARK)

#### 1. What is internal environment?

Internal environment refers to those factors within an organisation e.g Policies and programmes, organisational structure, employees, financial and physical resources. These factors can be changed or altered and hence are known as controllable factors.

#### 2. Give the meaning of corporate governance.

Corporate governance is a set of rules and policies which governs a company. It provides a frame work for managing a company and achieving its objectives. It gives guidelines for internal control, performance measurement and corporate disclosure.

#### 3. What is GST?

- ❖ GST is the indirect tax levied on goods and services across the country. It is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.
- ❖ GST- GOODS AND SERVICE TAX

#### 4. Expand VUCA.

VUCA – Volatility, Uncertainty, Complexity and Ambiguity.

**SHORT ANSWER (THREE MARK)****1. What are the political environment factors? (any 3)**

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. - The legislative, executive and judiciary are the three political institutions which directs and influences a business.

The major elements of the legal and political environment are

- ❖ Political stability
- ❖ Political organisation
- ❖ The image of the leader and the country in the inter-national arena.
- ❖ Legal framework of business and their degree of flexibility.
- ❖ The constitution of the nation.
- ❖ The Foreign policy of the country with special reference to tariffs and free trade.

**2. Write about any three internal environmental factors of business.****i) Values system:**

The values of the founder/ owner of the business, percolates down to the entire organisation and has a profound effect on the organisation.

**ii) Human resources:**

The success of an enterprise is solely dependent on its manpower.

**iii) Vision and objectives:**

The vision and objectives of a business guides its operations and strategic decisions.

**3. What do you know about Technological environment?**

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. Digital and social media are used as a platform for advertising and promoting the products/services. Datamining and data analytics are used to know the customer better.

**LONG ANSWER (FIVE MARK)****1. Discuss the role of macro environment of business. (any 5)****i) Economic environment:**

The business is an integral part of the economic system prevalent in a nation. The multiple variables in the macro environment system which has a bearing on a business include

- The nature of economy based on the stage of development
- Economic indices
- Economic structure
- Development of financial market

**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.

- The social institutions and groups
- Family structure prevalent in the society
- Role of marriage as an institution
- Caste system in the society

**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.

- The image of the leader and the country in the inter-national arena.
- Legal framework of business and their degree of flexibility.
- The constitution of the nation.



**iv) Geo-physical environment**

The natural, geographical and ecological factors have a bearing on the business.

- The availability of natural resources like minerals oil. etc
- Location of certain industries is influenced by the geographical conditions.
- Availability of natural harbours and port facilities for transporting goods.

**v) Global environment**

With the rapid growth of technology, the physical boundaries are fast disappearing and the new global market is emerging.

- Differences in language and culture
- Differences in currencies
- Differences in norms and practices

**2. Explain the micro environmental factors of business. (any 5)****i) Financiers:**

The financiers of a business which includes the debenture holders and financial institutions play a significant part in the running of a business. Their financial capability, policies strategies, attitude towards risk and ability to give non-financial assistance are all important to a business.

**ii) Suppliers:**

In any organisation the suppliers of raw materials and other inputs play a very vital role. Timely procurement of materials from suppliers enables continuity in production and reduces the cost of maintaining stock/inventory.

**iii) Marketing Channel members:**

The marketing inter-mediaries serve as a connecting link between the business and its customers. The middlemen like dealers, wholesalers and retailers ensure transfer of product to customers.

**iv) Public:**

This refers to any group like media group, citizen action group and local public which has an impact on the business. The public group has the ability to make or mar a business.

**v) Customers:**

The aim of any business is to satisfy the needs of its customers. The customer is the king and the fulcrum around which the business revolves.

**vi) Competitors:**

All organisations face competition at all levels local, national and global. Competitors may be for the same product or for similar products.

**Chapter -20 LIBERALISATION, PRIVATISATION AND GLOBALISATION****VERY SHORT ANSWER (TWO MARK)****1. State the branches of New Economic Policy.**

- ❖ Liberalisation,
- ❖ Privatisation
- ❖ Globalisation

**2. What is Privatisation?**

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

**3. Mention any two disadvantages of Liberalisation.**

- ❖ Increase in unemployment
- ❖ Loss to domestic units
- ❖ Increased dependence on foreign nations
- ❖ Unbalanced development

**4. Give any two advantages of Globalisation.**

1. Increase in foreign collaboration 2. Expansion of market 3. Technological development 4. Reduction in brain drain.

**SHORT ANSWER (THREE MARK)****1. What do you mean by 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.

**2. State any three impacts on Globalisation.**

- ❖ 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.

**3. Write a short note on New Economic Policy.**

India agreed to the conditions of World Bank and IMF and announced New Economic Policy (NEP) which consists of wide range of economic reforms. This new set of economic reforms is commonly known as the LPG or Liberalisation, Privatisation and Globalisation model.

**LONG ANSWER (FIVE MARK)****1. Explain the advantages and disadvantages of liberalisation. (any 5)****A) Advantages****i) Increase in foreign investment:**

If a country liberalises its trade, it will make the country more attractive for inward investment.

**ii) Increase the foreign exchange reserve:**

Relaxation in the regulations covering foreign investment and foreign exchange has paved way for easy access to foreign capital.

**iii) Control over price:**

The removal of tariff barriers can lead to lower prices for consumers. This would be particularly a benefit for countries who are importers.

**B) Disadvantages****i) Increase in unemployment:**

Trade liberalisation often leads to a shift in the balance of an economy. Some industries grow, some decline.

**ii) Loss to domestic units:**

With fewer entry restrictions, it has been possible for many entrants to make inroads into the country, which poses a threat and competition to the existing domestic units.

**iii) Unbalanced development:**

Trade liberalisation may be damaging for developing economies which cannot compete against free trade. The trade liberalisation often benefits developed countries rather than developing economies.

**2. What are the highlights of the LPG policy? (any 5)**

- ❖ Introduction of new Foreign Trade Agreements
- ❖ Foreign Investment (FDI & FII)
- ❖ MRTP Act, 1969 (Amended)
- ❖ Deregulation
- ❖ Opportunities for overseas trade
- ❖ Steps to regulate inflation
- ❖ Tax reforms
- ❖ Abolition of License

## Chapter -21 THE SALE OF GOODS ACT 1930

### VERY SHORT ANSWER (TWO MARK)

#### 1. What is a contract of sale of goods?

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. The term 'ownership' is of utmost importance in the sale of goods.

#### 2. List down the essential elements of a contract of sale.

- ❖ Two Parties
- ❖ Transfer of Property
- ❖ Goods
- ❖ Price

#### 3. What is meant by goods?

The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc. Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.

#### 4. What is a Contingent Goods?

Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency. Contingent goods are a part of future goods. E.g., 'A' agrees to sell a particular painting work, provided he gets from 'C'.

#### 5. What do you understand by warranty?

Warranty represents a stipulation which is collateral to the main purpose of the contract. It is of secondary importance to the contract.

### SHORT ANSWER (THREE MARK)

#### 1. Discuss in detail about 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.

##### i) Specific Goods

Specific goods denote goods identified and agreed upon at the time of contract of sale.

##### ii) Ascertained Goods

The term 'ascertained goods' is also used as similar in meaning to specific goods.

##### iii) Generic or Unascertained Goods

These are goods which are not identified and agreed upon at the time of contract of sale.

#### 2. Discuss the implied conditions and warranties in sale of goods contract.

##### a) Implied conditions

- |                                      |  |                                   |
|--------------------------------------|--|-----------------------------------|
| i) Conditions as to Title            | ii) Conditions as to Merchantability     | iii) Conditions as to Description |
| iv) Condition as to Wholesomeness    | v) Sale by Sample                        |                                   |
| vi) Condition Implied by Trade Usage | vii) Conditions as to Quality or Fitness |                                   |

##### b) Implied Warranties

- |                     |   |                                 |
|---------------------|---|---------------------------------|
| i) Quiet Possession | ii) Warranty in the case of Dangerous Goods | iii) Free from Any Encumbrances |
|---------------------|---|---------------------------------|

### LONG ANSWER (FIVE MARK)

#### 1. Explain in detail the elements of Contract of sale.

##### i) Two Parties

A contract of sale involves two parties – the seller and the buyer. The buyer and the seller should be two different persons. If a person buys his own goods, there is no sale.

##### ii) Transfer of Property

To constitute sale, the seller must transfer or agree to transfer the ownership in the good to the buyer. A mere transfer of possession does not amount to sale.

**iii) Goods**

The subject matter of contract of sale must be goods. It excludes money, actionable claims and immovable property. The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc. Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.

**iv) Price**

The monetary consideration for the goods sold is called price. If goods are exchanged for goods, it is only barter and not a sale.

**v) Includes both 'Sale' and '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'

**2. Distinguish 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

**Chapter -22 THE NEGOTIABLE INSTRUMENTS ACT 1881****VERY SHORT ANSWER (TWO MARK)****1. What is meant by Negotiable Instrument?**

According to section 13 of the Negotiable Instruments Act 1881, a negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer.

**2. Define Bill of Exchange**

According to section 5 of the Negotiable Instruments Act, "a bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument".

**3. List three characteristics of a Promissory Note.**

- ❖ A promissory note originally made payable to bearer is illegal.
- ❖ A promissory note must be sufficiently stamped.

**4. What is meant by a cheque?**

According to section 6 of the Negotiable Instruments Act, 1881 defines a cheque as "a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand".

**5. Define Endorsement?**

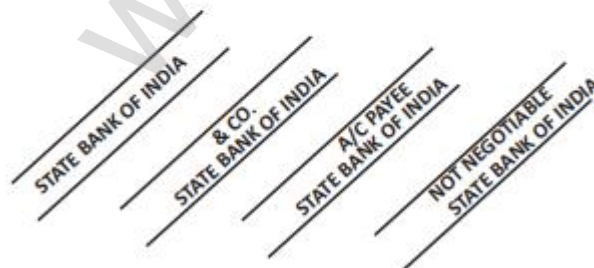
“When the maker or holder of a negotiable instrument signs the name, otherwise that of such maker for the purpose of negotiation, on the back or face thereof, or on a slip of paper annexed thereto or so signs for the same purpose a stamped paper intended to be completed as a negotiable instrument, he is said to endorse the same and is called the endorsee”.

**SHORT ANSWER (THREE MARK)****1. Distinguish between Negotiability and Assignability. (any 3)**

Basic of Difference	Negotiability	Assignability.
Legal Ownership	It passes to the transferee by mere endorsement in the case of a bearer instrument and by endorsement and delivery in the case of an order instrument.	An assignment can be made by observing certain formalities. For instance, an instrument is to be made in writing, duly stamped and signed by the transferor or his agent.
Notice	Notice is not necessary for the holder of negotiable instrument to claim the payment from the debtor.	In case of actionable claim, notice of the assignment by the transferee regarding the transfer of debt to the debtor is necessary.
Consideration	Consideration is presumed	The assignee has to prove the consideration for the transfer.

**2. What are the characteristics of a bill of exchange? (any 3)**

- ❖ A bill of exchange is a document in writing.
- ❖ The document must contain an order to pay.
- ❖ The order must be unconditional
- ❖ The bill may be payable on demand or after a specified period.

**3. Draw the two different types of crossing.****Types of Crossing - 1. General Crossing 2. Special Crossing****Specimens of General Crossing****Specimens of Special or Restrictive Crossing**

**LONG ANSWER (FIVEMARK)****1. Distinguish a cheque and a bill of exchange. (any 5)**

Basic of Difference	Bill of Exchange	Cheque
Drawn	A bill of exchange can be drawn on any person including a banker	A cheque can be drawn only on a particular banker.
Payability	It is payable on demand or on the expiry of a certain period.	It is payable on demand only.
Acceptance	In case of time bill, acceptance by the drawee is necessary before he can be made liable on it.	A cheque does not require any acceptance.
Notice	When a bill is dishonoured, notice of dishonour is necessary.	Notice is not necessary for a 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

**2. Discuss in detail the features of a cheque. (any 5)****i) Instrument in Writings**

A cheque or a bill or a promissory note must be an instrument in writing. Though the law does not prohibit a cheque being written in pencil, bankers never accept it because of risks involved.

**ii) Unconditional Orders**

The instrument must contain an order to pay money. It is not necessary that the word 'order' or its equivalent must be used to make the document a cheque.

**iii) Payee to be Certain**

The cheque must be made payable to a certain person or to the order of a certain person or to the bearer of the instrument.

**iv) Signed by the Drawer**

The cheque is to be signed by the drawer. Further, it should tally with specimen signature furnished to the bank at the time of opening the account.

**v) Drawn on a Specified Banker Only**

The cheque is always drawn on a specified banker. A cheque vitally differs from a bill in this respect as latter can be drawn on any person including a banker.

**3. What are the requisites for a valid endorsement? (any 5)**

- ❖ Endorsement is to be made on the face of the instrument or on its back. It is usually made on the back of a negotiable instrument.
- ❖ When there is no space for making further endorsements a piece of paper can be attached to the negotiable instrument for this purpose. This piece of paper is called 'Allonge'
- ❖ Endorsement for only a part of the amount of the instrument is invalid. It can be made only for the entire amount.
- ❖ Signing in block letters does not constitute regular endorsement.
- ❖ The prefixes or suffixes added to the names of the payees or endorsees must be omitted in the endorsement.
- ❖ Endorsement must be in link

**Chapter -23 ELEMENTS OF ENTREPRENEURSHIP****VERY SHORT ANSWER (TWO MARK)****1. Mention any two features of entrepreneurs.**

- ❖ Self Confidence
- ❖ Flexibility
- ❖ Innovation
- ❖ Hard work

**2. List down the managerial functions of entrepreneurs.**

- ❖ Planning
- ❖ Organising
- ❖ Controlling
- ❖ Directing
- ❖ Coordination

**3. List down the promotional functions of entrepreneurs.**

- ❖ Discovery of data
- ❖ Determining the business objectives
- ❖ Detailed investigation
- ❖ Choice of form of enterprise

**4. List the problems faced by the women entrepreneurs**

- ❖ Problem of Finance
- ❖ Limited Mobility
- ❖ Lack of Education
- ❖ Lack of Network Support

**SHORT ANSWER (THREE MARK)****1. Distinguish between entrepreneur and Manager. (any 3)**

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

**2. List down the commercial functions of Entrepreneur and explain them shortly. (any 3)**

- ❖ Production or Manufacturing
- ❖ Marketing
- ❖ Accounting
- ❖ Finance
- ❖ Human Resource Management

**i) Production or Manufacturing**

Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc.,

**ii) Marketing**

Entrepreneur has to carry out following functions pertaining to marketing aspect namely consumer research, product planning and development, standardisation, packaging, pricing, warehousing, distribution, promotion etc.,

**iii) Human Resource Management**

Entrepreneur has to estimate the manpower needs of the enterprise and accordingly decide the size of manpower required for various slots of organisational structure.

**3. Explain the promotional functions of entrepreneur. (any 3)****i) Discovery of Idea**

The first and foremost function of entrepreneur is idea generation. A person may conceive his own ideas or develop the ideas contributed by others.

**ii) Detailed Investigation**

Entrepreneur has to analyse in detail the product proposes to produce. In other words, Entrepreneur should investigate commercial feasibility of the product proposed to be produced and conduct market study to ascertain the potential demand for the product.

**iii) Preparation of Business Plan**

Entrepreneur has to prepare a business plan or project report of the venture that he is proposing to take up.

**LONG ANSWER (FIVE MARK)****1. What are the characteristics of an entrepreneur? (any 5)****i) Spirit of Enterprise**

Entrepreneur should be bold enough to encounter risk arising from the venture undertaken.

**ii) 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.

**iii) 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.,

**iv) Hard work**

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

**v) Leadership**

Entrepreneur should be able to influence team members by showing sympathy and empathy so as to enable them to contribute positively towards the goals of the venture.

**vi) Decision Making**

Entrepreneur has to take timely and correct decision with regard to nature and type of product to be produced, type of technology to be adopted, type of human assets to be employed, location of the enterprise, size of the unit, volume of production and so on.

**2. Distinguish between an Entrepreneur and an Intrapreneur. (any 5)**

Basis	Entrepreneur	Intrapreneur
Thinking	Entrepreneur is a free thinker	Intrapreneur is forced to think independently but within scope of business activities undertaken in the enterprise.
Dependency	Entrepreneur is an independent person	Intrapreneur is dependent on the entrepreneur. He is an employee.
Fund	Mobilization Entrepreneur has to mobilize funds to finance the venture.	Intrapreneur does not engage in fund mobilization. But can access funds mobilized by the entrepreneur.
Reward	Entrepreneur is rewarded by profit for the risk bearing exercise.	Intrapreneur does not share in profits of venture. But gets perquisites, salary, incentives etc., for the service.



Status	Entrepreneur is owner, and doesn't report to anybody in the venture.	Intrapreneur is a salaried employee. Intrapreneur works within control put in place in the organization and is made accountable for the activities undertaken.
Operation	Entrepreneur operates mostly outside the enterprise.	Intrapreneur operates within the enterprise.

### 3. Discuss the challenges faced by Women Entrepreneurs. (any 5)

#### i) 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.

#### ii) 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.

#### iii) 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, marketing the products, applying technology etc., This reduces the efficiency of operating the business successfully.

#### iv) Lack of Network Support

The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on.

#### v) 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.

#### vi) Dependent culture

In India, women however educated and talented are groomed to be dependent on their parents, life partners and children during the various phases of their life cycle.

## Chapter -24 TYPES OF ENTREPRENEURS

### VERY SHORT ANSWER (TWO MARK)

#### 1. What is the other name of business entrepreneur?

Business entrepreneur is called "Solo entrepreneur"

#### 2. Mention the other name for corporate entrepreneur.

Corporate entrepreneur is called promoter.

#### 3. Who are agricultural entrepreneur?

Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them. They use the various inputs like labour, fertilizer, insecticide, water technology etc.

#### 4. Give some examples of pure entrepreneurs.

- ❖ T.V.Sundaram Iyengar - TVS Group
- ❖ Dhirubai Ambani - Reliance Industries
- ❖ Birla - Birla Group
- ❖ Narayana Murthi – INFOSYS
- ❖ Aziz Premji - Wipro
- ❖ Jamshadji Tata – Tata

**SHORT ANSWER (THREE MARK)****1. Who is a private entrepreneur?**

Ventures started by individual either singly or collectively at their own risk after mobilising various resources in order to earn profit are called private entrepreneurship.

**2. Explain about the imitative entrepreneur.**

Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries. A simply reengineer or redesign the products developed in advanced countries and produce a version suited to their local conditions.

**3. Write about Fabian entrepreneur.**

These entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation. They are of risk-averse type. They do not simply change to the changes happening in the environment. Example; Nursus coffee

**LONG ANSWER (FIVE MARK)****1. Explain in detail on classification according to the type of business. (any 5)****i) Business Entrepreneur**

Business entrepreneur is called solo entrepreneur. He/she is the one who conceives an idea for a new product/ service and establishes a business enterprise to translate his idea into reality.

**ii) Trading Entrepreneur**

Trading entrepreneurs are those who restrict themselves to buying and selling finished goods. They may be engaged in domestic and international trade. Their core strength lies in distribution and marketing.

**iii) Industrial Entrepreneur**

These are entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto. They may be small, medium and large entrepreneurs.

**iv) Corporate Entrepreneur**

Corporate entrepreneur is called promoter. He/she takes initiative necessary to start an entity under corporate format. He/she arranges to fulfil the formalities to start a corporate entity under Company law.

**v) Agricultural Entrepreneur**

Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them. They use the various inputs like labour, fertilizer, insecticide, water technology etc.

**vi) Retail Entrepreneurs**

Retail entrepreneurs are those who enter into venture of distributing the end product to final consumer while wholesale entrepreneurs take up the venture of distributing the product to retailer.

**2. Discuss the nature of functional entrepreneurs.****i) Innovating Entrepreneur**

Innovative entrepreneur is one who is always focussed on introducing a new project or introducing something new in the venture already started. They constantly observe the environment around them; collect information and analyse them in order to contribute something a new in the venture.

**ii) Imitative Entrepreneur**

Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries. A simply reengineer or redesign the products developed in advanced countries and produce a version suited to their local conditions.

**iii) Fabian Entrepreneur**

These entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation. They are of risk-averse type. They do not simply change to the changes happening in the environment.

**iv) Drone Entrepreneur**

Drone entrepreneurs are those who are totally opposed to changes unfolding in the environment. They used to operate in the niche market. They are similar to fabian entrepreneur in doggedly pursuing their conventional practices.

**Chapter - 25 GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT****VERY SHORT ANSWER (TWO MARK)****1. Name any two Governmental Entrepreneurial schemes.**

- ❖ Start-up India
- ❖ Make in India
- ❖ Digital India
- ❖ Stand-Up India

**2. Give a note on '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.

**3. List down the two types of finance for Entrepreneur.**

1. long term finance
2. Short term finance

**SHORT ANSWER (THREE MARK)****1. What is 'Start-up 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.

**2. Expand the following: i) STEP ii) JAM iii) SEED**

- ❖ STEP- Support to Training and Employment Programme for Women
- ❖ JAM- Jan Dhan-Aadhaar – Mobile
- ❖ SEED- Science for Equity Empowerment and Development

**LONG ANSWER (FIVE MARK)****1. Explain any five Government Entrepreneurial schemes.****i) Startup India:**

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.

**ii) Make in India:**

This scheme is designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to centralize information about opportunities in India's manufacturing sector.

**iii) Digital India:**

The Digital India initiative has been launched to modernize the Indian economy to make all government services available electronically.

**iv) Stand-Up India:**

It was launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims at enabling economic participation of, women entrepreneurs, Scheduled Castes and Scheduled Tribes and share the benefit of Indian growth with the above mentioned categories.

**v) Jan Dhan-Aadhaar - Mobile (JAM):**

JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens.

**vi) National Skill Development Mission:**

This scheme was unveiled in July 2015. The mission aims at building synergies across the sectors in terms of skill training activities.

**2. Describe the steps promoting Entrepreneurial venture.****i) Selection of the product**

An entrepreneur may select a product according to his aspiration, capacity and motivation after a thorough scrutiny of micro and macro environment of business.

**ii) Selection of form of ownership**

Entrepreneur has to choose the form of organisation suitable and appropriate for his venture namely family ownership, partnership and private limited company

**iii) Selection of Site**

Entrepreneur has to choose suitable plot for accommodating his venture. He has four options open to him for housing his venture.

- ❖ Nearness to Native Place
- ❖ Incentives provided by the Govt.
- ❖ Nearness to Market
- ❖ Availability of Labour and Raw Materials in a particular area.
- ❖ Infrastructure Facilities

**iv) Designing Capital Structure**

Entrepreneur has to determine the source of finance for funding the venture. He/she may mobilise funds from his own savings, loans from friends and relatives, term loans from banks and financial institutions.

**v) Acquisition of Manufacturing know-how**

Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants.

**Chapter – 26 COMPANIES ACT -2013****VERY SHORT ANSWER (TWO MARK)****1. What are the four stages of formation of a company?**

1. Promotion 2. Registration 3. Capital Subscription and 4. Commencement of Business.

**2. What is Bonus Shares?**

Bonus share means to utilize the company's reserves and surpluses, issue of shares to existing shareholders without taking any consideration is known as Bonus Shares.

**3. What is Right Shares?**

Right shares are the shares which are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue, if it is authorized by its Articles. The right shares are primarily issued to the existing equity shareholders through a letter of an issue, on pro rata basis.

**4. What is Debentures?**

When a company needs funds for extension and development purpose without increasing its share capital, it can borrow from the general public by issuing certificates for a fixed period of time and at a fixed rate of interest. Such a loan certificate is called a debenture.

**SHORT ANSWER (THREEMARK)****1. What do you understand by Issue of Securities at Premium?**

When shares are issued at a price above the face or nominal value, they are said to be issued at a premium. For example, a share having the face value of Rs.10 is issued at Rs.12. Here, Rs.2 is the premium. The amount of share premium has to be transferred to an account called the 'Securities Premium Account'.

**2. Explain different kinds of Preference shares. (any 3)****i) Cumulative Preference shares:**

As the word indicates, all dividends are carried forward until specified, and paid out only at the end of the specified period.

**ii) Non-cumulative Preference shares:**

The opposite of cumulative, obviously. Dividends are paid out of profits for every year.

**iii) Redeemable Preference shares:**

Such preference shares can be claimed after a fixed period or after giving due notice.

**LONG ANSWER (FIVE MARK)****1. Write the differences between Shares and Debentures. (any 5)**

S. No	Debentures	Shares
1.	Debentures constitute a loan.	Shares are part of the capital of a company.
2.	Middle and Lower Level	Top level
3.	Debenture holder gets fixed rate of Interest which carries a priorities over dividend.	Shareholders gets dividends with a varying rate.
4.	Debentures generally have a charge on the assets of the company.	Shares do not carry any such charge.
5.	Debentures can be issued at a discount without restrictions.	Shares cannot be issued at a discount.
6.	Debenture holders do not have any voting right	Shareholders enjoy voting right.
7.	Return of allotment is not required for allotment of debentures.	Return of allotment in e-Form No. 2 is to be filed for allotment of shares.

**2. What are the various kinds of Debentures? (any 5)****a) Convertibility of the Instrument****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 is converted into Equity shares in the future at notice of the issuer.

**b) Security of the Instrument****i) Secured Debentures:**

These instruments are secured by a charge on the fixed assets of the issuer company.

**ii) Unsecured Debentures:**

These instruments are unsecured in the sense that if the issuer defaults on payment of the interest or principal amount, the investor has to be included as unsecured creditors of the company.

**c) Redemption ability****i) Redeemable Debentures:**

It refers to the debentures which are issued with a condition that the debentures will be redeemed at a fixed date or upon demand, or after notice, or under a system of periodical drawings.

**ii) Perpetual or Irredeemable Debentures:**

A Debenture, in which no specific time is specified by the companies to pay back the money, is called an irredeemable debenture.

**d) Registration of Instrument****i) A Registered Debentures:**

Registered debentures are issued in the name of a particular person, whose name appears on the debenture certificate and who is registered by the company as holder on the Register of debenture holders.

**ii) Bearer debentures:**

Bearer debentures on the other hand, are issued to bearer, and are negotiable instruments, and so transferable by mere delivery like share warrants.

**Chapter – 27 COMPANY MANAGRMENT****VERY SHORT ANSWER (TWO MARK)****1. Name the companies required to appoint KMP.**

- ❖ Every listed company
- ❖ Every public company (Having paid up capital of Rs.10 crores or more)

**2. Who is whole time Director?**

A Director is one who devotes whole of his time of working hours to the company and has a significant personal interest in the company as the source of his income.

**3. Who is called as Managing Director?**

A Director is one who is employed by the company and has substantial powers of management over the affairs of the company subject to superintendence, direction and control of the board.

**4. Who can be Executive Director?**

An executive director is a Chief Executive Officer (CEO) or Managing Director of an organization, company, or corporation, who is responsible for making decisions to complete the mission and for the success of the organisation.

**SHORT ANSWER (THREE MARK)****1. When are alternative directors appointed?**

Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months. The appointment must be authorised either by the Articles of Association of the company or by a passing a resolution in the General Meeting. The alternative director is not a representative or agent of Original Director.

**2. Who is a 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.

**3. State the minimum number of Directors for a Private company.**

- I) Private company In case of One Person Company: The requirement of directors is one.  
 II) Other Private Companies: The minimum requirement of Directors is two

**LONG ANSWER (FIVE MARK)****1. Who are the KMP?**

The definition of the term Key Managerial Personnel is contained in Section 2(51) of the Companies Act, 2013.

- ❖ He Chief Executive Officer
- ❖ The Managing Director or The Manager;
- ❖ The Company Secretary;
- ❖ The Whole-Time Director
- ❖ The Chief Financial Officer; And
- ❖ Such Other Officer as May Be Prescribed;

**2. Brief different types of Directors. (5)****i) Residential Director:**

According to Section 149(3) of Companies Act 2013, Every company should appoint a director who has stayed in India for a total Period of not less than 182 days in the previous calendar year.

**ii) Independent Director:**

According to Section 149(6) an independent director is an alternate director other than a Managing Director who is known as Whole Time Director or Nominee Director.

**iii) Small Shareholders Directors:**

Small shareholders can appoint a single director in a listed company. But this action needs a proper procedure like handing over a notice to at least 1,000 Shareholders or 1/10th of the total shareholders.

**iv) Nominee Director:**

"A director nominated by any financial Institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests".

**v) Alternate Directors:**

Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months. The appointment must be authorised either by the Articles of Association of the company or by a passing a resolution in the General Meeting.

**vi) 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.

**3. State the 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.

**Qualifications mentioned:**

- ❖ A director must be a person of sound mind.
- ❖ A director must hold share qualification, if the article of association provides such.
- ❖ A director must be an individual.
- ❖ A director should be a solvent person.
- ❖ A director should not be convicted by the Court for any offence, etc.

## **CHAPTER – 28 COMPANY SECRETARY**

### **VERY SHORT ANSWER (TWO MARK)**

#### **1. Who is a secretary?**

“Company Secretary” or “Secretary” means any individual possessing the prescribed qualifications, appointed to perform the duties which may be performed by a secretary under this Act and any other ministerial or administrative duties”

#### **2. What is meant by Meeting?**

A company meeting must be convened and held in perfect compliance with the various provisions of the Act and the rules framed thereunder. It is essential that the business dealt with at the meeting.

#### **3. Write short note on ‘Proxy’?**

Proxy means a person being the representative of a shareholder at the meeting of the company who may be described as his agent to carry out which the shareholder has himself decided upon. Proxy can be present at the meeting and he cannot vote.

#### **4. What is Voting?**

The word ‘Vote’ originated in Latin word ‘Votum’ indicating one’s wishes or desire. By casting his vote, one formally declaring his opinion or wish in favour of or against a proposal or a candidate to be elected for an office.

### **SHORT ANSWER (THREE MARK)**

#### **1. What is 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.

#### **2. What do you mean by 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.

#### **3. Give any three cases in which an ordinary resolution needs to be passed.**

- ❖ To change the objectives of the company
- ❖ To change the name of the company
- ❖ To alter the Articles of Association
- ❖ To commence any new business
- ❖ To appoint the auditor for the company

### **LONG ANSWER (FIVE MARK)**

#### **1. Briefly state different types of company meetings.**

##### **a) Shareholders Meetings**

##### **i) 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.



**ii) Annual General Meeting**

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.

**b) Meeting of the Directors****i) Board Meetings**

Meetings of directors are called Board Meetings. Meetings of the directors provide a platform to discuss the business and take formal decisions.

**ii) Committee Meetings**

Every listed company and every other public company having paid up share capital of ₹10 crore is required to have audit committee. This committee should meet at least four times in a year.

**c) Special Meeting****i) Class Meeting**

Meetings, which are held by a particular class of share or debenture holders e.g. preference shareholders or debenture holders is known as class meeting.

**ii) Meetings of the Creditors**

Strictly speaking, these are not meetings of a company. Unlike the meetings of a company, there arise situation in which a company may wish to arrive at a consensus with the creditors to avoid any crisis or to evolve compromise or to introduce any new proposals.

**2. Explain different types of open and secret types of voting.****a) Open Procedure**

This type of voting has no secrecy as the all the members assembled can see voting. There are two popular methods of open voting namely voice voting and voting by show of hands.

**i) By Voice:**

Voice voting is a popular type of voting in which the chairman allows the members to raise their voice in favour or against an issue 'Yes' for approval and 'No' for rejection.

**ii) By Show of Hands:**

Under this method the chairman, requests the members to raise their hands of those who are in favour of the proposal or candidate and then requests those are against. Then the chairman counts the number of hands raised for Yes and No respectively can announce the result on the basis of hands counted.

**b) Secret Procedure**

Secret procedure is adopted to decide certain vital issues. It is a popular voting method that could maintain the secrecy of the voter.

**i) By Ballot**

Under this system, ballot paper bearing serial number is given to the members to record their opinion by marking with the symbol or Shareholders have to cast their vote in a secret chamber and put the ballot paper into the ballot box.

**ii) Postal Ballot**

Big companies or big associations having members scattered all over the country follow this method of voting. Under this method serially numbered ballot papers are sent by post in sealed covers to the members, who, living at a distant place, are unable to attend the meeting physically.