

MCC Matr. Higher Sec. School

12th Commerce

Book Inside – One Words & Questions and Answers

Chapter 1 – Principles of Management

1. Management Knowledge is the best passport to enter ____

Ans:

The world of employment either in business world or government or private.

Page No. 2

2.The Business Management Association in many countries promote the spread of ____ in all management areas and to build up the bright ____ of managerial profession.

Ans.:

Knowledge, Public Image.

Page No. 2

3.Management is all about ____ but the administration is concerned with ____

Ans.:

Plans and actions, framing policies and setting objectives.

Page No. 3

4. Towards whom the business management should fulfil the social responsibilities ?

Ans.:

The social responsibilities of business management is towards consumers, employees and the public or community.

Page No. 2

5.What is the consumer-oriented marketing concept?

Ans.:

Consumer oriented marketing concept is the reflection of a corporate code of conduct.

Page No. 2

6.What induce the management to evolve a code of ethics?

Ans.:

Pressure of consumerism, trade unionism, public opinion and legislation. P.No. 2

7.According to P. Drucker, the manager has to balance and integrate three major jobs of a business enterprise-What are those three major jobs?

Ans.:

i)Managing a business

ii)Managing managers and

iii)Managing workers and work.

Page No. 2, 3

8. Who is a manager?

Ans.: A manager is a dynamic and lifegiving element in every business. Without efficient management it can not be secure the best allocation and utilisation of human, material and financial resources.

Page no 3

9.Management is an in-exact science. Why?

Ans.:

Because in pure science, the principles are put into test in a laboratory and they are either proved or disproved exactly and precisely. Similarly the management principles can be put to test in an organisation where men, machine and money and materials are practically integrated towards achieving some chosen organisational goals. These principles cannot be exactly proved or disproved either as they tend to be flexible to changing environment, policies and practical difficulties while synchronising them together. So, Management can be described as an in-exact science.

Page No. 3

10.Management is not an art in Toto. Why? Explain with example.

Ans.:

Because, the concept of art denotes the learning of skills and practising them in the day-to-day life like a mason or carpenter or mechanic or a musician being able to perform their respective art they learnt by way of skill display before anybody under any circumstances.

But the concept of management involves a set of required skills for any one designated as a manager, but level or span of their managerial skills would vary from person to person and individual to individual irrespective of the countries they belong to.

e.g. The nature of the administrative and managerial skills of our former Prime Minister Pt. Jawaharlal Nehru cannot be compared to his counterpart and his own daughter Mrs. Indira Gandhi. So management is not an exact art of doing things.

Page No. 3

11.The art of management is fully reflected in the ____ capacity of a manager.

Ans. :

Decision making.

Page No. 3

12. A ____ cannot replace a manager in decision making.

Ans. :

Computer.

Page No. 3

13. ____ and ____ are essential even in a computerised economy.

Ans. :

Judgement , Imagination

Page No. 3

14. Define a professional manager according to Louis A. Allen.

Ans.:

“A professional manager is one who specialises in the work of planning, organising, leading and controlling the efforts of others and does so through systematic use of classified knowledge, a common vocabulary and principles and who subscribes to the standards of practice and code of ethics established by recognised body.”

15. Is Management an Art or Science?

Ans.:

Management is neither a science nor an art, but a combination of both requiring people holding managerial positions to apply the scientific management principles and displaying popular managerial skills to accomplish the organisational goals as efficiently and as quickly as possible so as to be competitive in the globalised environment of business.

16. Who may be called Administration?

Ans. :

The Board of Directors with CEO / MD

Page No. 4

17. Who may be called Management?

Ans. :

Managers of various units, like Production, Marketing, Finance, Accounting, Distribution and Research & Development Page No. 4

6. What are the twin purposes of the Management Process?

Ans. :

i) Maximum Productivity or Profitability

ii) Maximum Human Welfare and Satisfaction

Page No. 4

7. What do you mean by Rule of Thumb?

Ans. :

Rule of Thumb means decisions taken by Manager, as per their personal judgments. Pg .No. 6

8. According to Taylor, what should be scientifically planned under the principle ‘Science-Not Rule of Thumb’. And How it will help ?

Ans. :

Even a small production activity like loading iron sheets into box cars, can be scientifically planned. This will help in saving time and human energy. Page No. 6

9.What The Principle Science – not rule of Thumb, is concerned with ?

Ans. :

Selecting the best way of performing a job, through the application of Scientific Analysis and not by intuition or hit and trial methods. Page No. 6

10.What is the style of management is in practice in most of the Japanese companies and what is the feature in it ?

Ans. :

Paternalistic style of Management is in practice and there is complete openness between workers and the management. Page No. 7

11.Usually the workers in Japanese Companies don't go on strike, but if at all they do so, what they try to impress upon the management ? Page No. 7

Ans. :

They just wear black badge and work even more than the normal hours just to impress upon the management that their focus is on their demands as well as organisational objectives.

12. Which principle of Taylor is the extension of principle of 'Harmony, not discord'? And what does it lay stress on?

Ans. :

Principle of Co-operation, not individualism. It lays stress on mutual co-operation between workers and the management. P. No. 7

13. The intention of the Principle of Co-operation, not individualism is to replace ____ with co-operation.

Ans. :

Internal Competition. P. No. 7

14. According to the Principle of Co-operation, not individualism, Who should visualise themselves as two Pillars ?

Ans. :

Management and Workers. Page No. 7

15. Identify the principles of Modern Management.

i)This principle states that each sub-ordinates should receive orders and be accountable to one and only one superior.

Ans. :

Unity of Command

Page No. 8

ii)Employees must be treated kindly and justice must be enacted to ensure a just workplace.

Ans. :

Principle of Equity

Page No. 8

iii)According to this principle, the whole work is divided into small tasks.

Ans. :

Division of Work

Page No. 8

iv)All related activities should be put under one group, one plan of action and they should be under the control of one Manager.

Ans. :

Unity of Direction

Page No. 8

v)This principle suggests that there should be a clear line of authority from top to bottom linking all managers at all levels.

Ans. :

Line of Authority / Scalar Chain

Page No. 8

vi)This principle states that personnel must not frequently enter and exit the organisation.

Ans. :

Stability of tenure of Personnel

Page No. 8

vii)Workers must be paid sufficiently as this is a chief motivation of Employees.

Ans. :

Principle of Remuneration

Page No. 8

viii)This is the issue of Commands followed by responsibility for their consequences.

Ans. :

Authority and Responsibility

Page No. 8

ix)This refers to the need of Managers to ensure and develop morale in the work place, individually and communally.

Ans. :

Esprit de Corps / Team Spirit

Page No. 9

16) There is a ___ and a ___ span of Management.

Ans. :

Wide, Narrow

Page No. 9

17) Explain Flat Organisational Structure.

Ans.:

With a wider span, there will be less hierarchal levels, the organisational structure would be flatter.

Page No. 9

18) Explain Tall Organisational Structure.

Ans. :

With a Narrow span, the hierarchal levels, increases the organisational structure would be tall.

Page No. 9

19) Explain the Advantages of Tall Organisational Structure.

Ans. :

i) Cross Communication gets facilitates. i.e. operative staff communicating with the top management.

ii) The chances of promotion increases with the availability of several job positions.

Page No. 9

20) Explain the Disadvantages of Tall Organisational Structure.

Ans. :

i) Less number of sub-ordinates under one superior requires more managers to be employed in the organisation. Thus it would be very expensive in terms of the salaries to be paid, to each senior.

ii) With more levels in the hierarchy the communication suffers drastically. It takes lot of time to reach the appropriate points, and hence the actions get delayed.

iii) Lack of Co-ordination and Control, because the operating staff is far away, from the top management.

Page No. 9

21) Explain the Disadvantages of Flat Organisational Structure.

Ans. :

It would very difficult for a superior to manage a large number of subordinates at a time and also may not listen to all efficiently.

Page No. 9

22) Explain the Advantages of Flat Organisational Structure.

Ans. :

i) With a wider span of Management, Number of Managers gets reduced in the hierarchy and thus the expense in terms of remuneration is saved.

ii) The subordinates relaxed and developed their independent spirits in a free work environment, where the strict supervision is absent.

Page No. 9

23) Name some of the top ranked Indian Management Thinkers.

Ans. :

- i) Nirmalaya Kumar, Professor, London Business School
- ii) Vijay Govinda Rajan, Professor, Tuck School of Business, New Hampshire
- iii) Pankaj Ghemawat, Professor, IESE Business School, Spain

Page No. 10

Chapter 2 - Functions of Management

1) Identify the functions of management

a) Deciding in advance

Ans.: Planning

b) Increases the speed of performance of a work.

Ans.: Motivation

c) Included in every managerial function.

Ans.: Co-ordination

d) Evaluate the performance of the Employees.

Ans. : Controlling

e) Placement of Right Persons in the Right Jobs.

Ans. : Staffing

Page No. 12 & 13

2) "Passing the Buck, the buck Stops here". – Explain

Ans. :

To Shift or Re-assign the blame or responsibility (for something) to another person, group or thing.

Page No. 13

3) Write few things that motivate the Generation Z Workers.

Ans. :

- (i) Flexible schedule
- (ii) Skip Annual Performance Review
- (iii) Embrace Tech Centred Work Place
- (iv) Make them feel valued
- (v) Be Transparent

Page No. 15

Chapter 3 – Management by Objectives (MBO) Management by Exception (MBE)

1) Give examples for MBE

Ans.:

For example, the Production Manager establishes Quality Control Standards wherein Five defects per 100 units produced are permissible. So long as the number of defects does not exceed 5, the supervisors / foremen (sub-ordinates) will handle the problem. Whenever there are more than 5 defects, the matter will be reported to the Production Manager.

Page No. 19 , 20

2) What are general business exceptions in MBE ? What their cause might include?

Ans. :

General Business Exceptions are cases that deviate the normal behaviour in a business process and need to be cared for in a unique manner, typically by human intervention.

Their cause might include :

Process deviation, infrastructure or connectivity issues, external deviation, poor quality business rules, malformed data, etc.

3) Case Study

-The company gets 30% of Marginal Profit for every year, but not increasing the salary of the employees for the last 3 years. The employees conduct the indefinite strike against the company, assume you are the manager of the company. How to solve the problem with using MBO or MBE ?

Ans. :

Both MBO and MBE approaches can be utilised to address the employee strike and resolve the salary issue.

MBO focuses on setting clear objectives fostering collaboration and rewarding performance, while MBE emphasises monitoring performance and intervening only when exceptions occur.

As a Manager it is important to assess the Organisational Culture, employee preferences and the nature of the problem to determine which approach would be more effective in solving the issue. Page No. 21

Chapter 4 – Introduction to Financial Markets

1)What are the components of unorganised sectors ?

Ans. :

Money Lenders, Indigenous Bankers.

2)Identify the types of Financial Markets.

(i)A decentralised market with customised procedures.

Ans. : Over the Counter Market Page No. 24

(ii)A market for trading in Debt Instruments.

Ans. : Debt Market Page No. 24

(iii)A Centralised Organisation with Standardised Procedures.

Ans. : Exchange Traded Market Page No. 24

(iv)A Market for trading in Equity Shares of Companies.

Ans. : Equities Market Page No. 24

(v) A Market involved in the Sale of Securities for the first time by the issuers (Companies).

Ans. : Primary Market Page No. 24

(vi)A Market where the delivery of assets and payment of cash takes place at a pre-determined time frame in future.

Ans.: Forward or Futures Market

(vii)A Market for short-term financial claim usually one year or less.

Ans. : Money Market

(viii) A Market where the delivery of the Financial Instrument and payment of Cash occurs immediately.

Ans. : Cash or Spot Market

(ix) A Market for Long term financial claim for more than a year.

Ans. : Capital Market

(x) A Market for Securities that are already issued.

Ans. : Secondary Market. Page No. 24

3) What is Price Discovery Process ?**Ans. :**

It is a process which determines Market Prices of the traded financial asset through interaction of buyers and sellers or based on demand and supply.

Page No. 25

4) What are the classifications of financial assets?

Ans.: i) Marketable assets

ii) Non-marketable assets Page No 25

5) Assets which can be easily transferred from one person to another without much hindrance is called -----

Ans.: Marketable assets Page No 26

6) Assets which cannot be transferred easily is known as -----

Ans.: Non marketable assets. Page No 26

7) Give examples for marketable assets.

Ans.: Shares of Listed Companies, Bonds of Public Sector Undertakings etc. Page No 27

8) Give examples for non marketable assets.

Ans.: Bank Deposits, Provident Funds, Pension Funds, National Savings Certificates, Insurance Policies etc. Page No 27

9) What is the difference between financial assets and physical assets?

Ans.: Financial Assets are useful for production or consumption or for further creation of Assets. For instance, A buys equity shares and these shares are financial assets since they earn Income in future.

Physical Assets are not useful for further production of goods or for earning income. For example X purchases Land and Building or Gold and Silver.

For instance, if a building is bought for residence purposes, it becomes a physical asset. If the same is bought for hiring, it becomes a financial asset. Page No. 26

Chapter 5 – Capital Market**1) Raising Capital by new companies through sale of securities to the public is called _____**

Ans. : Public Issue

Page No. 29

2)When an existing company wants to raise an Additional Capital, securities are first offered to the existing share holders on a pre-emptive basis is called _____

Ans. : Rights Issue

Page No. 30

3) Selling Securities Privately to a small group of Investors, is called _____

Ans. : Private Placement

Page No. 30

4) Name the Financial Institutions which were established the period between 1947 and 1973

Ans. : IFCI , ICICI, IDBI, UTI, SFC and SIDC

Page No. 31

5)During which period there was a momentous growth in the secondary market ?

Ans. : 1980 to 1992

Page No. 31

6)What emerged as a powerful instrument of Resource Mobilisation in primary market ?

Ans. : Debentures

Page No. 31

7)Name some committees, which were constituted in order to suggest measures to revamp and restructure the working of the secondary market and cause buoyancy in the primary market ?

Ans. :

(i)Committee on Organisation and Management of Stock Exchange.

(ii)Working Group on the Development of the Capital Market.

(iii)A study group for guidelines relating to Valuation and New Instruments.

(iv)A High Powered Study Group on Establishment of New Stock Exchange.

(v)A Committee on Trading in Public Sector Bonds and Units of Mutual Funds. P. No. 31

8)Name some of the factoring institutions operating in India

Ans. : (i) SBI Factors and Commercial Services Pvt. Ltd. – a subsidiary of State Bank of India

(ii)Can Bank Factors Ltd.- a subsidiary of Canara Bank - Page No. 32

9)What are the benefits of Mutual Fund ?

Ans. : High Return, Easy Liquidity, Safety and Tax Benefits to the investors Page No. 32

10)___ is the Largest , most liquid Market in the world, with an average traded value of more than 5 trillion dollars per day. It includes all the currencies in the World and any individual , company or country can participate in it.

Ans. : Foreign Exchange Market

Page No. 32 & 33

11) ___ Market manages the trading in primary products, which takes place in about 50 Major commodity markets, where financial transactions increasingly outstrip physical purchases which are to be delivered.

Ans. : Commodity Market

Page No. 33

12)What are called Hard Commodities ? Give Examples.

Ans. : Hard Commodities are raw materials, typically mined such as Gold, Oil, Rubber, Iron and Ore

Page No. 33

13)What are called Soft Commodities? Give Examples.

Ans.: Soft commodities are typically grown agricultural primary products such as Wheat, Cotton, Coffee and Sugar.

Page No.33

14) What is Derivatives Market?

Ans.: It is the financial market trading in financial instruments such as futures contracts and options used to help control financial risk. The instruments derive their value mostly from the value of an underlying asset that can come in many forms- stocks, bonds, commodities, currencies or mortgages.

Page No. 33

15) Gilt-Edged Market is also known as-----

Ans.: Government Securities Market. Page No. 33

16) What is Government Securities Market?

Ans.: It is a market for Government and Semi – Government Securities. Page No.33

17) Why Institutional based Investors invest in Government Securities?

Ans.: These Institutional Investors are compelled by law to invest a portion of their funds in these securities.

Page No. 33

18) What is the important features of the Government Securities ?

Ans. : i)The Securities are stable in value.

ii)Guaranteed return on investments.

iii) No speculation in securities

Page No. 33

19)Which Market is predominated by Institutions such as LIC, GIC, PFs and the Commercial Banks?

Ans.: Government Securities Market. Page No. 33

Chapter 6 Money Market

1.A treasury bill is of minimum for Rs_____.

Ans.: Rs. 25000

Page No.37

2. Each Certificate of Deposits or Commercial Paper is for minimum of ____.

Ans.: Rs.5 Lakhs. Page No. 37

3. In money market, transactions mostly take place over the phone and there is no ____.

Ans.: Formal place. Page No.37

4. Name new money market instruments that came into existence.

Ans.: Commercial Papers, Certificate of Deposits, Inter-Bank participation Certificates, Repo Instruments. Page No. 38

5. Ninety one days Treasury Bills are issued at a fixed rate of ____percent as well as through auctions.

Ans.: 4 percent Page No. 38

6. What is called Cut Off Rate?

Ans.: The discount rate on 364 days Treasury bills are quoted in the auction by the participants and accepted by the authorities. Such a rate is called Cut Off Rate. Page No 39

7. The Certificate of Deposit is also known as ____.

Ans.: Negotiable Certificate of Deposit. Page No. 39

8. What are called Documentary Bills ?

Ans. : Bills that are accompanied by documents of titled goods are called documentary bills. Page No. : 40

9. What are Clean Bills ?

Ans. : Bills drawn without accompanying any document are called clean bills. Page No. 40

10. Give Examples for documents of title to goods.

Ans.: Railway Receipt and Lorry Receipt. Page No. 40

11. Bills that are drawn and payable in India on a person who is resident in India are called ____.

Ans.: Inland bills. Page No. 40

12. Bills that are drawn outside India and are payable either in India or outside India are called ____.

Ans.: Foreign Bills. Page No.40

13. ____ bills are those which do not arise out of genuine trade of transactions.

Ans.: Accommodation bills. Page No 40

14. State the forms of Government securities.

Ans.: The securities of Central and State Government take such forms as Inscribed Stock or Stock Certificate, Promissory Note and Bearer Bond. Page No 41

15.The _____ of the RBI undertakes to issue government Securities.

Ans. : The Public Debt Office (PDO) Page No. 41

16. What is described as 'Grooming' ?

Ans. : Acquisition of securities nearing maturity through the stock exchanges by the RBI in order to facilitate redemption is described as 'grooming'. Page No. 41

17. Which market is the oldest most developed and leading money market in the World ?

Ans. : London Money Market. Page No. 42 (Do you know fact)

18. Which market is ranked as the second well developed money market in the World next only to the London money market ?

Ans. : New York Money Market. Page No. 42 (Do you know fact)

Chapter 7 – Stock Exchange

1. _____ is considered as the old stock exchange in the world.

Ans. : Amsterdam Page No. 45

2. Amsterdam was established in the year _____

Ans. : 1662

3. Who established Amsterdam Stock Exchange in 1662 ?

Ans. : Dutch East India Company called 'Verenigde Oost-Indische Compagnie' called VOC.

4. Amsterdam Stock Exchange was later rechristened as _____

Ans. : "Amsterdam Bourse" Page No. 45

5. The First Stock Exchange in India was _____

Ans. : The Native Shares and Stock Brokers Association. Page No. 45

6. When was the first stock exchange in India was recognized by Government of India ?

Ans. : It was recognised on August 31, 1957 under Securities Contract(Regulation) Act 1956. Page No. 45

7. After the recognition by Government of India, the First Stock Exchange became _____ subsequently.

Ans. : The Bombay Stock Exchange. Page No. 45

8. _____ is the most popular Stock Exchange in the World.

Ans. : London Stock Exchange.

Page No. 46

9. ___ Stock Exchange is the oldest Stock Exchange in India.

Ans. : Bombay Stock Exchange.

Page No. 46

10.What are called Trading Circles ?

Ans. : Stock Exchange is a particular market place, where authorised brokers come together daily on the floor of market called 'Trading Circles' and conduct trading activities. P. No. 47

11.What are called Market Quotations ?

Ans. : The prices at which securities are bought and sold are recorded and made public. These prices are called Market Quotations.

Page No. 46

12.The ___ has been promoted by 15 regional stock exchange and is based at Mumbai.

Ans. : Interconnected Stock Exchange of India Ltd.(ISE)

Page No. 48

13.Difference between Speculation and Gambling.

Page No. 50

Ans. :

Speculation	Gambling
(1) It involves trading a financial instrument involving high risk, in expectation of significant returns (2)The motive is to take maximum advantage from fluctuations in the market (3)Speculations are prevalent in the markets where movements of securities are highly frequent and volatile(Change suddenly).	(1)There is no reasoning in gambling (2)It accentuates(emphasizes) fluctuations in price and it is unethical and illegal. (3) It does not perform economic function.

14.What are the categories of tradeable commodities ?

Ans. : Metals (eg. Gold, Silver, Copper)

Energy (eg. Crude oil, natural gas)

Agricultural (eg. Rice, Wheat, Cocoa)

Livestock and Meat (eg. Live Cattle, Lean hog)

Page No. 52

15.What was popularly known Pherwani Committee ?

Ans. : High powered group on the establishment of new stock exchanges, headed by Shri M J Pherwani

Page No. 53

16.At present, What Markets are comprised in the National Stock Market in India ?

Ans. :

- National Stock Exchange of India Ltd. (NSE)

- Stock Holding Corporation of India Ltd. (SHCIL)
- National Clearing and Depository System (NCDS)
- Securities Trading Corporation of India (STCI)
- National Securities Depository Ltd. (NSDL)

Page No. 53

17.NSE was incorporated in the year _____

Ans. : November 1992

Page No. 53

18.How trading takes place in NSE ?

Ans. : Through Computer Network, Members order for buying and selling within prescribed price are matched by central computer with each other and instantly communicate to the trading member.

Page No. 53

19.NSE has _____ and _____ segments.

Ans. : Debt , Capital

Page No. 53

20. SHCIL came into being in year ____ and it started its actual operations in the year ____

Ans. : 1986, 1988

Page No. 53

21. SHCIL has it's head office in _____

Ans. : Bombay

Page No. 53

22. SHCIL is the _____ participant registered with SEBI and acts as an agent of National Securities Depository

Ans. : First Depository

Page No. 53

23. The Reserve Bank of India set up Securities Trading Corporation of India Ltd. In _____ , under the provisions of Indian Companies Act, 1956, jointly with Public Sector Banks and All India Financial Institutions

Ans. : May 1994

Page No. 54

24. What is the main objective of establishing STCI ?

Ans. : To foster the development of an active secondary market for government securities and bonds issued by public sector undertakings.

Page No. 54

25. State the Authorised and Paid up Capital of STCI of which how much percentage is contributed by RBI ?

Ans. : Rs. 500 Crores, 50.18 %

Page No. 54

26.In December 1997, RBI divested part of it's equity in STCI in favour of which Bank ?

Ans. : Bank of India, an existing shareholder of the company.

Page No. 54

27.National Securities Depository Limited (NSDL) was inaugurated as the first depository in India on _____

Ans. : November 8, 1996

Page No. 54

28.Trading in dematerialised securities on the National Stock Exchanged commenced in _____

Ans. : December 26, 1996

Page No. 54

29.The Bombay Stock Exchange also extended the facility of trading in dematerialised securities from _____

Ans. : December 29, 1997

Page No. 54

30. The word 'NIFTY' originates from two words, _____ and _____

Ans. : National , Fifty

Page No. 54

31. NIFTY consists of top _____ companies from _____ different sectors.

Ans. : 50, 24

Page No. 54

32. NIFTY is calculated by using the _____ method according to which weights are assigned according to the size of the company.

Ans. : Market Capitalisation weighted method

Page No. 54

33. NIFTY basically means the index of the _____ most actively traded stocks, from across all sectors.

Ans. : 50

Page No. 54

34. NIFTY represents the top stocks of the _____ and when we talk about NIFTY going up, it means all the heavy weight stocks of NSE across all sectors are moving up.

Ans. : NSE

Page No. 54

35. Sensex is an index of the stocks in _____

Ans. : BSE (Bombay Stock Exchange)

Page No. 55

36. Sensex has a list of _____ Stocks

Ans. : 30

Page No. 55

37. What is the criteria for picking a stock to be listed on Sensex ?

Ans. : Volume of the trade of that stock and total volume of the stock in BSE Page No. 55

38. BSE regularly prepares a set of 30 stocks which will be together called as _____

Ans. : SENSEX

Page No. 55

39. Stocks are normally traded in BSE each day and price of Stocks is determined according to _____ and _____

Ans. : Demand , Supply

Page No. 55

40. What is the stock trading timings in India ?

Ans. : The normal trading time for equity market is between 9.15 am to 3.30 pm – Monday to Friday

Page No. 55

41. The Stock Market in India is closed on ____ and ____ . Also closed on ____ holidays.

Ans. : Saturday, Sunday, National

Page No. 55

42. The trading time for commodity market (MCX) is between ____ to ____ Monday to Friday.

Ans. : 10 am to 11.30 am

Page No. 55

43. The normal trading time for Agri community (NCDEX) is between ____ to ____ Monday to Friday.

Ans. : 10 am to 5 pm

Page No. 55

44. In addition there is no ____ break or ____ break in the Indian Stock Market timings.

Ans. : Lunch , Tea

Page No. 55

45. The timings of the Indian Stock Market are divided into how many sessions ?

Ans. : 1 : Normal Session (also called continuous session-9.15 am to 3.30 pm)

2 : Pre-Opening Session (9.00 am to 9.15 am)

3 : Post-Closing Session (3.30 pm to 4.00 pm)

Page No. 55

46. Give examples of Future Market.

Ans. : New York Mercantile Exchange, The Kansas City Board of Trade, The Chicago Board of options Exchange and Minneapolis Grain Exchange.

Page No. 55

47. What are the two types of Options ?

Ans. : Call Option and Put Option

Page No. 55

48. What is Call Option ?

Ans. : It is referred to when the activity of investor purchase of financial instruments in near future.

Page No. 55

49. What is Put Option ?

Ans. : It is an activity by which the trader could sell the share as agreed upon in the original option contract.

Page No. 55

50. What is Leverage ?

Ans. : Options that help you profit from changes in share prices without putting down the full price of the share. You get control over the shares without buying them outright (completely). Page No. 56

51. What is Hedging ?

Ans. : They can also be used to protect yourself from fluctuations in the price of a share, and letting you buy or sell the shares at a pre-determined price for a specified period of time.

Page No. 56

52. What is Dalal Street ?

Ans. : It is an area in downtown Mumbai, India.

It houses the Bombay Stock Exchange, other reputable financial institutions. Page No. 56

53. When did this area receive the name 'Dalal Street' ?

Ans. : It received the name Dalal Street after the Bombay Stock Exchange moved to the area, in 1874 and became the first stock exchange, recognised by the Indian Government.

Page No. 56

54. What is the literal translation of Dalal in Marathi ?

Ans. : A Broker or an intermediary.

Page No. 56

55. Today Dalal Street is a metonym for the entire _____ sector, much like Wall Street, in the United States.

Ans. : Indian Financial

Page No. 56

56. Where is Lombard Street ?

Ans. : London

Page No. 56

57. Lombard Street has often been compared with _____

Ans. : Wall Street, in New York City.

Page No. 56

58. Where Wall Street is located ?

Ans. : It is a Street, in Lower Manhattan, that is the original home of the New York Stock Exchange and the historic headquarters of the Largest US Brokerages and Investment Banks

Page No. 56

59. The term Wall Street is also used as a _____ name for the financial and investment community.

Ans. : Collective

Page No. 56

60. Case Study given in Page No. 57

Ans. : In the conversation of Raj and Ajay,

Ajay talks about the importance of Capital Market and how it is needed for an individual and an economy. So, you explain the meaning and importance of Capital Market, given in page no. 28

Capital Market consists of series of channels through which savings of the community are made available for industrial and commercial enterprises and for the public in general.

It directs these savings into their most productive use leading to the growth and development of the economy.

Lesson 8. Securities Exchange Board of India (SEBI)

1. Name the regional offices of SEBI.

Ans. :

Northern – New Delhi

Eastern – Kolkatta

Southern – Chennai

Western – Ahmedabad

Page No. 59

2. SEBI was made as an autonomous body by the government of India, on _____ and given statutory powers with SEBI Act 1992.

Ans. : 12th May, 1992

Page No. 59

3. What is the meaning of Insider Trading ?

Ans. : It means the buying and selling of Securities by Directors, Promoters, etc. who have access to some confidential information about the company and who wish to take advantage of this confidential information.

Page No. 61

4. For effective regulative of Stock Exchange, the Ministry of Finance issued a notification on _____ delegating several of its' powers under the Securities Contract (Regulations) Act to SEBI.

Ans. : 13th September, 1994

Page No. 62

5. SEBI is also empowered by the _____ to nominate 3 members on the Governing Body of every Stock Exchange.

Ans. : Finance Ministry

Page No. 62

6. What are the three key functions performed by SEBI?

Ans.: Quasi-legislative, quasi- judicial and quasi-executive.

It drafts regulations, conducts investigation & enforcement action and it passes rulings and orders.

Page No. 61

7.What is Demat Account ?

Ans. : A demat account holds all the shares that are purchased in electronic or dematerialized form.

Page No. 63

8.In Demat Account, purchases made by an investor are _____ to his Account and Sales are _____

Ans. : Credited, Debited

Page No. 63

9.The securities held in dematerialized form are _____

Ans. : Fungible

Page No. 63

10. Which company was the first to trade its' shares in demat form ? How many Shares ?

Ans. : Reliance Industries, 100 Shares

Page No. 63

11. Trading in dematerialized shares commenced on the NSE in _____

Ans. : December 1996

Page No. 63

12. In BSE dematerialization of shares commenced in the year _____

Ans. : December 1997

Page No. 63

13. Demat Account can be opened with _____ Balance of Shares. It also does not require that a _____ balance be maintained.

Ans. : No, Minimal

Page No. 64

14. PAN or Permanent Account Number is a unique _____ digit, alpha-numeric identity allotted to each tax payer by the _____ department under the supervision of Central Board of Direct Taxes.

Ans. : Ten Digit, Income Tax

Page No. 64

15. Case Study

Page No. 66

A) Aishwarya will have to provide any one mandatory detail with the broker.

(i)The shares can be sold by opening a demat account.

(ii)She has to mention the number of shares of the cement company.

(iii) Also mention the name of the company, type of shares, amount of share capital

b) Identify any two functions that were performed by SEBI in this case study.

(i) The market price of their share were informed and controlled by SEBI

(ii) On regular inspection and conducting enquiries, SEBI was able to detect this irregularity.

The SEBI imposed a heavy penalty on Mr. Kumar

Page No. 66

Chapter 9. Fundamentals of Human Resource Management

1. Give two points of differences between HR and HRM.

Ans. :

Human Resource (HR)	Human Resource Management (HRM)
<p>i) To accomplish personal and organisational objectives, human resource is needed.</p> <p>ii) Human Resources are the individuals who acquired the required skills, talents, knowledge, competencies and capabilities in the accomplishment of both individual and organisational objectives.</p>	<p>i) The branch of management that deals with managing human resource is known as human resource management</p> <p>ii) Human Resource management is the function of management concerned with hiring, motivating and maintaining people in an organisation.</p>

Page No. 69, 70

Chapter 10. Recruitment Methods

1. Give two points of differences between advertisement and unsolicited applications

Advertisement	Unsolicited Application
<p>i) It is an expensive method for the employer because advertisement incurs heavy cost.</p> <p>ii) The employer can advertise in Dailies, Journals, Magazines, etc. about the vacancies in the organisation.</p>	<p>i) It does not involve any expense for the employer.</p> <p>ii) The job seekers voluntarily apply for the vacancies that are not yet notified by the organisation.</p>

Page No. 76

2. There are ____ 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.

Ans. : outsourcing

Page No. 77

3. Pouching is also called as _____

Ans. : Raiding

Page No. 77

Chapter 11. Employee Selection Process

1. What do you understand about Bio-Data ?

Ans. : Most of public sector undertaking, various ministries of government, Recruitment boards supply pre-printed application form for selection of jobs. In this form, the candidate fill the details about family background educational qualification, co-curricular activities work experience, scale of pay drawn, area of expertise and so on. Page No.80

2. Why do you think the medical examination of a candidate is necessary ?

Ans.: The main purpose of medical examination is to find out

- (a) Physical fitness of the candidate under selection to the job concerned.
- (b) To protect the existing employees of business organisations from the infectious diseases likely to be spread by the candidate selected.
- (c) To check excessive expenditure in the treatment of selected employee after placement.

Page No. 84

3. What is mental age ?

Ans. : A person's mental age is a measurement of their ability to think when compared to the average person's ability at that age. (Do you know?) Page No. 82

4. What is the formula to calculate the flow of IQ level ?

Ans. : $\frac{\text{Mental Age}}{\text{Actual Age}} \times 100$ Page No. 82

5. Average Intelligence or Average IQ is _____

Ans. : 100 Page No. 82

6. If 10 years old has a mental age 13, therefore IQ = _____

Ans. : 130 that is above average Page No. 82

7. The French word 'enter voir' means _____

Ans. : to glimpse or to see each other. Page No. 82

8. Write various means of conducting online Interview.

Ans. : Skype, We chat, Google duo, Viber, WhatsApp or video chat application P.No. 83

9. In a Panel Interview, usually the panel comprises of - Whom?

Ans. : Chairperson, subject expert, psychological experts, representatives of minorities/ underprivileged groups, nominees of higher bodies and so on. Page No. 83

10. Write some common Interview Questions.

Ans. : (i) Tell me about yourself
(ii) Why do you want to work for this organisation ?

(iii) Why are you interested in this position ?

(iv) What is your greatest strength ?

(Do you know ?)

Page No. 84

11. Write some basic information which need to be included in a written contract of employment.

Ans. : Generally it contains details like

- (i) Job Title
- (ii) Duties and Responsibilities
- (iii) Scale of Pay Allowance, Increments
- (iv) Working Hours
- (v) Date when continuous employment start and basis for calculating service
- (vi) Work rules
- (vii) Grievance Procedure
- (viii) Disciplinary Procedure
- (ix) Special Terms and Conditions relating to Rights, etc.

Page No. 84, 85

12. What is the duration of Probation or trial period ?

Ans. : One Year to Two Years

Page No. 87

13. Why reference check is done in the selection process?

Ans.: To know the reliability and trustworthiness of the candidate. Page No 84

Chapter 12 Employee Training Method

1. My employees are my most important _____. When they go home in the evening net worth drops to _____. A software Billionaire in Silicon Valley (USA)

Ans.: Assets, Zero

Page No. 91

2. Case Study (Page No.98)

i) What kind of training program should she provide to her employees?

Ans.: She should provide on the job training program to her employees at the work place.

ii) What are the benefits does the employees gain from that training program?

Ans.: The employees learn the techniques to operate the machineries. It will increase the production.

3. Full form of PMKVY _____.

Ans.: Pradhan Mantri Kaushal Vikas Yojana .

(Do you know) P.No.98

4. What is PMKVY?

Ans.: It is a unique initiative by the Government of India that aims to offer 24 lakh Indian Youth meaningful industry relevant skill based training. P. No 98

5. What are the benefits of PMKVY?

Ans.: Under this scheme, the trainees will be offered a financial reward and a government certification on successful completion of training and assessment, which will help them in securing a job for a better future. P.No.98

6. In what sectors does ICA (Infotech Private Ltd) offer training under this initiative PMKVY ?

Ans.:

- ✓ Agriculture
- ✓ Apparel, Manufacturing Made Ups and Furnishing
- ✓ Leather Products
- ✓ Media and Entertainment
- ✓ Handicrafts
- ✓ Telecom

P. No.98

7. Success is 80% _____ and 20% _____

Ans.: Attitude, Aptitude P. No 98

Chapter 13 Concept Of Market And Marketer

1. Give examples for Produce Market Page No. 102

Ans. : Wheat Exchange Market of Hapur, The Cotton Exchange Market of Mumbai

2. Give examples for Manufactured Goods Market Page No. 102

Ans. : The Leather Exchange Market at Kanpur

3. Give examples for Bullion Market Page No. 102

Ans. : Bullion Markets of Mumbai, Kolkata, Kanpur, etc.

4. Give examples for Regulated Market Page No. 103

Ans. : Stock Exchange of Mumbai, Chennai, Kolkata, etc.

5. Give examples for Stock Market Page No. 103

Ans. : Stock Exchange of Mumbai, Chennai, Kolkata, etc.

6. Give examples for goods which can be marketed Page No. 104

Ans. : Consumer durables, Electronic Products, Machineries, Computers and it's software and hardware, etc.

7. Give examples of Services which can be marketed. Page No. 105

Ans. : Banking, Insurance, Finance, Hospitality, Tourism, Professional Consultation, etc.

8. Give examples of Experiences that can be Marketed. Page No. 105

Ans. : Amusement Park, Theme Park, Mountaineering, etc.

9. Give examples of Events that can be Marketed. Page No. 105

Ans. : Special Events, Shows, Exhibition, Fairs, Performances, Sports Events like World Cup, Olympic, T-20, etc.

10. Give examples for Celebrities through whom goods can be marketed ? Page No. 105

Ans. : Cinema Stars, Sports' Stars, Musicians and eminent personalities

11. Give examples for Properties that can be marketed Page No. 105

Ans. : Constructed House, Land, Plots, Buildings, Shares, Debentures, Mutual Funds, etc.

12. What an organisation can market itself in order to build an image for it ? Page No. 105

Ans. : By sponsoring events, adoption of villages, donations for charitable causes, corporate social responsible activities, etc.

13. Give examples for information the most valuable product, that can be marketed today?

Ans. : Information collected by Libraries, Research Agencies, Educational Institutions, Book Publishers, Broadcasting Company, Internet, etc. **Page No. 105**

14. State the functions of Marketer. Page No. 106

Ans. : i) Gathering and Analysing Market Information vii) Customer Support Services
ii) Market Planning viii) Pricing of Products
iii) Product Designing and Development ix) Promotion and Selling
iv) Standardisation and Grading x) Physical Distribution
v) Packaging and Labelling xi) Transportation
vi) Branding xii) Storage and Warehousing

15. Where is the Goat Market in Tamil Nadu ? Page No. 106

Ans. : In Aathur

16. Where is the Daily Flower Market in Tamil Nadu ? Page No. 106

Ans. : In Hosur

Chapter 14 Marketing and Marketing Mix

1. In Production Orientation, Evolution of Marketing was concentrated on the ____ P.No.109

Ans. : On the Mass Production of goods, for the purpose of Profit.

2. In Sales Orientation, ____ became the dominant factor, without any efforts for the satisfaction of the consumer needs. Page No. 109

Ans. : Selling

3. In Marketing Orientation of Evolution of Marketing, what were used as tools to boost Sales ? Page No. 109

Ans. : Aggressive Advertising, Personal Selling, Large Scale Sales Promotion, etc.

4. Write the seven functions of Marketing, described by G.B. Giles Page No. 110

Ans. : i) Marketing Research v) Selling and Distribution
 ii) Marketing Planning vi) After Sales Services
 iii) Product Development vii) Public Relations
 iv) Advertisement and Sales Promotion

5. According to Prof. Clark and Clark, How functions of Marketing Classified ?

Ans. : They are classified into three types, namely Page No. 111

i) Functions of Exchange
 ii) Functions of Physical Supply
 iii) Facilitating Functions

6. What does Functions of Exchange refer to ? Page No. 111

Ans. : Exchange refers to transfer of goods and services for Money's worth. This process can be divided into a) Buying and Assembling b) Selling

7. What are the two important functions under Functions of Physical Supply ? P. No. 111

Ans. : i) Transportation
 ii) Storage and Warehousing

8. List out the facilitating functions in Marketing Functions. Page No. 112

Ans. : i) Financing iv) Standardisation vii) Packing
 ii) Risk Bearing v) Grading viii) Pricing
 iii) Market Information vi) Branding

9. State the various risks involved in marketing. Page No. 112

Ans.: a) Time risk e) Risk arising from natural calamities
 b) Place risk f) Human risks
 c) Competition risk g) Political risks

d) Risk of change in demand

10. According to Clark and Clark, what is the meaning of Market Information ? P. No. 112

Ans. : Market information means all the facts, estimates, opinions and other information used in marketing of goods.

11. What is Standardisation ? P. No. 112

Ans. : Standardisation means establishment of certain standards based on intrinsic qualities of a commodity. The quality may be determined on the basis of various factors like size, colours, taste, appearance, etc.

12. What is Branding ? P. No. 112

Ans. : Branding means giving a name or symbol to a product in order to differentiate it from competitive products.

13. What is Packing ? P. No. 112

Ans. : Packing means wrapping or crating of goods before distribution. Goods are packed in packages or containers in order to protect them against breakage, leakage, spoilage and damage of any kind.

14. What are the elements of modern marketing mix ? P. No. 114

Ans. : Performance, People, Process, Program.

15. Where is the weekly market for firewood in Tamil Nadu ? P. No. 114

Ans. : In Karaikudi

16. Where is the animal market for Horse in Tamil Nadu ? P. No. 114

Ans. : In Andhiyur

Chapter 15 Recent Trends in Marketing

1. What is Electronic Commerce? P.No.117

Ans.: If all activities, which directly or indirectly facilitate that exchange of goods done through internet and other online environments is known as Electronic Commerce.

2. What is E- Business? P. No. 117

Ans.: If all the business transactions carried out through internet and other online tools is called E- business.

3. Differentiate E- Commerce and E- Business. P. No. 117

Ans.:

S. No	E- Commerce	E- Business

1.	E- commerce simply refers to the buying and selling of products and services through online.	E- business goes a way beyond the simple buying and selling , of goods and services and much wider range of business processes , such as supply chain management , electronic order processing and customer relationship management.
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4.What is E- Marketing?**P.No.117**

Ans.: E- marketing is the process of marketing of products and services over internet and telecommunication networks.

5. What is E- tailing?**P. No. 119**

Ans.: E- tailing refers to selling of goods and services through a shopping website (internet) or through virtual store to the ultimate consumer.

6.What is rural marketing?**P. No. 120**

Ans.: Rural marketing is a process of developing pricing, promoting and distributing rural specific goods and services leading to derived exchange with rural customers to satisfy their needs and wants.

7.What is viral marketing?**P.No.121**

Ans.: 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.

8.How is viral marketing effective ?**P. No. 121**

Ans. : It 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.

9.What are the Service Companies that promote viral marketing ? P . No. 121

Ans. : Messenger, Hotmail company that owned by Microsoft

10. State few examples of viral marketing platforms**P. No. 121**

Ans. : Creation of moving, surprising or spectacular videos created through YouTube, and shared on Facebook, Twitter and other channels.

11. What is Guerrilla Marketing ?**Page No. 122**

Ans. : This type of Marketing represents an advertisement strategy to promote products/services on streets or other public places with monkey like shopping malls, parks beach, etc. Consumers/ Customers are taken by surprise to make a big impression about the brand which in turn creates an excitement about the brand through printing their brand on shirts, creating a memorable experience in the mind of target audience, which results in

improvement of sales. It is suited to small companies which cannot set apart big advertisement budget.

12. What is Multi-Level Marketing ?

Page No. 122

Ans. : Multilevel Marketing is the marketing strategy wherein the direct sales companies encourage the existing distributors to recruit new distributors to facilitate the sale of goods and services. They are also known as Network Marketing, Referral Marketing or Pyramid Selling.

13. Give few examples of Multi-Level Marketing companies. Page No. 122

Ans. : Tupperware and Amway are the direct sales companies that use the multilevel marketing.

14. What is Referral Marketing ?

Page No. 123

Ans. : Referral Marketing is referred to spreading the word about the product or service through existing customers of business enterprises rather than through traditional advertising.

Word of Mouth Marketing which occurs when others tell each other about the business is also considered to be a form of Referral Marketing.

15. Identify the type of Marketing. A sells to B a product. In these sales A gets commission on sale to B who in turn sells to C, D and E. A gets certain percentage commission on B's Sales to C, D and E. Page No. 122

Ans. : Multi-Level Marketing

16. What is Content Marketing ?

Page No. 123

Ans. : Under this concept, products/services are presented impressively to target market, which respond to the content delivered in the form of goods sales response and create a loyalty.

17. State a few ways to reduce water usage in schools / home Page No. 124

Ans. : Fixing dripping taps, plumbing leaks and installing low flow toilets and low flow faucet aerators in wash rooms. Use a sprinkling system converting to a drip system, will dramatically reduce water usage.

18. Give examples for "Earth Friendly" vehicles. Page No. 124

Page No. 124

Ans. : Toyota's marketing of the Prius hybrid.

Volkswagen/ Mercedes Benz marketing of its vehicles as 'clean diesel' earth friendly vehicles.

Chapter 16. Consumerism

1. Who is considered to be Father of Consumer Movement ?

Page No. 130

Ans. : Mr. Ralph Nader

2. What are the functions of the Consumer clubs in Schools ?

Page No. 136

Ans. : i) Monthly meetings and demonstrations for 1 hour after school hours on the first Thursday of each month. Each month a topic / activity may be scheduled as in the model calendar.

ii) Days of National and International importance to consumers may be celebrated in the school / college. Poster/Speech / Essay Competitions can be organised at school level by the Consumer Club to sensitise the students on the importance of the day.

iii) Field visits to local markets / Consumer Courts and door to door campaign in the local community, etc. may be organized for at least 4 days in a year. It can be done on Saturdays with prior arrangement.

iv) Minutes of each activity have to be recorded by the Student and Teacher Coordinator jointly as properly document.

3. State Mahatma Gandhi's quote about Consumerism.

P. No 136

Ans.: "What is a man if he is not a thief who openly charges as much as he can for the goods he sells?"

Chapter 17 Rights, Duties & Responsibilities Of Consumers

1. Write about Consumers Rights in India.

P. No. 140

Ans.: On 24th December 1986, Government of India enacted the Consumer Protection Act 1986 to

a) Ensure Rights of Consumers

b) Provide Remedies for deceived consumers

c) Check Unfair Business Practices & Restrictive Trade Practices

2. Which is a unique law in the world?

P. No. 140

Ans.: Consumer Protection Act 1986

Chapter 18 Grievance Redressal Mechanism

1. Write Mahatma Gandhi's saying about Consumer.

Ans.: "A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so"

2.As per the Consumer Protection of Act 1986 and section _____ 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. P. No.146

Ans.: Section 9

3.Every proceedings before the District Forum shall be deemed to be judicial proceedings within the meaning of sections ____ and ____ of the Indian Penal Code and the Forum shall be deemed to be Civil Court. P. No 146

Ans.: Sections 193 and 228

4.At present, there are more than ____ District Forums and more than ____ State Commissions.

Ans.: 620, 30 **P. No. 147**

5.The National Consumer Disputes redressal Commission(NCDRC) at the apex is situated at _____ P. No. 147

Ans.: New Delhi.

6.According to Section 21 of the Consumer Protection Act, 1986, What Jurisdiction shall the National Commission have ? P. No. 148

Ans. : (i)To entertain a complaint valued more than 1 Crore

(ii)Revised the orders of State Commission

(iii)To call for the records and pass appropriate orders from the State Commission and District Forum.

7.What Provision is given in Section 23 of Consumer Protection Act, 1986 ? P. No. 148

Ans. : Any person aggrieved by an order of National Commission may prefer an appeal against such order to Supreme Court of India within a period of 30 days.

8.Which Department operates the Consumer Welfare Fund (CWF) and what is it's objective ? P. No. 148

Ans. : The Department of Consumer Affairs (DCA)

The Primary Objective of Consumer Welfare Fund is to strengthen the Consumer Advocacy Movement In India.

9.What are the steps involved in filing Complaint in Consumer Court? P. No 149

Ans.: The First step in filing a consumer complaint is to send a legal notice to the seller or company. A legal notice must be drafted with the help of a consumer court lawyer and include the following:

a)Details of the consumer like name, address, product or services purchase details of the company, etc.

- b) Necessary details of the problem faced and describe the deficiency in service.
- c) Action taken by the company in response to the customer complaint.
- d) Action expected from the company
- e) Time period given to the company to take action
- f) The legal action that will be taken upon failure by the company in sending a reply to the legal notice.

10. Who can make a complaint?

P. No. 150

Ans.: a) A consumer as defined under Consumer Protection Act 1986

- b) A registered Voluntary Consumer Association
- c) Central Government
- d) State Government/ Union Territory
- e) One or more consumer representing numerous consumers having the same interest.

11. When the complaints can be made?

P. No. 150

Ans.: A complaint may be made in writing under the following circumstances:

- a) Loss or damage is caused to the consumer due to the unfair trade practice of a trader.
- b) If the article purchased by a consumer is defective.
- c) If the services availed of by a consumer suffer from any deficiency.
- d) When the price paid by a consumer is in excess of the price displayed on the goods or when the price is in excess of the price fixed under any law in force.
- e) Goods, which will be hazardous to life and safety, when used are being offered for sale to the public in contravention of the provisions of any law.

12. How to register the complaints ?

Page No. 150

Ans. : The complaint should be registered by the following ways :

- (i) Complaint can be registered within 2 years from the date on which the cause of action has arisen, to the date on which the completion from the deficiency in services.
- (ii) Stamp Paper is not required for declaration.
- (iii) Complaint can be registered, in person, by the Complainant or through his authorised agent or by post addressed to the Redressal Agency.
- (iv) Advocates are not necessary.

13. What are the particulars that should be furnished along with the complaint ? P.No.150

Ans. : The complaint should contain the following particulars :

- (i)The name and complete address of the complainant.
- (ii)The name and complete address of the opposite party / parties.
- (iii)Date of Purchase of Goods or Services availed.
- (iv)Amount paid for the above purpose.
- (v)Particulars of goods purchased with number or details of services availed.
- (vi)The details of complaint, whether it is against unfair trade practices/ supply of defective goods/ deficiency in service provided/ collection of excess price should explicitly be mentioned in the complaint petition.
- (vii)Bills/ Receipts and copies of related correspondence, if any.

14.What relief can be ordered to the consumers ? Page No. 150

Ans. : The District forum / state commission can order the following reliefs to the consumers

- (i)To remove the defects in the goods pointed out.
- (ii)To replace the goods.
- (iii)To return to the complainant the price of the goods.
- (iv)To pay such amount of compensation for the loss or injury suffered by the consumer.
- (v)To discontinue the unfair trade practice or not to repeat it.
- (vi)To withdraw the hazardous goods from being offered for sale.
- (vii)To provide the cost of expenditure incurred by the complainant.

15.What is the appeal provision ?

Ans. :

- (i)Aggrieved by the orders, issued by the District Consumer Redressal Forum Appeal, petition can be filed before State Commission Dispute Redressal Commission within 30 days from the date of receipt of orders.
- (ii)Aggrieved by the orders, issued by the State Consumer Dispute Redressal Commission appeal petition can be filed before National Consumer Dispute Redressal Commission within 30 days from the date of receipt of orders.
- (iii)Aggrieved by the orders, issued by the National Consumer Dispute Redressal Commission appeal petition can be filed before Supreme Court of India within 30 days from the date of receipt of orders.
- (iv)No Fees charged for registering an appeal petition before State / National Consumer Dispute Redressal Commissions.

(v)The Appeal Petition has to be filed with the grounds for appeal with copies of orders of the lower redressal agencies and registering procedures are same, as is being done in the case of registering complaint.

16.When was the International Organisation of Consumers Unions (IOCU) was first established in? Why? How many members are there? Where is its head office and regional offices? Page No. 151 (Do you Know ?)

Ans. : 1960, to create cross-border campaigns and share knowledge; it has over 250 member organisations in 120 countries , its head office is based in London, England, with regional offices in Latin America, Asia, Pacific, Middle East and Africa.

17.What does the Students Consumer Club do? P. No.151

Ans.: They may create awareness about the products and services. They can motivate the parents about the consumer awareness of the following:

- i)MRP of the Product.
- ii)Expiry of the Product.
- iii)Quality of the Product (ISI, ISO, and Agmark etc.)

Chapter 19 Environmental Factors

1.Understanding the business environment enables to identify the opportunities available- Give example. P. No.154

Ans.: For example in the 80's Dr. Reddy identified the need for quality service in healthcare and started Apollo Hospitals. He was a pioneer in corporate hospital care and thus enjoys the first ever advantage in offering world class medical facilities in India.

2.Understanding the business environment helps the firms to identify threats which may affect the business – Give example. P. No. 154

Ans.: For example Japanese camera film making company Fuji Films which had global presence for over 50 years was affected with the advent digital camera.

3.The vision and objectives of a business guides its operations and strategic decisions- Give example. P. No. 155

Ans.: Example 'Amul taste of India' Gujarat Co-operative Milk Marketing Federation
GCMMF Vision: Liberate our farmers from economic oppression and lead them to prosperity.

4.Which two Indian companies are named as the world's most ethical companies by American Think Tank Ethisphere Institute? P. No. 155

Ans.: TATA Steel and WIPRO

5.The public group has the ability to make or mar a business. Many companies had to face closure due to actions by public- Give example P. No.156,157

Ans.: For example the closure of Sterlite Copper factory in Thoothukudi due to protests by environment protection group in 2018.

6.Name the committees which were constituted to give a comprehensive framework for Corporate Governance in India? P. No. 159

Ans.: Kumara Mangalam Birla Committee, 2000

Narayana Murthy Committee 2003

Adi Godrej Committee 2008

And presently Uday Kotak Committee

7.What are the outcome of discussion by these committees ? P. No. 159

Ans. : The present corporate governance norms, included in the companies Act 2013, SEBI Listing Regulations and Clause 49 of the Listing Agreement are the outcome of discussion by these committees.

8.According to Indian Corporate Governance framework, what are the requirements for listed companies ? P. No. 160

Ans. : The Indian Corporate Governance framework requires listed companies :

(i)to have independent directors on the board; at least one-third of the directors have to be independent directors.

(ii) to have at least one independent women director,

(iii) to disclose all deals and payments to related parties,

(iv)to disclose managerial compensation,

(v)CEO and CFO to sign stating that the governance norms have been complied within the financial statements.

9.What are the benefits of presence of active governance norms in a company ? P.No. 160

Ans. : Enhances the image of the company, increases investor confidence and safeguards the interests of the shareholders and the society.

10.What does the new norms laid down in Companies Act 2013 bring out ? P.No. 160

Ans. : It brings in transparency in corporates have raised the governing standards of Indian Companies as per International Standards.

11.What are the five core TATA values underpinning the way to do business ? P.No. 161

Ans. : (i)Integrity (ii)Excellence (iii)Unity (iv)Responsibility (v)Pioneering

Chapter 20. Liberalisation, Privatisation and Globalisation

1. Which is the base for New Economic Policies in various countries of the world ? and what was it about ? P. No. 164

Ans. : It is Dunkel Draft, which was about the General Agreements on Trade and Tariff. Mr. Arthur Dunkel (1932-2005) submitted a 22,000 page document for the World Trade Organisation and followed by many Nations to adopt their respective new economic policies. India is one among such nations to commit itself to the New Economic Policy in 1991.

2. What are the non-liberalised Industries ? P. No. 164

Ans. : Drugs & Pharmaceuticals, Hazardous Chemicals, Explosives, Tobacco Products, Alcoholic Drinks, and Electronic and Aerospace and Defence Equipment.

3. Currently How many Industries are under compulsory licensing ? P. No. 164

Ans. : Five Industries

4. Currently which industry has been liberalised ? P. No. 164

Ans. : Drugs and Pharmaceuticals Industry

5. Under Liberalisation, investment limit of the small scale industries has been raised to Rs. _____ P. No. 164

Ans. : 1 Crore

6. Fill up P. No. 165

The impact of Liberalisation on Indian Economy was well appreciable with the phenomenal growth by contributing \$ _____ to the World GDP so also the Indian Economy become the _____ largest amongst world leading economies.

Ans.: 7 Trillion, Seventh

7. Give some examples of Public Sector Enterprises, recently privatised P. No. 166

- Ans. :** (i) Bharat Aluminium Co. Ltd. (BALCO)
(ii) Hindustan Zinc Ltd. (HZL)
(iii) Indian Petrochemicals Corporation Ltd. (IPCL)
(iv) Maruthi Udyog Ltd. (MUL)
(v) Modern Food Industries Ltd. (MFIL)

8. Which was the first ever company privatised in India ? P. No. 166

Ans. : India Scooters Ltd.

9. In the contraction of public sectors, How many Industries were reduced ? P. No. 166

Ans. : From 17 to only 8 Industries and currently only Atomic Energy, Defence And Railways are Government Monopoly Industries i.e. Public Sector Industries in the Country.

10. In Sales of Shares of Public Sectors to the Private Sectors, has increased from _____ to _____ in the year 2011 and after. P. No. 166

Ans. : 45 % to 55 %

11. Who introduced the policy of liberalisation in India in 1991? P. No. 169

Ans.: The former Prime Minister of India, Dr Manmohan Singh.

12. Who is considered as the architect of Indian economic reforms ? P. No. 169

Ans.: The former Prime Minister of India, Dr Manmohan Singh.

Chapter 21 The Sale Of Goods Act 1930

1. Prior to the Sale of Goods Act, Contract of sale was governed by which Act? P. No 171

Ans.: Chapter 7 of the Indian Contract Act 1872.

2. Why the general provisions of Indian Contract Act is continue to apply to the Contract of Sale of Goods? P. No 171

Ans.: Contracts for the Sale of Goods are subjected to general legal principles applicable to all contracts, hence Indian Contract Act continue to apply.

3. Sale means selling the _____ of the goods to the buyer for a price besides transferring the physical possession of goods. P. No 172

Ans.: Ownership.

4. Similarly Purchase means buying the _____ of goods from a seller for a price. P. No 172

Ans.: Ownership.

5. In a Contract of sale, the buyer and seller should be of two _____ persons. P. No 172

Ans.: Different

6. If a person buys his own goods there is no _____ P. No. 172

Ans. : Sale

7. On the dissolution of partnership when the surplus assets including goods were distributed among the partners the court held that it was not a sale attracting sales tax. Why ? P. No. 172

Ans. : The Partners themselves were joint owners of the goods and they could not be both sellers and buyers

8. When the goods of a person are sold in execution of a decree, he himself may buy the goods to _____ P.No. 172

Ans. : Retain their Ownership

9. A mere transfer of possession does not amount to _____ P.No. 172

Ans. : Sale

10. What is called Price in contract of sale of goods ? P.No. 172

Ans. : The Monetary consideration for the goods sold.

11. If the property in goods is transferred immediately to the buyer it is called a _____ P.No. 172

Ans. : Sale

12. If the transfer of property takes place at a future date or in fulfilment of certain condition it is called an _____ P. No. 172

Ans. : Agreement to Sell

13. Where the goods sold under the contract of Sale are destroyed the loss falls squarely on the _____ as the ownership in the goods has already passed on to the latter even though the goods are in the possession of seller. P. No. 173

Ans. : Buyer

14. Where the goods under the agreement to sell are destroyed, the loss falls squarely on the _____ as the ownership is still vested with the seller even though the possession of the goods is with the buyer. P. No. 173

Ans. : Seller

15. When the buyer fails to pay the price under the contract of Sale of goods What can the seller do ? P. No. 173

Ans. : The seller cannot seize the goods, but the seller can only file a case against the buyer for violating the contract.

16. When the buyer violates the contract, under the agreement to sell What can the seller do ? P. No. 173

Ans. : The seller can re-posses the goods from the buyer. He can sue for damages for violation of the contract.

17. What is an executed Contract ? P. No. 173

Ans. : A completed contract

18. What is an executory Contract ? P.No. 173

Ans. : A Contract yet to be performed by the party to the contract.

19. Under the Contract of Sale, if a buyer becomes insolvent before he pays for the goods even though the goods sold are under the possession of the seller. What should the seller do ? P. No. 173

Ans. : The Seller has to return the goods to the Official Receiver or Assignee as the ownership of goods has already been transferred to the buyer. The Seller can claim only rateable dividend. The Seller have to inevitably part with the possession of the goods under his custody.

20. Under the Agreement to Sell, if the Buyer becomes insolvent, before the payment of the Price, What the Seller can do ? P. No. 173

Ans. : The Seller can retain the goods if they are under his possession or even He can repossess the goods even if the possession of goods is transferred to the buyer. In other words, the Seller is not bound to loose possession of the goods.

21. If the seller becomes insolvent before delivering the goods to the buyer, how can a buyer claim the delivery of goods? P. No.173

Ans.: The buyer can claim the delivery of the goods from the Official Receiver or Assignee as the ownership is already passed on to the buyer.

22. Under the agreement to sell, if the buyer has already paid the price of goods or made any advance, how can the buyer claim his due from the seller? P. No. 173

Ans.: The buyer can claim only rateable dividend and not the goods because the ownership in the goods is not yet passed to him.

23. What does the term actionable claim mean? P. No. 173

Ans.: The term actionable claim means debt secured by a mortgage of immovable property, Fixed Deposit receipt, Dividend Due on Shares, Amount due under LIC policy, Claim for rent which falls due in future etc.

24. Things attached to the land or forming part of the land agreed to be cut off from the land before sale(eg. Trees grown on the land agreed to be sold after harvest)- How these items treated under the contract of sale? P. No.173

Ans.: These items treated as goods.

25. Identify the type of goods. P. No. 174,175

a) Those goods which are owned or possessed by the seller at the time of contract of sale.

Ans.: Existing goods.

b) Those goods which are identified and agreed upon at the time of contract of sale.

Ans.: Specific goods.

c) If a buyer selects a particular variety of saree after examining several other sarees, the one denotes ___ goods.

Ans.: Specific goods

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

Ans.: Unascertained goods.

e) A wants to buy a car from a showroom where different models at different prices have been displayed. All these displayed models represent ___ goods.

Ans.: Unascertained goods.

f) Goods which become ascertained subsequent to the formation of the contract.

Ans.: Ascertained goods.

g) A contractor agrees to supply 100 bags of rice to B for giving marriage feast. It is a ___ goods.

Ans.: Future goods.

h) Where the bus company agrees to buy spare parts from a particular supplier, it is an example of ___ contract.

Ans.: Future.

i) Future goods represents ___ goods.

Ans.: Ascertained goods.

j) A agrees to sell a particular painting work, provided he gets from C. In this case, the painting work represents ___ goods.

Ans.: Contingent goods.

k) A rice merchant agrees to supply 10 bags of Basmati rice from Pakistan if he get supplies. In this case, Basmati rice representing ___ goods may or may not be available to the rice merchant.

Ans. : Contingent goods.

26. Distinguish the term Property in goods and Possession of goods. P. No. 176

Ans. : Property in goods means the ownership of goods while Possession of goods refers to the custody of goods or control over the goods.

27. What is called Passing of Property ? P. No. 176

Ans. : Transfer of Title of a Property.

28. B selects certain books in a bookshop. The price is settled. B arranges to take delivery of Books next day, through his servant and agrees to pay for the books on the first of next month. The books were destroyed by Fire in the same evening. In this case, who has to bear the loss and pay for the books selected ? Why ? P. No. 176

Ans. : B has to bear the loss and pay for the books selected since the ownership has already passed on to B.

29. There was a Contract for a sale of Machine, weighing 30 tonnes and installed in a concrete floor. Some parts of the Machine were damaged during the process of removal. In this case, can the buyer refuse? Why? P. No. 176

Ans. : In this case, the buyer is entitled to refuse to buy the Machine, as it is not in a deliverable condition.

30. A sold some quantity of Wheat to B at the rate of Rs. 10 per Kg. However, A had to weigh the wheat in order to know the price of the entire quantity of wheat sold to B. In this case, when will the ownership of the Wheat be transferred to B ? P. No. 176

Ans. : In this case, the ownership of the Wheat shall transfer to B, as soon as A weighs the Wheat. B Comes to know about the completion of the weighing activity.

31. What is Appropriation ? Give one example. P. No. 177

Ans. : It is a bilateral act of the seller and the buyer who identify and isolate the goods. In other words where the goods identified and isolated put into boxes or any container with the consent of the buyer, it is called appropriation.

Example : A agrees to sell B the oil to be produced by him. The oil was filled by A into the bottles supplied by B. It is an effective appropriation and the ownership of oil passes to the buyer, when the oil is filled into the bottles. In this case, the buyer gave his consent to the appropriation by supplying the bottles.

32. A offers to sell his scooter to B and delivers it to B for trial run for two days. B communicates his acceptance after two days. In this case, Is the ownership passed on to B ? P. No. 177

Ans. : In this case, Ownership passes right from the time of his communication of his approval.

33. A delivers some Jewellery to B on sale or return basis. B pledged the Jewellery with C. In this case, Can A take action against C or B? P. No. 177

Ans. : In this case, the ownership of the jewellery had transferred to B as he adopted the transaction by pledging the jewellery with C. Therefore, A has no right against C. He can only recover the price of jewellery from B.

34. X delivers some goods to Y on sale or return for 7 days. Y neither returns nor gives notice of rejection of goods even after the expiry of 7 days. The goods were destroyed by fire on the 8th day. In this case who will bear the loss? P. No. 178

Ans.: In this case Y has to bear the loss as the ownership has passed on 8th day after the lapse of stipulated period i.e 7 days

35.S Ltd agreed to sell a tractor to Municipality on the condition that if the latter was satisfied with the tractor, it could reject it. The municipality used the tractor for a month and a half and then wanted to reject. In this case, was the property in the tractor passed to the Municipality? P. No 178

Ans.: In this case, the property in the tractor is deemed to have passed to the municipality as reasonable time elapsed.

36.A intends to buy a motor bike from B. A insists that the bike should give him a mileage of 50 kms per litre. He prefers to have red colour. B a mechanic gets a bike which gives him 55 kms per litre. But colour is green. Can A cancel the contract? P.No.178

Ans.: In this case A cannot cancel the contract since A is very particular about the mileage, it is a Condition to the contract. That part of contract is fulfilled by B. However, A can ask the mechanic B to bear the cost of painting it with red colour.

37. R purchased a motor car from D and used it for 4 months. Later after six months, true owner came and proved that he is a true owner. Should the car be returned to the true owner? What R should do? P. No. 179

Ans.: In this case, R has to return the to the true owner and claim the full price paid by him from D.

38.A has bought a machinery from B who described it to be one year old. After buying the machinery and using it for a month, A came to know that it is very old machinery. In this case, can A return the machinery to B? P. No. 179

Ans.: Yes. A can return the machinery to B on the ground that machinery is not as per the description i.e not recent one.

39.A bought set of false teeth from a dentist. The set did not fit into his mouth. Can A reject the set? P. No. 180

Ans.: A could reject the set as the purpose for which it was bought was known to the dentist.

40.Mention some items which cannot be regarded as merchantable under such names. P. No. 180

Ans.: A watch that will not keep time, a pen that will not write and tobacco which will not smoke.

41.F bought milk from A a dairy owner. The milk was contaminated with germs of typhoid fever. F's wife on taking the milk became infected and died of it. Can A be held liable for it? P. No. 180

Ans.: Yes A was held liable in damages.

42.X sold certain drugs by auction to Y. In the auction sale, there is a trade custom to declare any defect in the goods. But X sold the goods without declaration. Later, such goods were found to be defective. Can Y claim the price? P. No. 180

Ans.: In this case, Y can claim refund of the price on the ground of breach of custom.

43. When the seller will lose the right to lien on goods? P. No. 181

Ans.: a) When the seller delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the right of disposal of the goods.

b)When the buyer took the delivery from booking office.

c)When the seller waives his right of lien.

44.When the seller has the right of stoppage in transit? P. No.181

Ans.: Where the seller has delivered the goods to a carrier or other bailee for the purpose of transmission to the buyer, but buyer has not acquired them, then the seller can stop the goods and regain the possession. In other words, goods must be neither with the seller nor with the buyer but should be in the hands of a carrier. Further, the buyer must have become an insolvent.

Chapter 22 The Negotiable Instruments Act 1881

1.What does the word negotiable mean? P. No.185

Ans.: The word negotiable means transferable from one person to another in return for consideration.

2.Define Negotiable instruments. P. No. 186

Ans. : 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.

3.A sold certain goods to B. B gives the bill of exchange to A for the price. Later B refuses to pay the bill of exchange on the ground that the goods supplied are defective. Meantime, A endorsed the bill to C. In this case, will title of C be affected ? P.No.186

Ans. : In this case, B's defence is of no value. C is the holder in due course. His Title is not affected by certain defence like fraud or misrepresentation or any mistake.

4.Match the documents with the section. P. No. 186, 187, 188, 189, 192,193

- | | |
|-------------------------------------|-----------------|
| (i) Negotiable Instruments Act 1881 | (a) Section 6 |
| (ii) Bill of Exchange | (b) Section 13 |
| (iii) Cheque | (c) Section 123 |
| (iv) Promissory Note | (d) Section 124 |

(v) General Crossing (e) Section 15

(vi) Special Crossing (f) Section 4

(vii) Endorsement (g) Section 5

Ans. : (i)-b, (ii)- g (iii)- a (iv)- f (v)- c (vi)- d (vii)- e

5. What does the word 'Person' include in Negotiable Instrument ? P. No. 188

Ans. : The word Person includes Bodies Corporate, Local authorities, Associations, Holders of Office of an Institution, etc.

6. A Bank Note or a Currency Note is not a _____ P. No. 189

Ans : Promissory Note.

7. A Promissory Note originally made payable to bearer is _____ P. No. 189

Ans. : Illegal

8.The amount payable must be in _____ money of India P. No. 189

Ans. : Legal Tender money

9. A note containing a promise to pay certain amount of _____ money is not a promissory note. P. No. 189

Ans. : Foreign money

10.Alternative promissors, in promissory note, are not permitted in law. Why ? P.N.189

Ans. : Because where Liabilities lies, no ambiguity must lie

11.The Cheque is always payable on _____ P. No. 181

Ans. : Demand

12.Foreign Bills of Exchange are drawn in sets of _____ P. No. 190

Ans. : Three

13.In Promissory Note, How many Parties are there ? P. No. 191

Ans. : Two Parties – the maker and the payee

14. In Cheque and Bill of Exchange, How many Parties are there ? P. No. 191

Ans. : Three Parties – the drawer, the drawee and the payee

15. In case of _____ bill, acceptance by the drawee is necessary before he can be made liable on it. P. No. 190

Ans. : Time bill

16. What is 'Allonge' ? P. No. 193

Ans. : 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.

17. If the endorsee name is wrongly spelt, What should the endorsee do ? P. No. 193

Ans. : The endorsee should sign the same as spelt in the instrument and write the correct spelling within brackets after his endorsement.

18. What must be omitted in the endorsement ? P. No. 194

Ans. : The prefixes or suffixes added to the names of the payees or endorsees must be omitted.

19. If the Payee is an illiterate person, How can he endorse the instrument ? P. No. 194

Ans. : He can endorse by affixing his thumb impression on the instrument. But it must be duly attested by somebody who should give his full address there on.

20. What does not constitute a regular endorsement ? P. No. 194

Ans. : Signing in Block Letters.

21. A person duly authorised to endorse a cheque or bill, must indicate that he is signing in it on behalf of his principal, should use which appropriate words ? P.No. 194

Ans. : Words such as 'for', 'on behalf of', 'per pro'

22. Why emergency holidays are declared under Negotiable Instruments Act ?

Ans. : Refer Page No. 194

23. Explain MICR

Ans. : Refer Page No. 194

24. Explain IFSC

Ans. : Refer Page No. 194

Chapter 23. Elements of Entrepreneurship

1. What does the term 'Entrepreneurship' denote ? P. No. 199

Ans. : The term entrepreneurship denotes the process of setting up one's own business venture as distinct from pursuing any other economic activity or any employment or practicing some profession.

2. The person who establishes business is termed as _____ P. No. 199

Ans. : Entrepreneur

3. The output of an Entrepreneurial process ends up in establishing and _____ P.No.199

Ans. : Enterprise

4. List some non-financial support provided to Women Entrepreneurs. P. No. 206

Ans. :

- (i) Financial Counselling and Training,
- (ii) Business Advisory Service
- (iii) Handling Legal Barriers
- (iv) Client Research
- (v) Establishing Commercial Linkages
- (vi) Collateral Free Loans, etc.

5. Name some Associations which creates opportunities for Women Entrepreneurs. P.No. 206

Ans. :

- a) Self-help Groups (SHG)
- b) Federation of Indian Women Entrepreneurs (FIWE)
- c) Women's India Trust (WIT)
- d) Small Industries Development Organisation (SIDO)
- e) National Bank for Agriculture & Rural Development (NABARD)

6. Name some schemes created by Government for Women Entrepreneurs. P.No.206,207

Ans. :

- i) Standup India scheme for women entrepreneur
- ii) Mahila Coir Yojana
- iii) Mahila E-Haat
- iv) Magalir Udavi Scheme
- v) Mudra Yojana Scheme for Women
- vi) Udyogini Scheme

7. Name some training schemes implemented for promoting self employment of Women by Government of India. P. No. 207

Ans. :

- a) Support for Training and Employment Program of Women (STEP)
- b) Small Industry Service Institutes
- c) State Financial Corporations

d)National Small Industries Corporations

e)District Industrial Centres

8.What is Consortium of Women Entrepreneurs of India (CWEI) ? P. No. 207

Ans. : CWEI was registered as Civil Society in the year 1996, which is a non-profit organisation in New Delhi. It is accredited by Government of India. It is the member of National Board, Ministry of MSME and is working closely with Ministry of Rural Development in the public, private partnership to support below poverty line families in India.

9.What are the functions rendered by CWEI ? P. No. 207

- Ans. :** i)They are acting as a spring board for enterprises started by the women.
ii)It is helping women achieve high economic empowerment.
iii)It is spreading knowledge to Women Entrepreneurs about various government schemes.

Chapter 24. Types of Entrepreneurs

1. Identify the type of Entrepreneur. P. No. 216 - 220

(a)An Entrepreneur who is always focussed on introducing a new project or introducing new in the venture already started.

Ans. : Innovating Entrepreneur

(b)An Entrepreneur who simply imitates existing skill, knowledge or technology already in place, in advanced countries.

Ans. : Imitative Entrepreneur

(c)These Entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation. They are of risk averse type. But they adopt themselves to the changes only at the last resort.

Ans. : Fabian Entrepreneur

(d)Entrepreneurs who are totally opposed to changes unfolding in the environment. and they never adopt to change.

Ans. : Drone Entrepreneur

(e)Entrepreneurs who conceives an idea for a new product or service and establishes a business enterprise and takes up production, operation, and pursues marketing activities.

Ans. : Business Entrepreneur

(f)Entrepreneurs who restrict themselves to buying and selling finished goods.

Ans. : Trading Entrepreneur

(g)Entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto.

Ans. : Industrial Entrepreneurs

(h)Entrepreneurs who assemble all the resources and put in play organisation to run the business on a day to day basis

Ans. : Corporate Entrepreneurs

(i)Entrepreneurs who raise Farm Products and Market them.

Ans. : Agricultural Entrepreneurs

(j)Entrepreneurs who buy the goods in small quantity from numerous wholesalers and make it available different products of different brands under one roof, to end consumers.

Ans. : Retail Entrepreneurs

(k)Entrepreneurs who supply service products to end Consumers.

Ans. : Service Entrepreneurs

(l)Entrepreneurs such as those craftsmen like welder, fitter, moulder, carpenter, turner, etc.

Ans. : Technical Entrepreneurs

(m)Entrepreneurs who do not possess any technical competence to produce the goods, or service but have special talents to market the products successfully.

Ans. : Non-Technical Entrepreneurs

(n)Entrepreneur who is having rich expertise in starting a venture but lack interest in continuing the venture as a manager or as a owner. He/ She sells out the venture started by him/her to someone else after it's successful take off.

Ans. : Professional Entrepreneur

(o)Entrepreneur who are propelled to enter into venture by psychological and economic motives. Their egos do not permit them to work for somebody else.

Ans. : Pure Entrepreneur

(p)Entrepreneur who is inspired to take up entrepreneurial activity, through friendly policies put up in place by the Government.

Ans. : Induced Entrepreneur

(q)Entrepreneur who are motivated to take up venture by the desire for self-fulfilment and they are motivated to produce and market product or service by sheer prospect of making huge profit.

Ans. : Motivated Entrepreneur

(r)Entrepreneurs who have natural inclination to start venture. They are supposed to be bold, optimistic and enterprising persons. They have passion for meeting the challenges.

Ans. : Spontaneous Entrepreneur

(s)Entrepreneurs who do not have any family background or prior exposure to the venture initiated by them.

Ans. : First Generation Entrepreneur

(t)Entrepreneurs who keenly observe the dynamics of the market with eagle eye and identify the unfilled gaps, if any in product or service marketed. He/ She takes initiative in starting the venture to cater to the unmet needs of the market.

Ans. : Modern Entrepreneur

(u)Entrepreneur who starts his own venture as a family business. They engage in business as a matter of routine. Their prior exposure to business environment impels them to commence venture of their own.

Ans. : Classical Entrepreneur

(v)Entrepreneur who commences his entrepreneurial activities in urban areas.

Ans. : Urban Entrepreneur

(w)Entrepreneurs who start ventures in rural locations.

Ans. : Rural Entrepreneur

(x)Ventures started by individual either singly or collectively at their own risk, after mobilising various resources in order to earn profit.

Ans. : Private Entrepreneur

(y)Trading / Industrial Ventures started by Government

Ans. : State Entrepreneurship

(z)Ventures started and owned by both Private individuals and Government.

Ans. : Joint Entrepreneurship

Chapter 25. Government Schemes for Entrepreneurial Development

1.How an Entrepreneur has to get power connection ? P. No. 229

Ans. : Entrepreneur has to make application to Asst. Divisional Engineer of State Electricity Board for Power Connection, after paying security deposit and fulfilling the official formalities prescribed.

2.How an Entrepreneur obtain Statutory License ? P. No. 229

Ans. : An Entrepreneur has to obtain Municipal License from the authority concerned. Then the Entrepreneur has to register the unit with the Central and Sales Tax Department. If a unit comes within the provisions of Factories Act, He/ She has to register it with Inspector of Factories or it has to register the unit under the Shops and Establishment Act.

3.What are the aspects should Financial Viability Cover ? P. No. 229

Ans. : It should cover the aspects like :

- * non-recurring cost such as land and building, plant and machinery, etc.
- *recurring expenses like Wages, Salaries, and Overheads, etc.
- *probable cost of production
- *Profit on expected Sales

4. What information should technical feasibility mention ? P. No. 229

- *Description of Product Specification
- *Raw Materials Availability
- * Manufacturing Process
- * Quality Control Measures
- *Availability of Water, Power, Transport and Communication Facility

5. How Project Reports are prepared by an Entrepreneur ? P. No. 228

Ans. : Project Reports need to be prepared according to the format, prescribed in the Loan Application Form, of Term Lending Institution. An Entrepreneur can get the report prepared either by technical consultancy organisation or by auditors or by consultants or by development agencies.

6.What aspects should Project Report Cover ? P. No. 228

Ans. : This report should cover aspects like

- * Sources of Finance
- * Technical Know how
- * Sources of Labour and Raw Materials
- * Market Potential and Profitability

7.While choosing the site, What should be considered by the Entrepreneur ?

Ans. : Nearness to Native Place incentives provided by the Government, Nearness to Market, Availability of Labour and Raw Materials in a particular area, infrastructure facility.

Chapter 26. Companies Act 2013

1.The New 2013 Companies Act consists of _____ Chapters _____ Sections and _____ Schedules. P. No.233

Ans.: 29, 470, 7

2.The word 'company' is derived from the Latin word (Com- with or together; pains-bread), and originally referred to _____ P. No.235

Ans.: To an association of persons who took their meals together.

3. Body Corporate means a _____ P. No.235

Ans.: Corporate entity which has legal existence.

4.What does body corporate or corporation include according to section 2 (11)? P.No. 235

Ans. : A Private Company, A Public Company, one person Company, small Company, Limited Liability Partnerships, Foreign Company incorporated India.

5. According to Section 2 (11), what does not include body corporate ? P. No. 235

Ans. : A Co-operative Society, registered under any law relating to co-operative society, any other body corporate (not being a company, as defined in this Act)

6.What are the tenure of Preference Shares? P. No.237

Ans.: Tenure of Preference Shares continued as 20 Years except for Infrastructural Projects.

Companies having Infrastructural Project can issue preference shares for more than 20 Years upto 30 Years subject to minimum 10% Redemption of such preferential from 21st Year onward or earlier.

7.The Amount of Share Premium has to be transferred to an Account called the _____ P.No.237

Ans. : Securities Premium Account

8. The Securities Premium Account is _____ in nature. P. No. 237

Ans. : Capital

9.State the purposes specified by the Act under section 78 in utilising Securities Premium Account . P. No. 237

Ans.: Issue of fully paid bonus shares to the members of the company

To write off preliminary expenses

To write off the expenses of issue, or commission paid, or discount allowed, on issue of shares or debentures of the company.

To provide for the payment of premium on the redemption of any redeemable preference shares or debentures of the company.

10.The Securities Premium Account cannot be treated as ____ reserve for distributing dividends. P. No. 237

Ans.: Revenue.

11.What is Sweat Equity Shares? P. No.238

Ans.: Sweat Equity Shares means issue of shares to employees or directors at a lower price for cash or other than cash, in lieu of providing know how or making available rights in the nature of intellectual property rights or any value additions.

12.The share certificate is issued by the company within ____ months of the allotment of shares to the applicants. P. No.238

Ans.: Three months.

13.What is Share Warrant? P. No.238

Ans.: It is negotiable instrument, issued by the public limited company only against fully paid up shares. It is also termed as a document of title because the holder of the share warrant is entitled to the number of shares mentioned in it.

14.What are the requirements to issue share warrants by a public company ? P.No.238

Ans. : If the public company wants to issue share warrant, then prior approval of the central government is requirement. Further the issue of a share warrant must be authorised in the articles of association of the company.

15.If the holder of the share warrant wants to take share certificate, what he has to do ?

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Ans. : The holder of the share warrant can take share certificate, only if holder surrenders the share warrant and pays the required Fee for the issue of share certificate. Thereafter, the company will cancel the warrant and issue a new share certificate to him as well as the company will enter his name as the member of the company in the register of members, after which he will become a member of the company.

16.Is the holder of the share warrant, a member of the Company ? P. No. 239

Ans. : Generally, the holder of the share warrant is not the member of the company, but if the articles of association of the company provided, then the bearer is deemed to be the member of the company.

17.How a company can convert it's shares into Stock ? P. No. 239

Ans. : A company can convert it's shares into Stock, by following the provisions of Table A (Articles 36-39). Stock is created from fully paid shares by passing an ordinary resolution in the general meeting. The Articles of Association of the company must permit this conversion.

18.Name some Navratnas companies. P. No. 241

Ans. : Bharat Electronics Ltd. (BEL)
Oil India Ltd. (OIL)
Shipping Corporation of India. (SCI) Engineers India Ltd. (EIL)
Container Corporation of India (CONCOR) Hindustan Petroleum Corpn. Ltd. (HPCL)

19.Name some of the Maharatnas companies ? P. No. 242

Ans. : National Thermal Power Corpn. (NTPC)
Oil & Natural Gas Corporation (ONGC)
Steel Authority of India Ltd. (SAIL)
Bharat Heavy Electricals Ltd. (BHEL)
Gas Authority of India Ltd. (GAIL)
Bharat Petroleum Corpn. Ltd. (BPCL)

20. What are the changes, in existing company name, is not allowed ? P. No. 242

Ans. :

- i)Plural version of any of the words appearing in the name of an existing company is not allowed, like example Eshwar equipment private ltd. Co. then name of Eshwar equipments private ltd. Co. will not be proposed.
- ii)changes in type , letter case, spacing or punctuation marks
- iii)joining words or separating words before or after the company name
- iv)different tense or number of the same word
- v)intentionally misspelled words, etc.

21.How many number of persons required to form public company, private company and one person company ? P. No. 235

Ans. : Public Company – 7 or more persons
Private Company – 2 or more persons
One person company – 1 person

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