



12th COMMERCE

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தெய்வத்தான் ஆகா தெவிடும் முயற்சிகள்
மெய்வருத்தக் கூலிதரும்...

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UNIT 1 MANAGEMENT PROCESS**CHAPTER 1 PRINCIPLES OF MANAGEMENT****I. Choose The Correct Answers**

1) Management is what a.....does?

- a) Manager b) Subordinate c) Supervisor d) Superior

2) Management is an.....

- a) Art b) Science c) **Art and Science** d) Art or Science

3) Scientific management is developed by.....

- a) Fayol b) **Taylor** c) Mayo d) Jacob

4) Dividing the work into small tasks is known as.....

- a) Discipline b) Unity c) **Division of work** d) Equity

5) With a wider span, there will be.....hierarchical levels.

- a) More b) **Less** c) Multiple d) Additional

II. Very Short Answer Questions**1. What is Management?**

- Management is part and parcel of our day to day life.
- Management is **goal oriented** and it is an **art of getting** things done with and through others.

2. List Out The Management Tools

- Accounting
- Business Law
- Psychology
- Statistics
- Econometrics
- Data Processing

3. State The Meaning of Authority

- Authority means the right of a superior to **give the order to his subordinates**.
- This is the issue of commands followed responsibility for their consequences.

4. What Do You Mean By Span of Management?

- The Span of Management refers to the number of subordinates who can be managed efficiently by a superior.
- Simply, the manager having the group of subordinates who report him directly is called as the span of management.

III. Short Answer Questions**1. Define the Term Management**

- "To Manage Is To Forecast, To Plan, To Organise, To Command, To Co-Ordinate and To Control." - **Henry Fayol** **(Or)**
- "Management is a multipurpose organ that manages a business and manages manager, and manages worker and work". - **Peter F. Drucker**

2. Differentiate Management From Administration (Any 3)

| Basis for Comparison | Management | Administration |
|-----------------------------|------------------------|--|
| Authority | Middle and Lower Level | Top Level |
| Role | Executive | Decisive |
| Focus on | Managing Work | Making best possible allocation of limited resources |
| Key person | Manager | Administrator |
| Concerned with | Policy implementation | Policy formulation |

3. What Are The Principles Of Taylor?

- 1) Science, Not Rule of Thumb
- 2) Harmony, Not Discord
- 3) Mental Revolution
- 4) Cooperation, Not individualism
- 5) Development of each and every person to his or her greatest efficiency and prosperity

4. What Determines The Span Of Management?

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

The Span of Management has two implications:

- 1) Influences the complexities of the individual managers job
- 2) Determine the shape or configuration of the organization

IV. Long Answer Questions**1) Explain The Concept Of Management. (Any 5)**

- 1) Body of Knowledge
- 2) Management Tools
- 3) Separate Discipline
- 4) Specialisation
- 5) Code of Conduct
- 6) Professional Association

➤ **Body of Knowledge**

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

➤ **Management Tools**

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

➤ **Separate Discipline**

- Management studies in many universities and institutions of higher learning are recognised as a separate discipline.
- Seminars, special courses, training programmes are becoming fashionable and popular for orientation and retraining in management areas, e.g.,

➤ **Specialisation**

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

➤ **Professional Association**

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

➤ **Code of Conduct**

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

2) Explain The Principles Of Modern Management. (Any 5)

“The **Father** of Modern Management is **Mr. Henry Fayol**”

- 1) Division of Work
- 2) Authority and Responsibility
- 3) Discipline
- 4) Unity of Command
- 5) Unity of Direction
- 6) Subordination of Individual Interest to Mutual Interest
- 7) Remuneration
- 8) The Degree of Centralization
- 9) Line of Authority/Scalar Chain
- 10) Order
- 11) Equity
- 12) Stability of Tenure of Personnel
- 13) Initiative
- 14) Esprit de Corps/Team Spirit

1. Division of Work

- According to this principle the whole work is divided into small tasks.
- This leads to specialization which increases the efficiency of labour.

2. Authority and Responsibility

- This is the issue of commands followed by responsibility for their consequences.
- Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

3. Discipline

- It is obedience, proper conduct in relation to others, respect of authority, etc.
- It is essential for the smooth functioning of all organizations.

4. Unity of Command

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

5. Unity of Direction

- All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.

6. Remuneration

- Workers must be paid sufficiently as this is a chief motivation of employees and therefore greatly influences productivity.

“எந்த ஒரு செயலையும் ஆர்வம் குறையாமல் நம்பிக்கையுடன் செய்தால் வெற்றி நம்மை தேடி வரும்”

CHAPTER 2 FUNCTIONS OF MANAGEMENT**I. Choose The Correct Answers**

- 1) Which is the primary function of management?
(a) Innovating (b) Controlling (c) **Planning** (d) Decision-making
- 2) Which of the following is not a main function?
(A) **Decision-Making** (b) Planning (c) Organising (d) Staffing
- 3) Distribution of work in group wise or section wise is called as.....
(a) Co-Ordinating (b) Controlling (c) Staffing (d) **Organising**
- 4) Which of the following is verification function?
(a) Planning (b) Organising (c) Staffing (d) **Controlling**
- 5) The goals are achieved with the help of.....
(a) **Motivation** (b) Controlling (c) Planning (d) Staffing
- 6) is included in every managerial function.
(a) **Co-Ordinating** (b) Controlling (c) Staffing (d) Organising

II. Very Short Answer Questions**1. Write A Short Note About Planning.**

- ♣ Planning is the primary function of management.
- ♣ Nothing can be performed without planning.
- ♣ Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal.

2. What Is Meant By Motivation?

- ♣ The goals are achieved with the help of motivation.
- ♣ Motivation includes increasing the speed of performance of a work and developing willingness on the part of workers.

3. List the Subsidiary Functions Of Management

1. Innovation
2. Representation
3. Decision Making
4. Communication

4. What is the Traditional Proverb Used in Planning?

- ♣ "Think Before you Act"
- ♣ "Look Before you Leap"

III. Short Answer Questions**1. List Out The Main Functions Of Management**

- 1) Planning
- 2) Organizing
- 3) Staffing
- 4) Directing
- 5) Motivating
- 6) Controlling and
- 7) Co-ordination

2. State the Importance of Staffing

- ♣ Staffing refers to placement of right persons in the right jobs.
- ♣ Since the right person is recruited for the right jobs, it leads for maximum productivity and higher performance.
- ♣ It promotes optimum utilization of human resources.

3. How The Employees Are Informed About Important Matters In A Company?

- ❖ Communication is the transmission of human thoughts and opinions from one person to another person.
- ❖ Employees are kept informed of all necessary matters by circulars, instructions manuals, newsletters, notice boards, meetings, participative mechanisms, etc.

IV. Long Answer Questions

1. Explain the Various Functions of Management (Any 5)

| Main (Or) Primary Function | Subsidiary (Or) Secondary Function |
|----------------------------|------------------------------------|
| • Planning | ➤ Innovation |
| • Organising | ➤ Representation |
| • Staffing | ➤ Decision Making |
| • Directing | ➤ Communication |
| • Motivation | |
| • Controlling | |
| • Co-ordination | |

Main Functions:

1) Planning

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

2) Organizing

- Organizing is the process of establishing harmonious relationship among the members of an organization and the creation of network of relationship among them.

3) Staffing

- Staffing function comprises the activities of selection and placement of competent personnel.

4) Directing

- Directing denotes motivating, leading, guiding and communicating with subordinates on an ongoing basis in order to accomplish pre-set goals.

5) Controlling

- Controlling is performed to evaluate the performance of employees and deciding increments and promotion decisions.

Subsidiary Functions:

1) Innovation

- Innovation includes developing new material, new products, new techniques in production, new package, and new design of a product and cost reduction.

2) Representation

- A manager has to act as representative of a company.
- It is the duty of every manager to have good relation with others.

“முடிக்க முடியும் என்ற தன்னம்பிக்கையும் முடிக்க வேண்டும் என்ற கட்டாயமும் முடியாத காரியத்தையும் முடித்து வைக்கும்”

CHAPTER 3 MANAGEMENT BY OBJECTIVES (MBO) MANAGEMENT BY EXCEPTION (MBE)

I. Choose The Correct Answers

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

II. Very Short Answer Questions

1. What Are The Objectives Of MBO?

- 1) To measure and judge performance.
- 2) To relate individual performance to organizational goals.
- 3) To clarify both the job to be done and the expectations of accomplishment.
- 4) To foster the increasing competence and growth of the subordinates.

2. Bring Out the Meaning of MBE

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

3. Mention Any Two Advantages of MBO

- 1) Systematic evaluation of performance is made with the help of MBO.
- 2) Delegation of authority is easily done with the help of MBO.
- 3) The responsibility of a worker is fixed through MBO.

4. What Is Known As KRA?

⇒ Key Result Areas (KRA) is fixed on the basis of organisational objectives premises. KRA are arranged on a priority basis.

⇒ KRA indicates the strength of an organisation.

III. Short Answer Questions

1. Write The Features Of MBO (Any 3)

- 1) MBO tries to combine the long run goals of organisation with short run goals.
- 2) Management tries to relate the organisation goals with society goals.
- 3) MBO's emphasis is not only on goals but also on effective performance.
- 4) It increases the organisational capability of achieving goals at all levels.
- 5) Recognises the participation of employees in goal setting process.
- 6) Aims at replacing the exercise of authority with consultations.

2. What Are the Process of MBE?

⇒ Primarily, it is necessary to set objectives or norms with predictable or estimated results.

⇒ These performances are assessed and get equated to the actual performance.

⇒ Next, the deviation gets analysed.

⇒ Finally, the aim is to solve this "exception" immediately.

3. List out Any Three Process of MBO

- 1) Defining Organisational Objectives
- 2) Goals of Each Section
- 3) Fixing Key Result Areas
- 4) Setting Subordinates Objectives or Targets
- 5) Matching Resources With Objectives
- 6) Periodical Review Meeting Activities
- 7) Appraisal of Activities
- 8) Reappraisal of Objectives

IV. Long Answer Questions**1. What Are The Major Advantages Of MBO? (Any 5)**

- 1) Manager recognises the need for planning and appreciates the planning.
- 2) Systematic evaluation of performance is made with the help of MBO.
- 3) MBO gives the criteria of performance. It helps to take corrective action.
- 4) Delegation of authority is easily done with the help of MBO.
- 5) MBO motivates the workers by job enrichment and makes the jobs meaningful.
- 6) The responsibility of a worker is fixed through MBO.

2. What Are The Advantages Of MBE? (Any 5)

- 1) It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates.
- 2) It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy.
- 3) MBE keeps management alert to opportunities and threats by identifying critical problems. It can avoid uninformed and impulsive action.
- 4) Management by exception provides better yardsticks for judging results. It is helpful in objective performance appraisal.
- 5) It facilitates delegation of authority. Top management concentrates on strategic decisions and operational decisions are left to the lower levels.

3. Discuss The Disadvantages Of MBE.

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

முந்திக்கொண்ட முதல் செங்கல் கோவிலின் அடித்தளத்தில் நின்றவிடும்
காத்திருந்த கடைசி செங்கல் தான் கலசம் தொடும். சாதிக்க மிக மிக
அவசியம் பொறுமை...

UNIT 2 FINANCIAL MARKETS – I**CHAPTER 4 INTRODUCTION TO FINANCIAL MARKETS****I. Choose The Correct Answers**

- 1) **Financial market facilitates business firms.....**
 - a) To Rise Funds
 - b) To Recruit Workers
 - c) To Make More Sales
 - d) To Minimize Fund Requirement
- 2) **Capital market is a market for.....**
 - a) Short Term Finance
 - b) Medium Term Finance
 - c) Long Term Finance
 - d) Both Short Term and Medium Term Finance
- 3) **Primary market is also called as.....**
 - a) Secondary Market
 - b) Money Market
 - c) **New Issue Market**
 - d) Indirect Market
- 4) **Spot Market is a market where the delivery of the financial instrument and payment of cash occurs.....**
 - a) **Immediately**
 - b) In the Future
 - c) Uncertain
 - d) After One Month
- 5) **How many times a security can be sold in a secondary market?**
 - a) Only One Time
 - b) Two time
 - c) Three times
 - d) **Multiple Times**

II. Very Short Answer Questions**1. What Are The Components Of Organized Sectors?**

- 1) Regulators
- 2) Financial Institutions
- 3) Financial Markets
- 4) Financial Services

2. What is Cash/Spot Market?

- Cash/Spot Market is a market where the delivery of the financial instrument and **payment of cash** occurs **immediately**.
- Settlement is completed **immediately**.

3. What is Debt Market?

- Debt Market is the financial market for **trading** in **Debt Instrument**
- **Example:** Government Bonds or Securities, Corporate Debentures or Bonds

4. How is Price Decided in a Secondary Market?

- “Fluctuates, depends on the demand and supply force”
- Financial Markets allow for the determination of the price of the traded financial asset through the interaction of buyers and sellers.

III. Short Answer Questions**1. Give the Meaning of Financial Market**

- A market wherein financial instruments such as **financial claims, assets and securities are traded is known as a ‘financial market’**.
- A **financial market** like equity shares, preference shares, debentures, deposits and loans, bonds, government bonds.

2. Write a Note on Secondary Market

- **Secondary market is the market for securities that are already issued.**
- Stock exchange is an important institution in the secondary market.
- It is the market for **old securities**. **Example:** Stock Exchange

3. Bring Out the Scope of Financial Market in India

- The financial market provides financial assistance to individuals, agricultural sectors, industrial sectors, service sectors.

- Financial institutions like banks, insurance sectors, provident funds and the government as a whole.
- With the help of the financial market all the above stated individuals, institutions and the Government can get their required funds in time.
- Through the financial market the institutions get their short term as well as long term financial assistance. It leads to the overall economic development.

IV. Long Answer Questions

1. Distinguish between New issue market and Secondary Market. (Any 5)

| Basis For Comparison | New Issue Market | Secondary Market |
|----------------------------|---|---|
| Meaning | The market place for new shares is called primary market. (Initial Issues Market) | The place where formerly issued securities are traded is known as secondary market. (Resale Market) |
| Buying | Direct | Indirect |
| How can securities be sold | Only once | Multiple times |
| Buying and selling between | Company and investors | Investors |
| Gained person | Company | Investors |
| Intermediary | Underwriters | Brokers |
| Price | Fixed price | Fluctuates, depends on the demand and supply force. |

2. Enumerate the Different Types of Financial Markets. (Any 5)

1) On the Basis of Type of Financial Claim

- i) Debt Market
- ii) Equity Market

2) On the Basis of Maturity of Financial Claim

- i) Money Market
- ii) Capital Market

3) On the Basis of Time of Issue of Financial Claim

- i) Primary Market
- ii) Secondary Market

4) On the Basis of Timing of Delivery of Financial Claim

- i) Cash/Spot Market
- ii) Forward or Futures Market

5) On the Basis of the Organizational Structure of the Financial Market

- i) Exchange Traded Market
- ii) Over the Counter Market

1. Debt Market

- Financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)

2. Equity Market

- Financial market for trading in Equity Shares of Companies.

3. Cash/Spot Market

- Market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed immediately.

4. Secondary Market

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

5. Forward or Futures Market

- Market where the delivery of asset and payment of cash takes place at a pre-determined time frame in future.

6. Capital Market

- Market for long term financial claim more than a year E.g. Shares, Debentures.

7. Money Market

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

3. Discuss the Role of Financial Market.

- 1) Savings Mobilization
- 2) Investment
- 3) National Growth
- 4) Entrepreneurship Growth
- 5) Industrial Development

1. Savings Mobilization

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

2. Investment

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

3. National Growth

- Financial markets contribute to a nation's growth by ensuring an unfettered flow of surplus funds to deficit units.

4. Entrepreneurship Growth

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

5. Industrial Development

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

சாதனை படைக்க விரும்பினால் வேதனைகளை அனுபவிக்க தயாராக இருக்க வேண்டும்...

CHAPTER 5 CAPITAL MARKET**I. Choose The Correct Answers**

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

II. Very Short Answer Questions**1. What is Capital Market?**

- ✂ Capital market is a market where buyers and sellers engage in trade of financial securities like **Bonds, and Stocks**.
- ✂ “**Long term capital funds** required by business enterprises”.

2. Write a Note on OTCEI

- ✂ The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.
- ✂ It addresses some specific problems of both investors and medium size companies.
- ✂ Some of the greatest strengths of OTCEI are transparency of transactions, quick deals, faster settlements and better liquidity.

3. Who are the Participants in a Capital Market?

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

4. How is Price Determined in a Capital Market?

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

III. Short Answer Questions**1. What are the Various Kinds of Capital Market? Explain (Any 3)**

- ✂ **Primary Market**
 - Primary market is a market for new issues or new financial claims. Hence, it is also called New Issue Market.
 - The Primary market deals with those securities which are issued to the public for the first time.
 1. **Public Issue:** The most common method of raising capital by new companies is through sale of securities to the public. It is called public issue.
 2. **Rights Issue:** When an existing company wants to raise additional capital, securities are first offered to the existing shareholders on a pre-emptive basis. It is called rights issue.
 3. **Private Placement:** Private placement is a way of selling securities privately to a small group of investors.

✧ Secondary Market

- The market for old securities, in the sense that securities which are previously issued in the primary market.
- It covers both stock exchange and over-the counter market.

2. Explain Any Two Functions of Capital Market

- 1) Savings and Capital Formation
- 2) Industrial Growth
- 3) Ready and Continuous Market
- 4) Easy Liquidity
- 5) Reliable Guide to Performance

✧ Savings and Capital Formation

- In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.)

✧ Reliable Guide to Performance

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

✧ Ready and Continuous Market

- The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities.
- Easy marketability makes investment in securities more liquid as compared to other assets.

3. Explain about Factoring and Venture Capital Institutions

✧ Factoring

- ✧ The factoring institutions collect the book debts for and on behalf of its clients.
- ✧ Some the factoring institutions operating in India are SBI factors and commercial service private limited.

✧ Venture capital

- ✧ Venture capital funds bring into force the **hi-technology** projects which are converted into commercial production.
- ✧ They include Risk Capital Foundation of IFCI, Venture Fund of IDBI, SIDBI.

IV. Long Answer Questions

1. Discuss the Characters of a Capital Market

- 1) Securities Market
- 2) Price
- 3) Participants
- 4) Location
- 5) Market for Financial Assets

1. Securities Market

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

2. Price

- ✧ The price of the securities is determined based on the demand and supply

3. Participants

- ✧ There are many players in the capital market.

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

4. Location

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

5. Market for Financial Assets

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

2. Briefly Explain the Functions of Capital Market. (Any 5)

- 1) Savings and Capital Formation
- 2) Permanent Capital
- 3) Industrial Growth
- 4) Ready and Continuous Market
- 5) Reliable Guide to Performance
- 6) Proper Channelization of Funds
- 7) Provision of Variety of Services
- 8) Foreign Capital
- 9) Easy Liquidity

1. Savings and Capital Formation

- ✂ In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.).

2. Permanent Capital

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

3. Industrial Growth

- ✂ The stock exchange is a central market through which resources are transferred to the industrial sector of the economy.

4. Ready and Continuous Market

- ✂ The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities.

5. Reliable Guide to Performance

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

6. Proper Channelization of Funds

- ✂ The prevailing market price of a security and relative yield are the guiding factors for the people to channelize their funds in a particular company.

7. Easy Liquidity

- ✂ With the help of secondary market investors can sell off their holdings and convert them into liquid cash.

3. Explain the Various Types Of New Financial Institutions. (Any 5)

- 1) Venture Fund Institutions
- 2) Mutual Funds
- 3) Factoring Institutions

- 4) Over the Counter Exchange of India (OTCEI)
- 5) National Stock Exchange of India Limited (NSEI)
- 6) National Clearance and Depository System (NCDS)
- 7) National Securities Depositories Limited (NSDL)
- 8) Stock Holding Corporation of India Limited (SHCIL)

1. Venture Fund Institutions

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

2. Mutual Funds

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

3. Factoring Institutions

- ✂ "Factoring" is an arrangement whereby a financial institution provides financial accommodation on the basis of assignment/sale of account receivables.

4. Over the Counter Exchange of India (OTCEI)

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

5. National Stock Exchange of India Limited (NSEI)

- ✂ NSEI was established in 1992 to function as a model stock exchange. The Exchange aims at providing the advantage of nation-wide electronic screen based "scripless" and "floorless" trading system in securities.

6. National Clearance and Depository System (NCDS)

- ✂ Under the scripless trading system, settlement of transactions relating to securities takes place through a book entry.

7. National Securities Depositories Limited

- ✂ The NSDL was set up in the year 1996 for achieving a time bound dematerialization as well as rematerialization of shares.

8. Stock Holding Corporation of India Limited (SHCIL)

- ✂ Stock Holding Corporation of India Limited (SHCIL) aims at serving as a central securities depository in respect of transactions on stock exchanges.

**Success is when your Signature Changes to
Autograph.....**

CHAPTER 6 MONEY MARKET**I. Choose The Correct Answers**

- 1) **The money invested in the call money market provides high liquidity with.....**
 - a) **Low Profitability**
 - b) High Profitability
 - c) Limited Profitability
 - d) Medium Profitability
- 2) **A major player in the money market is the**
 - a) **Commercial Bank**
 - b) Reserve Bank of India
 - c) State Bank of India
 - d) Central Bank
- 3) **Money Market provides.....**
 - a) Medium-term Funds
 - b) **Short-term Funds**
 - c) Long-term Funds
 - d) Shares
- 4) **Money Market Institutions are.....**
 - a) Investment Houses
 - b) Mortgage Banks
 - c) Reserve Bank of India
 - d) **Commercial Banks and Discount Houses**
- 5) **Risk in the Money Market is.....**
 - a) High
 - b) Market Risk
 - c) **Low Credit and Market Risk**
 - d) Medium Risk
- 6) **Debts Instruments are issued by Corporate Houses are raising short-term financial resources from the money market are called.....**
 - a) Treasury Bills
 - b) **Commercial Paper**
 - c) Certificate of Deposit
 - d) Government Securities
- 7) **The market for buying and selling of Commercial Bills of Exchange is known as a.....**
 - a) Commercial Paper Market
 - b) Treasury Bill Market
 - c) **Commercial Bill Market**
 - d) Capital Market
- 8) **A marketable document of title to a time deposit for a specified period may be referred to as a**
 - a) Treasury Bill
 - b) **Certificate of Deposit**
 - c) Commercial Bill
 - d) Government Securities
- 9) **Treasury Bills commands.....**
 - a) **High Liquidity**
 - b) Low Liquidity
 - c) Medium Liquidity
 - d) Limited Liquidity
- 10) **Government Securities are issued by agencies such as.....**
 - a) Central Government
 - b) State Governments
 - c) Semi-Government Authorities
 - d) **All of the above**

II. Very Short Answer Questions**1. What is a CD (or) Certificate of Deposits Market?**

- ◆ Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.
- ◆ The Certificate of Deposit is transferable from one party to another.

2. What is Government Securities Market?

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

3. What do you meant by Auctioning?

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

4. What do you mean by Switching?

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

III. Short Answer Questions**1. What are the Features of Treasury Bills? (Any 3)**

- 1) Issuer
- 2) Finance Bills
- 3) Liquidity
- 4) Vital Source
- 5) Monetary Management

2. Who are the Participants of Money Market? (Any 3)

- 1) Government of different countries
- 2) Central Banks of different countries
- 3) Private and Public Banks
- 4) Mutual Funds Institutions
- 5) Insurance Companies
- 6) Non-Banking Financial Institutions
- 7) RBI and SBI
- 8) Commercial Banks
- 9) State Governments
- 10) Public

3. Explain the Types of Treasury Bills? (Any 3)

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

1. 91 days Treasury Bills

- ◆ Ninety one days Treasury Bills are issued at a fixed discount rate of **4 per cent** as well as through auctions.

2. 182 days Treasury Bills

- ◆ The RBI holds 91 days and 182 Treasury Bills and they are issued on tap basis throughout the week.

3. 364 days Treasury Bills

- ◆ 364 days Treasury Bills **do not carry** any fixed rate.

4. What are the Types of Commercial Bill? (Any 3)

- 1) Demand Bills
- 2) Clean bills and documentary Bills
- 3) Inland bills and Foreign Bills
- 4) Indigeneous Bills
- 5) Accommodation Bills

IV. Long Answer Questions**1. Differentiate between the Money Market and Capital Market. (Any 5)**

| Features | Money Market | Capital Market |
|-------------------|--|---|
| Duration of Funds | It is a market for short-term loan funds for less than one year. | It is a market for long-term fund More than one year. |

| | | |
|-----------------|--|---|
| Risk | Low credit and market risk. | High credit and market risk |
| Liquidity | High | Low |
| Underwriting | Underwriting is not a primary Function. | It is a primary function. |
| Price Discovery | No price discovery mechanism and exists in this Market. | Price discovery mechanism exists in Capital Market |
| Claims | Financial claims, assets and securities are dealt in the Money Market. | Bonds and shares are dealt in the Capital Market. |
| Regulator | Central Bank is the Regulator of Money Market. | Besides Central Bank, Special regulatory authority like SEBI, etc., |

2. Explain the Characteristics of Money Market? (Any 5)

- 1) Short-term Funds
- 2) Maturity Period
- 3) Conversion of Cash
- 4) No Formal Place
- 5) Sub-markets
- 6) Existence of Secondary Market
- 7) Demand and Supply of Funds
- 8) Wholesale Market

1. Short-term Funds

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

2. Maturity Period

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

3. Conversion of Cash

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

4. Sub-markets

- ◆ It is not a single homogeneous market. It comprises of several sub-markets each specialising in a particular type of financing.

5. Existence of Secondary Market

- ◆ There should be an active secondary market for these instruments.

6. Demand and Supply of Funds

- ◆ There should be a large demand and supply of short-term funds.

7. Wholesale Market

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

3. What are the Characteristics of Government Securities? (Any 5)

- 1) Agencies
- 2) RBI Special Role
- 3) Nature of Securities
- 4) Liquidity Profile
- 5) Market
- 6) Forms

7) Issue Mechanism

8) Issue opening

1. Agencies:

- ◆ Government securities are issued by agencies such as Central Government State Governments, semi-government authorities like local Government authorities.

2. RBI Special Role

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

3. Nature of Securities

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

4. Liquidity Profile

- ◆ The liquidity profile of gilt-edged securities varies. Accordingly liquidity profile of securities issued by Central Government is high.

5. Market

- ◆ As each sale and purchase has to be negotiated separately, the Gilt-Edged Market is an Over-The-Counter Market.

6. Forms

- ◆ The securities of Central and State Government take such forms as inscribed stock or stock certificate, promissory note and bearer bond.

7. Issue Mechanism

- ◆ The Public Debt Office (PDO) of the RBI undertakes to issue government securities.

8. Issue opening

- ◆ A notification for the issue of the securities is made a few days before the public subscription is open.

“முயற்சியும் பயிற்சியும் இருந்தால் நீ உன் இலக்கை அடைவதை யாராலும் தடுக்க முடியாது”

“விடாமுயற்சியும் சகிப்புத்தன்மையும் இருந்தால் நாம் விரும்பும் எதையும் பெறலாம்”

UNIT 3 FINANCIAL MARKETS – II**CHAPTER 7 STOCK EXCHANGE****I. Choose The Correct Answers**

- 1)is the oldest stock exchange in the world.
 - a) London Stock Exchange
 - b) Bombay Stock Exchange
 - c) National Stock Exchange
 - d) **Amsterdam Stock Exchange**
- 2) There are.....stock exchange in the country.
 - a) 21
 - b) **24**
 - c) 20
 - d) 25
- 3) Stock exchanges deal in.....
 - a) Goods
 - b) Services
 - c) **Financial Securities**
 - d) Country's Currency
- 4) Stock exchange allow trading in.....
 - a) All types of Shares of any Company
 - b) Bonds issued by the Govt
 - c) **Listed Securities**
 - d) Unlisted Securities
- 5) Jobbers transact in a stock exchange.....
 - a) For their Clients
 - b) **For their Own Transactions**
 - c) For other Brokers
 - d) For other Members
- 6) A pessimistic speculator is.....
 - a) Stag
 - b) **Bear**
 - c) Bull
 - d) Lame Duck
- 7) An optimistic speculator is.....
 - a) **Bull**
 - b) Bear
 - c) Stag
 - d) Lame duck
- 8) A bull operator believes in.....
 - a) **Increase in Prices**
 - b) Decrease in Prices
 - c) Stability in Prices
 - d) No change in Prices
- 9)means the price at which securities are bought and sold are recorded and made public.
 - a) **Market Quotations**
 - b) Trade Quotations
 - c) Business Quotations
 - d) Buyers Quotations
- 10) The rules and regulations of Stock exchange is framed by.....guide lines.
 - a) RBI
 - b) Central Government
 - c) **SEBI**
 - d) BSE

II. Very Short Answer Questions**1. Define Stock Exchange**

- ◆ "Stock exchange or securities market comprises all the places where buyers and sellers of stocks and bonds or their representatives undertake transactions involving the sale of securities."
- **"Hastings"**

2. What is meant Stock Exchange?

- ◆ Stock Exchange is an organized market for the purchase and sale of industrial and financial security. It is also called stock market or share market. **(Or)**
- ◆ Stock exchange is an organized market for buying and selling corporate and other securities.

3. Write any 5 Stock Exchanges in India

- 1) The Bombay Stock Exchange
- 2) Bangalore Stock Exchange Ltd
- 3) The Madras Stock Exchange Ltd
- 4) The Hyderabad Stock Exchange Ltd
- 5) The Cochin Stock Exchange Ltd
- 6) The Jaipur Stock Exchange Ltd
- 7) The Kanara Stock Exchange Ltd

4. What is meant by Remisier?

- ◆ He acts as an **agent of a member** of a stock exchange.
- ◆ He obtains business for his principal.
- ◆ The member and **gets a commission** for that service.

4. Who is called a Broker?

- ◆ Broker is a **commission agent**.
- ◆ He acts as an intermediary between buyers and sellers of securities.
- ◆ He charges a commission for his services from both the parties.

5. What are the Types of Speculator?

- 1) Bull
- 2) Bear
- 3) Stag
- 4) Lame duck

III. Short Answer Questions**1. What are the Limitations of Stock Exchange? (Any 3)**

- 1) Lack of uniformity and control of stock exchanges.
- 2) Absence of restriction on the membership of stock exchanges.
- 3) Failure to control unhealthy speculation.
- 4) Allowing more than one charge in the place.
- 5) No proper regulation of listing of securities on the stock exchange.

2. Explain Bull and Bear**1. Bull**

- ◆ A Bull or **Tejiwala** is an operator who **expects a rise** in prices of securities in the future.
- ◆ He is called bull because just like a bull tends to throw his victim up in the air, the bull speculator stimulates the price to rise.
- ◆ He is an **optimistic** speculator.

2. Bear

- ◆ A bear or **Mandiwala**
- ◆ Expects prices to **fall in future** and sells securities at present with view to purchases them at lower prices in future.
- ◆ A bear is a **pessimistic** speculator.

3. Explain Stag and Lame Duck**1. Stag**

- ◆ A stag is a **cautious** speculator in the stock exchange.
- ◆ He applies for shares in **new companies** and expects to sell them at a premium, if he gets an allotment.
- ◆ He is also called a **premium hunter**.

2. Lame Duck

- ◆ When a bear finds it **difficult** to fulfil his commitment, he is said to be struggling like a lame duck.
- ◆ A **bear speculator** contracts to sell securities at a later date.
- ◆ Moreover, the buyer is **not willing** to carry over the **transactions**.

IV. Long Answer Questions**1. Explain the Functions of Stock Exchange. (Any 5)**

- 1) Ready and Continuous Market
- 2) Correct Evaluation of Securities
- 3) Protection to Investors
- 4) Proper Chanalisation of Capital
- 5) Aid to Capital Formation
- 6) Facilities for Speculation
- 7) Seasoning of Securities
- 8) Clearing House of Business Information

1. Ready and Continuous Market

- ◇ Stock Exchange is, in fact, a market for existing securities.
- ◇ If an investor wants to sell his securities, he can easily and quickly dispose them off on a stock exchange.

2. Correct Evaluation of Securities

- ◇ The prices at which securities are bought and sold are recorded and informed to the public. These prices are called “market quotations”
- ◇ The lender can easily assess the worth of security offered for loan.

3. Protection to Investors

- ◇ All dealings in a stock exchange are in accordance with well- defined rules and regulations. Any malpractice will be severely punished.

4. Proper Chanalisation of Capital

- ◇ People like to invest in the shares of companies which yield good profits. Also people invest in the companies which are giving good dividends.

5. Facilities for Speculation

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

6. Seasoning of Securities

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

2. Explain the Features of Stock Exchange. (Any 5)

- 1) Market for Securities
- 2) Deals in Second Hand Securities
- 3) Regulates Trade in Securities
- 4) Allows Dealings only in Listed Securities
- 5) Transactions Effected only through Members
- 6) Association of Persons
- 7) Recognition from Central Government
- 8) Working as per Rules
- 9) Specific Location
- 10) Financial Barometers

1. Market for Securities

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

2. Deals in Second Hand Securities

- ◆ It deals with shares, debentures bonds and securities already issued by the companies.

3. Regulates Trade in Securities

- ◆ Stock exchange does not buy or sell any securities on its own account.
- ◆ It regulates the trade activities so as to ensure free and fair trade.

4. Allows Dealings only in Listed Securities

- ◆ In the stock exchange only listed securities are purchased and sold. Unlisted securities cannot be traded in the stock exchange.

5. Association of Persons

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

6. Recognition from Central Government

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

3. Distinguish between Stock Exchange and Commodity Exchange (Any 5)

| Feature | Stock Exchange | Commodity Exchange |
|-----------------|---|---|
| Function | Providing easy marketability | Offering hedging or price insurance services and liquidity to securities |
| Object | Object is facilitating capital formation and making best use of capital resources | Object is facilitating goods flow through risk reduction |
| Participants | Investors and Speculators | Producers, dealers, traders and a body of speculators |
| Cornering | As seller has to deliver the agreed securities, cornering is easy | Cornering is difficult as the seller has option to deliver standard or other deliverable goods. |
| Price Quotation | As regards forward dealings, only one quotation is possible | For future dealings, multiple quotations are possible |

“நேரமும், வாய்ப்பும் எல்லோருக்கும் எவ்வாறும் இருந்து கொண்டே தான் இருக்கின்றன.....
முயற்சி எடுப்பவர்கள் மட்டுமே தாங்கள் நினைத்ததை அடைகின்றனர்”

CHAPTER 8 SECURITIES EXCHANGE BOARD OF INDIA (SEBI)**I. Choose The Correct Answers**

- 1) **Securities Exchange Board of India was first established in the year.....**
a) 1988 b) 1992 c) 1995 d) 1998
- 2) **The headquarters of SEBI is.....**
a) Calcutta **b) Bombay** c) Chennai d) Delhi
- 3) **In which year SEBI was constituted as the regulator of capital markets in India?**
a) 1988 b) 1992 c) 2014 d) 2013
- 4) **Registering and controlling the functioning of collective investment schemes as.....**
a) **Mutual Funds** b) Listing c) Rematerialisation d) Dematerialization
- 5) **SEBI is empowered by the Finance ministry to nominate.....members on the Governing body of every stock exchange.**
a) 5 **b) 3** c) 6 **d) 7**
- 6) **The process of converting physical shares into electronic form is called.....**
a) **Dematerialisation** c) Delisting c) Materialisation d) Debarring
- 7) **Trading in dematerialized shares commenced on the NSE is.....**
a) January 1996 b) June 1998 **c) December 1996** d) December 1998
- 8) **.....was the first company to trade its shares in Demat form.**
a) Tata Industries **b) Reliance Industries**
c) Infosys d) Birla Industries
- 9) **.....enables small investors to participate in the investment on share capital of large companies.**
a) **Mutual Funds** b) Shares c) Debentures d) Fixed deposits
- 10) **PAN stands for.....**
a) Permanent Amount Number b) Primary Account Number
c) **Permanent Account Number** d) Permanent Account Nominee

II. Very Short Answer Questions**1. Write Short Notes on SEBI**

- ◆ Securities and exchange board of India (SEBI) is an apex body that maintains and regulates our capital market.
- ◆ It was established in **1988** by Indian government but got the statutory powers in **1992**. Well it plays a great role in Indian economy such as it.

2. Write Any Two Objectives of SEBI

- ◆ Regulation of Stock Exchanges
- ◆ Protection to the Investors
- ◆ Checking the Insider Trading
- ◆ Control over Brokers

3. Mention the Headquarters of SEBI

- ◆ SEBI has its headquarters at the business district of BandraKurla Complex in Mumbai
- ◆ North - New Delhi, East - Kolkata, South - Chennai and West - Ahmedabad

4. What are the Various ID Proofs?

- ◆ PAN Card
- ◆ Voter's ID

- ◇ Passport
- ◇ Driver's License
- ◇ Bank Attestation
- ◇ IT Returns
- ◇ Electricity Bill
- ◇ Telephone Bill
- ◇ ID Cards

III. Short Answer Questions

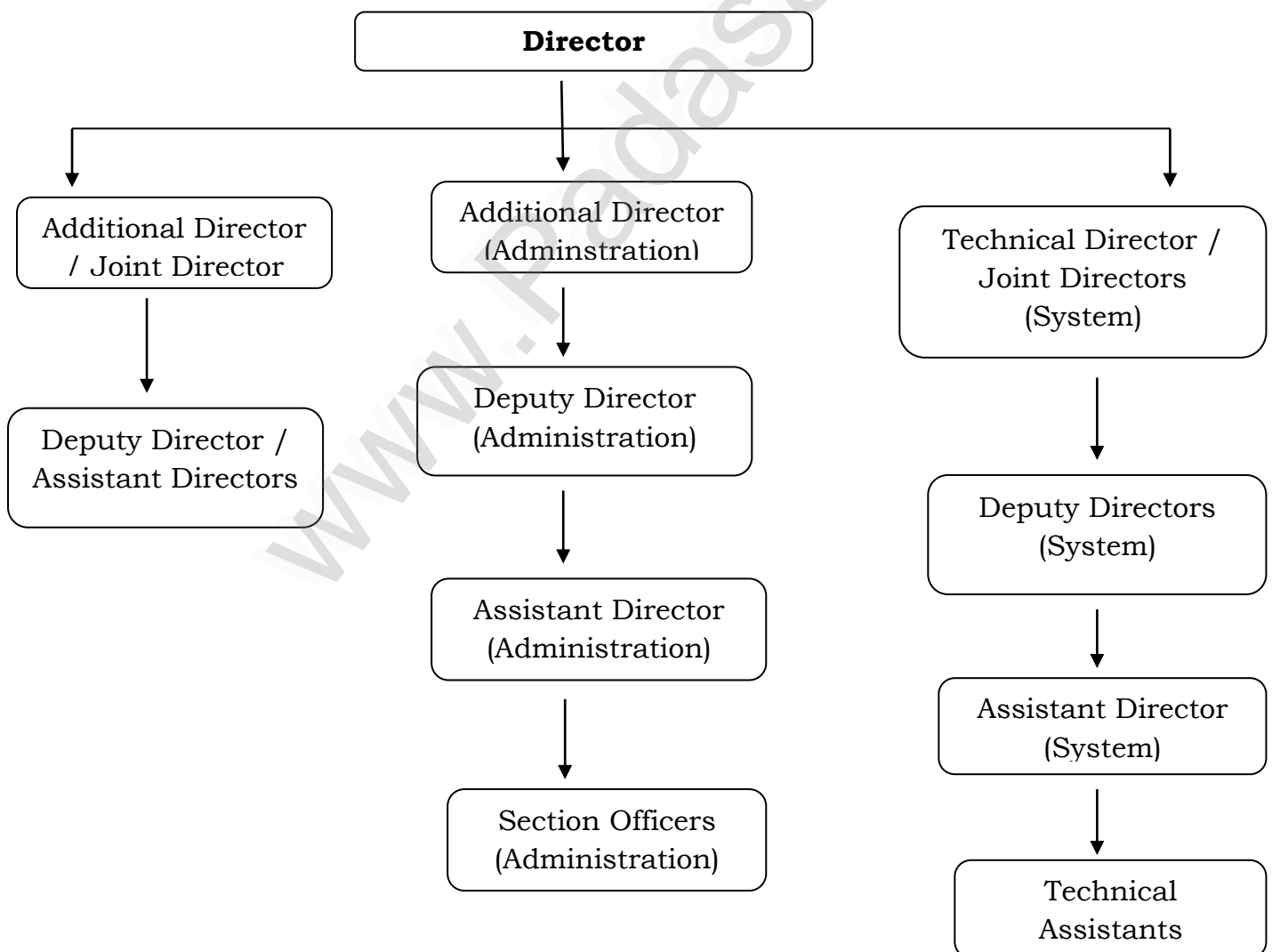
1. What is Meant by Dematerialization?

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

2. What are the Documents Required For a Demat account?

- ◇ For opening a demat account, we submit proof of identity and address along with a passport size photo and the account opening form.
- ◇ **Documents for Identity:** Pan Card, Voters ID, Passport, Driver's License, IT Returns, Electricity and Telephone Bills are the Identity documents.
- ◇ **Documents for Address:** Ration card, Passport, Voter's ID card, Driving License, Telephone Bills, Electricity bills are the address documents.

3. Draw the Organization Structure of SEBI



IV. Long Answer Questions**1. What are the Functions of SEBI? (Any 5)**

- 1) Safeguarding the interests of investors by means of adequate education and guidance.
- 2) Regulating and controlling the business on stock markets.
- 3) Conduct inspection and inquiries of stock exchanges, intermediaries and self-regulating organizations.
- 4) Barring insider trading in securities.
- 5) Prohibiting deceptive and unfair methods used by financial intermediaries operating in securities market.
- 6) Registering and controlling the functioning of stock brokers, sub-brokers, share transfer agents, bankers, trustees, underwriters who are linked to securities market.
- 7) SEBI issues Guidelines and Instructions to businesses organisations for issue of shares,
- 8) Registering and controlling the functioning of collective investment schemes such as mutual funds.

2. Explain the Powers of SEBI. (Any 5)

- 1) Powers Relating to Stock Exchanges & Intermediaries
- 2) Power to Impose Monetary Penalties
- 3) Power to Initiate Actions in Functions Assigned
- 4) Power to Regulate Insider Trading
- 5) Powers Under Securities Contracts Act
- 6) Power to Regulate Business of Stock Exchanges

1. Powers Relating to Stock Exchanges & Intermediaries

- ◆ SEBI has wide powers to get the information from the stock exchange and intermediaries regarding their business transactions for inspection.

2. Power to Impose Monetary Penalties

- ◆ SEBI has power to impose monetary penalties on capital market intermediaries for violations.

3. Power to Initiate Actions in Functions Assigned

- ◆ SEBI has a power to initiate actions in regard to functions assigned.
- ◆ For example, it can issue guidelines to different intermediaries

4. Power to Regulate Insider Trading

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

5. Powers under Securities Contracts Act

- ◆ For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13 September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI.

“ஆயிரம் பேர் உனக்கு வாய்ப்புகளை ஏற்படுத்தி கொடுத்தாலும் அந்த வாய்ப்பை வெற்றியாக மாற்ற நீ நினைத்தால் நீ உழைத்தால் இட்டுமே முடியும்”

UNIT 4 HUMAN RESOURCE MANAGEMENT**CHAPTER 9 FUNDAMENTALS OF HUMAN RESOURCE MANAGEMENT****I. Choose The Correct Answers**

- 1) **Human resource is a.....asset.**
 a) Tangible **b) Intangible** c) Fixed d) Current
- 2) **Human Resource management is both.....and.....**
 a) **Science and art** b) Theory and practice
 c) History and Geography d) None of the above
- 3) **Planning is a.....function.**
 a) Selective **b) Pervasive** c) Both a and b d) None of the above
- 4) **Human resource management determines therelationship.**
 a) Internal, External **b) Employer, Employee**
 c) Owner, Servant d) Principle, Agent
- 5) **Labour turnover is the rate at which employees.....the organisation.**
 a) Enter **b) Leave** c) Salary d) None of the above

II. Very Short Answer Questions**1. What is Human Resource Management?**

- ⇒ The branch of management that deals with managing human resource is known as Human Resource Management.
- ⇒ Human Resource Management is a function of management concerned with hiring, motivating and maintaining people in an organisation. It focuses on people in an organisation.

2. State Two Features of HRM

- ⇒ Universally relevant
- ⇒ Goal oriented
- ⇒ A systematic approach
- ⇒ It is intangible

1. Goal oriented: Goals is made possible through best utilisation of human resource in an organisation.

2. It is intangible: Human resource management is a intangible function which can be measured only by results.

3. Mention Two Characteristics of Human Resource

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

4. What are the Managerial Functions of HRM

- ⇒ Planning
- ⇒ Organising
- ⇒ Directing
- ⇒ Controlling

III. Short Answer Questions**1. Define the Term Human Resource Management**

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

2. What are the Characteristics of Human Resources? (Any 3)

- ⇒ Human resource is the only factor of production that lives
- ⇒ Human resource created all other resources
- ⇒ Human resource exhibits innovation and creativity
- ⇒ Human resource alone can think, act, analyse and interpret
- ⇒ Human resources are emotional beings
- ⇒ Human resources are movable
- ⇒ Human resource can work as a team

3. What is the Significance of Human resource? (Any 3)

- ⇒ It is only through human resource all other resources are effectively used
- ⇒ Industrial relations depend on human resource
- ⇒ Human relations is possible only through human resource
- ⇒ Human resource manages all other factors of production
- ⇒ Human resource can be utilised at all levels of management
- ⇒ Human resources are well protected by legislative frameworks

IV. Long Answer Questions**1. Explain the Characteristics of Human Resource (Any 5)**

- ⇒ Human resource is the only factor of production that lives
- ⇒ Human resource created all other resources
- ⇒ Human resource exhibits innovation and creativity
- ⇒ Human resource alone can think, act, analyse and interpret
- ⇒ Human resources are emotional beings
- ⇒ Human resources are movable
- ⇒ Human resource can work as a team

2. Describe the Significance of Human Resource Management (Any 5)

- 1) To identify manpower needs
- 2) To incorporate change
- 3) To ensure the correct requirement of manpower
- 4) To select right man for right job
- 5) To update the skill and knowledge
- 6) To appraise the performance of employees
- 7) To improve competitive advantage
- 8) To provide incentives and bonus to best performers
- 9) To determine employee commitment
- 10) To emphasise socialisation
- 11) To promote favourable employee attitude
- 12) To provide scope for collective bargaining

1. To identify manpower needs

- ⇒ Determination of manpower needs in an organisation is very important as it is a form of investment.
- ⇒ The number of men required is to be identified accurately to optimize the cost.

2. To incorporate change

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

3. To ensure the correct requirement of manpower

⇒ At any time the organisation should not suffer from shortage or surplus manpower which is made possible through human resource management.

4. To select right man for right job

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

5. To update the skill and knowledge

⇒ Human resource management enables employees to remain up-to-date through training and development programmes.

6. To appraise the performance of employees

⇒ Periodical appraisal of performance of employees through human resource management activities boosts up good performers and motivates slow performers.

3. Discuss the Operative Functions HRM

- 1) Procurement
- 2) Development
- 3) Compensation
- 4) Retention
- 5) Integration
- 6) Maintenance

1. Procurement

⇒ Acquisition deals with job analysis, human resource planning, recruitment, selection, placement and promotion.

2. Development

⇒ It includes performance appraisal, training, executive development, and organisational development.

3. Compensation

⇒ It deals with job evaluation, wage and salary administration, incentives, bonus schemes.

4. Retention

⇒ This is made possible through health and safety, social security, job satisfaction and quality of work life.

5. Maintenance

⇒ This encourages employees to work with job satisfaction, reducing labour turnover, for human resource.

6. Integration

⇒ It is concerned with those activities that aim to bring about reconciliation between personal interest and organizational interest.

“விரிந்த வரை சிறகுகள் பாரந்தான் விரிந்து பார்தால் வானம் கூட தொடுதாரந்தான்”

CHAPTER 10 RECRUITMENT METHODS**I. Choose The Correct Answers**

- 1) **Recruitment is the process of identifying.....**
 - a) **Right Man for Right Job**
 - b) Good Performer
 - c) Right job
 - d) All of the above
- 2) **Recruitment bridges gap betweenand.....**
 - a) **Job seeker and job provider**
 - b) Job seeker and agent
 - c) Job provider and owner
 - d) Owner and servant
- 3) **Advertisement is a.....source of recruitment.**
 - a) Internal
 - b) External**
 - c) Agent
 - d) Outsourcing
- 4) **Transfer is ansource of recruitment.**
 - a) Internal**
 - b) External
 - c) Outsourcing
 - d) None of the above
- 5) **E - Recruitment is possible only through.....facility.**
 - a) Computer
 - b) Internet**
 - c) Broadband
 - d) 4G

II. Very Short Answer Questions**1. Give the Meaning of Recruitment**

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

2. What Is Promotion?

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

3. Write Any Two Internal Source of Recruitment

- 1) Transfer
- 2) Upgrading
- 3) Promotion
- 4) Demotion
- 5) Job rotation
- 6) Retention
- 7) Retired employees
- 8) Dependants
- 9) Previous applicants

4. What is Meant by Poaching?

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

III. Short Answer Questions**1. What is Meant By Unsolicited Applicants?**

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

2. What is Meant By Job Portals?

- ✦ Using internet job portals organisations can **screen** for the **prospective candidates** and **fill up** their vacancies.

3. State the Steps in Recruitment Process Outsourcing

- 1) Requirement understanding
- 2) Advertise and source

- 3) Screening
- 4) Validation
- 5) Profile submission
- 6) Interview process and feedback
- 7) Selection and follow up

IV. Long Answer Questions

1. Explain the Internal Sources of Recruitment (Any 5)

- 1) Transfer
- 2) Upgrading
- 3) Promotion
- 4) Demotion
- 5) Job rotation
- 6) Retention
- 7) Retired employees
- 8) Dependants
- 9) Previous applicants

1. Transfer

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

2. Upgrading

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

3. Promotion

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

4. Demotion

- ❖ Movement of employee from a higher position to a lower position because of poor performance continuously to make him realise the significance of performance.

5. Job rotation

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

6. Retention

- ❖ The retiring employees can be used to meet the requirement after superannuation as per management discretion

7. Dependants

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

2. Explain the External Sources of Recruitment (Any 5)

| Direct | Indirect |
|--------------------------------|------------------------------------|
| 1. Advertisements | 1. Employee Referral |
| 2. Unsolicited Applicants | 2. Government Employment Exchanges |
| 3. Walkins | 3. Private Employment Agencies |
| 4. Campus Recruitment | 4. Employment Consultancies |
| 5. Recruitment At Factory Gate | 5. Professional Associations |

| | |
|------------------|-----------------------|
| 6. Rival Firms | 6. Deputation |
| 7. E-Recruitment | 7. Word Of Mouth |
| | 8. Labour Contractors |
| | 9. Job Portals |

1. Advertisements

- ✦ The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation.

2. Unsolicited Applicants

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

3. Job Portals

- ✦ Using internet job portals organisations can screen for the prospective candidates and fill up their vacancies.

4. Walkins

- ✦ Walk-in applicants with suitable qualification and requirement can be another source of requirement.

5. Campus Recruitment

- ✦ Te organisations visit the educational institutions to identify and recruit suitable candidates.

6. Labour Contractors

- ✦ Organisations recruit unskilled and manual labourers through these contractors.

3. What is the Recent Trends in Recruitment?

1. Outsourcing

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

Recruitment Process Outsourcing

- 1) Requirement understanding
- 2) Advertise and source
- 3) Screening
- 4) Validation
- 5) Profile submission
- 6) Interview process and feedback
- 7) Selection and follow up

2. Poaching

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

“பயன்படுத்தாத திறமை அதன் ஆற்றலை இழந்து கொண்டிருக்கும்”

CHAPTER 11 EMPLOYEE SELECTION PROCESS**I. Choose The Correct Answers**

- 1) **The recruitment and Selection Process aimed at right kind of people.**
a) At right people b) At right time c) To do right things **d) All of the above**
- 2) **The poor quality of selection will mean extra cost on and supervision.**
a) Training b) Recruitment c) work quality d) None of these
- 3) **.....refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.**
a) Selection b) Training **c) Recruitment** d) Induction
- 4) **Selection is usually considered as a.....process.**
a) Positive **b) Negative** c) Natural d) None of these
- 5) **Which of the following test is used to measure the various characteristics of the candidate?**
a) Physical Test **b) Psychological Test** c) Attitude Test d) Proficiency tests
- 6) **Which of the following orders is followed in a typical selection process.**
a) application form test and or interview, reference check and physical examination
b) Application form test and or interview, reference check and physical examination
c) Reference check, application form, test and interview and physical examination
d) Physical examination test and on interview application term and reference check
- 7) **The purpose of an application blank is to gather information about the.....**
a) Company **b) Candidate**
c) Questionnaire or Interview Schedule d) Competitors
- 8) **Identify the test that acts as an instrument to discover the inherent ability of a candidate.**
a) Aptitude Test b) Attitude Test c) Proficiency Test d) Physical Test
- 9) **The process of eliminating unsuitable candidate is called.....**
a) Selection b) Recruitment c) Interview d) Induction
- 10) **Scrutiny of application process is the.....**
a) Last step in Selection process **b) First step in Selection Process**
c) Third step in Selection Process d) None of the above
- 11) **Selection process helps in.....**
a) Locating candidates **b) Determining the suitability of the candidates**
c) Preparing employees for training d) None of these
- 12) **The process of placing the right man on the right job is called.....**
a) Training **b) Placement** c) Promotion d) Transfer
- 13) **Probation/Trial period signifies.....**
a) One Year to Two Years b) One Year to Three Years
c) Two Years to Four Years d) None of the above
- 14) **Job first man next is one of the principles of.....**
a) Test b) Interview c) Training **d) Placement**

II. Very Short Answer Questions

1. What is Selection?

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

2. What is An Interview?

- ❖ The interview represents a face to face interaction between the interviewer and interviewee.
- ❖ "It is a purpose full exchange of ideas, the answering of questions, and communication between two or more persons".

3. What is Intelligence Test?

- ❖ Intelligence tests are of psychological tests, that is designed to measure a variety of mental ability, the individual capacity of a candidate.

4. What Do You Mean By Placement?

- ❖ Placement is a process of assigning a specific job to each and every candidate selected.
- ❖ It includes the initial assignment of new employees and promotion, transfer, or demotion of present employees.

III. Short Answer Questions

1. What is Stress Interview?

- ❖ This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.
- ❖ The interviewer deliberately creates a stressful situation by directing the candidate to do irrational and irritating activities.
- ❖ They assess the suitability of the candidate by observing the reaction and response of the candidate to stressful situations.

2. What is Structured Interview?

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

3. Name the Types Of Selection Test?

1. Ability Tests

1. Aptitude
2. Achievement
3. Intelligence
4. Judgement

2. Personality

1. Interest
2. Personality
3. Projective
4. Attitude

4. What Do You Mean By Achievement Test?

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

IV. Long Answer Questions

1. Briefly Explain the Various Types of Tests. (Any 5)

1. Ability Tests

1. Aptitude
2. Achievement
3. Intelligence
4. Judgement

2. Personality

1. Interest
2. Personality
3. Projective
4. Attitude

1. Aptitude

- ❖ Aptitude test is a test to measure suitability of the candidates for the post/role.
- ❖ Numerical Reasoning Test, Verbal Reasoning Test, Inductive Reasoning Test, Mechanical Reasoning Test, Spatial Reasoning Test, Vocabulary Test.

2. Achievement

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

3. Intelligence

- ❖ Intelligence tests are one of the psychological tests, that is designed to measure the variety of mental ability, individual capacity of a candidate.

4. Judgement

- ❖ This test is conducted to test the presence of mind and reasoning of the candidates.

5. Interest

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

2. Explain the Important Methods of Interview (Any 5)

- 1) Screening / Telephone Interview
- 2) In depth Interview
- 3) Video Conferencing Interview
- 4) Group Interview
- 5) Panel Interview
- 6) Preliminary Interview
- 7) Stress Interview
- 8) Structure/Guided/Planned Interview
- 9) Unstructured Interview
- 10) Online Interview

1. Stress Interview

- ❖ This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.

- ❖ The interviewer deliberately creates a stressful situation by directing the candidate to do irrational and irritating activities.
- ❖ They assess the suitability of the candidate by observing the reaction and response of the candidate to stressful situations.

2. Structure/Guided/Planned Interview

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

3. Online Interview

- ❖ These days interviews are conducted by means of internet via
- ❖ **Skype, Wechat, Google duo, Viber, Whatsapp or Video chat applications.**

4. Group Interview

- ❖ A group interview is a **screening process** where **multiple candidates** are interviewed at the same time.
- ❖ Group interview is a **good time saving** type of interview.

5. Video Conferencing Interview

- ❖ Video conferences interview is similar to **face to face** interview.
- ❖ Video conferencing interview is a kind of conference call that connects the candidate with companies located across various geographies.

3. Differentiate Recruitment and Selection. (Any 5)

| Basis of Comparison | Recruitment | Selection |
|----------------------|-----------------------------|---------------------------------|
| Approach | Positive One | Negative One |
| Sequence | First | Second |
| Method | It Is An Economical Method | It Is An Expensive Method |
| Process | Very Simple | Very Complex And Complicated |
| Contractual Relation | No Contractual Relation | It Creates Contractual Relation |
| Time | Hence Less time is required | Hence more time is required |

“தீவிர நம்பிக்கையை வளர்த்துக்கொள் என்னால் செய்ய முடியும் என்ற தீவிர நம்பிக்கை தான் வெற்றிக்கு அடிப்படை.”

CHAPTER 12 EMPLOYEE TRAINING METHOD**I. Choose The Correct Answers**

- 1) **Off the Job training is given.....**
 - a) In the Class Room
 - b) On Off Days
 - c) **Outside the Factory**
 - d) In the Playground
- 2) **Vestibule training is provided.....**
 - a) On the job
 - b) In the Class Room
 - c) **In a Situation Similar to Actual Working Environment**
 - d) By the committee
- 3) **Improves Skill Levels of employees to ensure better job performance.....**
 - a) **Training**
 - b) Selection
 - c) Recruitment
 - d) Performance appraisal
- 4) **When trainees are trained by supervisor or by superior at the job is called.....**
 - a) Vestibule Training
 - b) Refresher Training
 - c) Role Play
 - d) **Apprenticeship Training**
- 5) **.....is useful to prevent skill obsolescence of employees.**
 - a) **Training**
 - b) Job analysis
 - c) Selection
 - d) Recruitment
- 6) **Training methods can be classified into.....and.....training.**
 - a) Job rotation and Job enrichment
 - b) **On the Job and Off the Job**
 - c) Job analysis and Job design
 - d) Physical and mental
- 7) **Case study method istype of trainee.**
 - a) Only theoretical training
 - b) **Both Theory and Practical Training**
 - c) Hands on training
 - d) Abservation Training
- 8) **Elaborate discussion on specific topic comes undermethod of training.**
 - a) Under study
 - b) Coaching
 - c) **Conferences**
 - d) Counselling

II. Very Short Answer Questions**1. What Is Meant By Training?**

- ✓ "Training is the act of increasing the Knowledge and skills of an employee for doing particular jobs". (OR)
- ✓ Training is the act of increasing/enhancing the new skill of problem-solving activity and technical knowledge of an employee for doing the jobs themselves.

2. What Is Mentoring Training Method?

- ✓ Mentoring is the process of sharing knowledge and experience of an employee.
- ✓ The focus in this training is on the development of attitude of trainees.
- ✓ It is always done by senior person; it is also one-to-one interaction like coaching.
- ✓ The mentor is responsible for the providing necessary support to trainees, and feedback

3. What is Role Play?

- ✓ Under this method, trainees have **explained the situation** and assigned roles.
- ✓ They have to act out the roles assigned to them without any rehearsal.
- ✓ There are **no pre-prepared** dialogues.

4. State E-Learning Method?

- ✓ E-learning is the use to technological process of a traditional classroom or office. It refers to online learning or web-based training.
- ✓ Web-based training is anywhere and anytime information can pass over the internet.

III. Short Answer Questions**1. What Is Vestibule Training?**

- ✓ Vestibule training is the training of employees in an environment similar to the actual work environment. Artificially created for training purpose.
- ✓ This type of training is given to avoid any damage or loss to machinery in the actual place by trainees.

2. What do you mean by on the Job Training?

- ✓ On the job training refers to the training which is given to the employee at the workplace by his immediate supervisor.
- ✓ It is based on the principle of “Learning by Doing and Learning While Earning”.
- ✓ It is suitable for imparting skills that can be learnt in a relatively short period of time.

3. Write Down Various Steps in a Training Programme

- 1) Whom to Train?
- 2) Who is the Trainee?
- 3) Who are Trainers?
- 4) What Method will be used for Training?
- 5) What should be Level the Training?
- 6) Where to Conduct the Training Programme?

4. Write Short Note on Trainer and Trainee**1) Trainee**

- ✓ A person who is **learning** and **practicing the skills** of a particular job is called a trainee.
- ✓ Trainees should be selected on the basis of self-interest and recommendation by the supervisor.

2) Trainer

- ✓ A trainer is a person who **teaches skills** to the employee and prepares them for job activity.
- ✓ Trainers may be supervisor, co-workers, HR staffs, specialists in the other parts of the company, outside consultants.
- ✓ The trainers is otherwise called Instructor, Coach, Teacher, Mentor, Adviser, Counsellor, Guide, Guru, Manager, Handler, Tutor And Educator etc.

IV. Long Answer Questions**1. Discuss Various Types Of Training. (Any 5)**

| On The Job Training | Off The Job Training |
|---|-------------------------------|
| ⇒ Coaching Method | ⇒ Lecture Method |
| ⇒ Mentoring Method | ⇒ Group Discussion Method |
| ⇒ Job Rotation Method | ⇒ Case Study Method |
| ⇒ Job Instruction Technique Method | ⇒ Role Play Method |
| ⇒ Apprenticeship Training Method | ⇒ Seminar / Conference Method |
| ⇒ Committee Assignment Method | ⇒ Field Trip Method |
| ⇒ Understudy / Internship Training Method | ⇒ Vestibule Training Method |
| | ⇒ E-Learning Method |

1. Coaching Method

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

2. Mentoring Method

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

3. Internship Training Method

- ✓ A superior gives training to subordinates or understudy like an assistant to a manager.

4. Lecture Method

- ✓ Under this method, trainees are educated about concepts, theories, and principles in any particular area.

5. E-learning Method

- ✓ E-learning is the use of technological processes to access a traditional classroom or office.

6. Job Rotation Method

- ✓ Under this method a trainee is periodically shifted from one work to another work and from one department to another department for a particular period of time.

7. Role play

- ✓ Under this method, trainees have explained the situation and assigned roles.
- ✓ They have to act out the roles assigned to them without any rehearsal.
- ✓ There are no pre-prepared dialogues.

2. What Is The Difference Between On The Job Training And Off The Job Training?**(Any 5)**

| Basis for comparison | On the Job Training | Of the Job Training |
|-----------------------------|--|---|
| Cost | It Is Cheapest To Carry Out | It Requires Expenses Like Separate Training Rooms, Specialist, And Resources Like Projectors. |
| Location | At The Work Place | Away From The Work Place |
| Approach | Practical Approach | Theoretical Approach |
| Principle | Learning By Performing | Learning By Acquiring Knowledge |
| Carried Out | It Is Carried Out By The Experienced Employee | Training Which Is Provided By The Experts. |
| Methods | Coaching, Job Rotation, Apprenticeship, Mentoring, Under Study, Job Instruction. | Role Plays, Seminar, Lectures, Case Studies, Field Trip, Programmed Instruction, Demonstration, E-Learning. |

3. Explain The Benefits Of Training. (2 Points From Each Headings)**1. Benefits to the Organization**

- ✓ It improves the skill of employees and increases productivity.
- ✓ It reduces wastages of materials and idle time.
- ✓ It minimizes the time for supervision.
- ✓ It exposes employees to latest trends.
- ✓ It reduces labour turnover of employee

2. Benefits to the Employees

- ✓ It increases the knowledge, skill of the employees.
- ✓ It enables him to gain promotion in a shorter time.
- ✓ It improves the employee's productivity.
- ✓ Employees get higher earnings through incentives and rewards.

3. Benefits of Customer

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

“உங்களுக்குள் இறக்கைகள் உள்ளன. தவறு முயற்சிக்காதீர்கள். பறக்க கற்றுக் கொள்ளுங்கள். உச்சத்திற்கு பறந்து செல்லுங்கள்”

8) Organisations

9) Information

10) Ideas

1. Goods

- Market goods like consumer durables, electronic products, machineries, Computers and its software and hardware etc.,

2. Services

- Not only physical goods can be marketed.
- Even the services of many organisations can be marketed to the consumers namely banking, insurance, finance, hospitality, tourism.

3. Information

- Information is the most valuable product that can be marketed today.
- The data collected by an organisation can be used as a product for this purpose.

4. Events

- The event marketing aims at promoting and marketing of special events, shows, exhibitions, fairs, performances, sports events like World Cup, Olympics, T20 etc.,

2. Mention Any Three Role of Marketer?

1) Instigator

2) Innovator

3) Integrator

4) Implementer

1. Instigator

- Marketer keenly watches the developments taking place in the market and identifies marketing opportunities emerging in the ever changing market.

2. Innovator

- Marketer seeks to differentiate his products/services by adding additional features or functionalities to the existing product, modifying the pricing structure.

3. Integrator

- Marketer plays a role of integrator in the sense that he collects feedback or vital inputs from channel members and consumers

4. Implementer

- He/she actually converts marketing opportunities into marketable product with the help of several functional teams put in place in the organisation.

3. Explain the Types of Market on the Basis of Time

1) Very Short Period Market

2) Short Period Market

3) Long Period Market

1. Very Short Period Market

- Markets which deal in perishable goods like milk, Fish, Fruits, Vegetables, etc.

2. Short Period Market

- In certain goods, supply is adjusted to meet the demand.
- The demand is greater than supply. Like Rice, wheat, etc

3. Long Period Market

- This type of market deals in durable goods.
- [TV – Fridge – computer etc] where the goods and services are dealt for longer period usages.

IV. Long Answer Questions**1. How the Market can be Classified? (Any 5)****1) On the Basis of Geographical Area**

1. Family Market
2. Local Market
3. National Market
4. International Market or World Market

2) On the Basis of Commodities/Goods**1. Commodity Market**

- i. Produce Exchange Market
- ii. Manufactured Goods Market
- iii. Bullion Market

2. Capital Markets

- i. Money Market
- ii. Foreign Exchange Market
- iii. The Stock Market

3) On the Basis of Economics

1. Perfect Market
2. Imperfect Market

4) On the Basis of Transaction

1. Spot Market
2. Future Market

5) On the Basis of Regulation

1. Regulated Market
2. Unregulated Market

6) On the Basis of Time

1. Very Short Period Market
2. Short Period Market
3. Long Period Market

7) On the Basis of Volume of Business

1. Wholesale Market
2. Retail Market

8) On the Basis of Importance

1. Primary Market
2. Secondary Market
3. Terminal Market

1. Family Market

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

2. Bullion Market

- This type of market deals with the purchase or sale of gold and silver.
- Bullion markets of Mumbai, Kolkata, Kanpur etc., are examples of such markets.

3. Perfect Market

- Large number of buyers and sellers are there.
- Prices should be uniform throughout the market.

4. Regulated Market

- These are types of markets which are organised, controlled and regulated by statutory measures.
- **Example:** Stock Exchanges of Mumbai, Chennai, Kolkata etc.

5. Spot Market

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

2. How the Market can be Classified on the Basis Of Economics?**1) Perfect Market**

1. Large number of buyers and sellers are there.
2. Prices should be uniform throughout the market.
3. Buyers and sellers have a perfect knowledge of market.
4. Goods can be moved from one place to another without restrictions.
5. The goods are identical or homogenous.

2) Imperfect Market

1. Products are similar but not identical.
2. Prices are not uniform.
3. There is lack of communication.
4. There are restrictions on the movement of goods.

முதல் வெற்றிக்குப் பிறகு ஓய்வெடுத்துவிடாதே அடுத்தமுறை தோல்வியுற்றால்,
உன் முதல் வெற்றி அதிர்ஷ்டத்தால்தான் கிடைத்தது என்பர்.

CHAPTER 14 MARKETING AND MARKETING MIX**I. Choose The Correct Answers**

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

II. Very Short Answer Questions**1. What is Marketing?**

- ❖ Marketing is one of the business functions that all activities that take place in relation to markets for actualise potential exchanges for the purpose of satisfying human needs and wants.

2. Define Marketing Mix

Marketing mix is a pack of **Four**

- ❖ Product Variable
- ❖ Price Variable
- ❖ Promotion Variable
- ❖ Place Variable

⇒ **Mr. Jerome McCarthy**

3. What is Meant by Grading?

- ❖ Grading means the classification of standardized products into certain well-defined classes.

III. Short Answer Questions**1. What are the Objectives of Marketing?**

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

2. What are the Concept of marketing?**1) What I can sell?**

↪ Make what you can sell, but do not try to sell what you can make.

2) Shall I first create products?

↪ No, first create a customer, and then create products.

3) Shall I love my products?

↪ No love your customers and not the products.

4) Who is supreme in markets? - Customer is supreme or king

5) Who will shape my decisions? - Customer's preferences shape you decision.

3. What do you mean By Marketing Mix? Write Any Two Elements.

- ❖ A list of important elements or ingredients that make up the marketing programme and the list of forces having bearing on marketing operations.

1. Product Variable

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

2. Price Variable

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

3. Promotion Variable

- ❖ Advertisement, promotion, sales force, packaging.

4. Place Variable

- ❖ Channel, Inventory, Distribution, Logistics.

IV. Long Answer Questions**1. Discuss about the Evolution Of Marketing. (Any 5)**

- 1) Barter System
- 2) Production Orientation
- 3) Sales Orientation
- 4) Marketing Orientation
- 5) Consumer Orientation
- 6) Management Orientation

1. Barter System

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

2. Production Orientation

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

3. Sales Orientation

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

4. Marketing Orientation

- ❖ Customers' importance was realised but only as a means of disposing of goods produced. Competition became more stiff.

5. Consumer Orientation

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

6. Management Orientation

- ❖ Business activities with the objective of planning, promoting and distributing want-satisfying products and services to the present and potential customers.

2. Narrate the Elements of Marketing mix

- 1) Product
- 2) Price
- 3) Place (Physical Distribution)
- 4) Promotion

1. Product

- ❖ **Product is the main element of marketing.**
- ❖ **Without a product, there can be no marketing.**
- ❖ “A product is anything that can be offered to a market for attention, acquisition, consumption that might satisfy a want or a need”

2. Price

- ❖ **Price is the value of a product expressed in monetary terms.**
- ❖ **It is the amount charged for the product.**
- ❖ “Price is the amount of money charged for a product or service”.

3. Place (Physical Distribution)

- ❖ The fourth element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.
- ❖ The qualified product will be wasted if it is not transferred to the consumers.

4. Promotion

- ❖ An excellent product with competitive price cannot achieve a desired success and acceptance in market.
- ❖ Special features and benefits are conveyed effectively to the potential consumers.

**நமது பிறப்பு ஒரு சம்பவமாக இருக்கலாம் !
ஆனால் இறப்பு ஒரு சரித்திரமாக இருக்க வேண்டும் !!**

“வெற்றி என்பது உன் நிழல் போல நீ அதைத் தேடிப்போக வேண்டியதில்லை நீ வெளிச்சத்தை நோக்கி நடக்கும்போது அது உன்னுடன் வரும்”

CHAPTER 15 RECENT TRENDS IN MARKETING**I. Choose The Correct Answers**

- 1) **Selling goods/ services through internet is.....**
 - a. Green Marketing
 - b. **E- Business**
 - c. Social Marketing
 - d. Meta Marketing
- 2) **Which is gateway to internet?**
 - a. Portal
 - b. CPU
 - c. **Modem**
 - d. Webnaire
- 3) **Which one represents a cluster of manufacturers, content providers and online retailers organised around an activity?**
 - a. Virtual mall
 - b. Association
 - c. **Metomediary**
 - d. Portal
- 4) **Social marketing deals with.....**
 - a. Society
 - b. **Social Class**
 - c. Social Change
 - d. Social Evil
- 5) **Effective use of Social media marketing increase conversion rates of.....**
 - a. **Customer to Buyers**
 - b. Retailer to Customers
 - c. One Buyer to Another Buyer's
 - d. Direct Contact of Marketer
- 6) **A company's products and prices is visually represented by.....**
 - a. Shopping Cart
 - b. Web Portal
 - c. **Electronic Catalogue**
 - d. Revenue Model
- 7) **Green Shelter concept was introduced by group.....**
 - a. **ACME**
 - b. Tata
 - c. Reliance
 - d. ICI
- 8) **Pure play retailers are called.....**
 - a. Market Creators
 - b. **Transaction Brokers**
 - c. Merchants
 - d. Agents

II. Very Short Answer Questions**1. What is Service Marketing?**

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

2. What is Green Marketing?

- ⇒ Green marketing implies marketing **Environmentally Friendly** products.
- ⇒ Green marketing involves developing and promoting products and services which satisfy customers' wants and needs for quality, performance, affordable pricing and convenience – all without causing a detrimental impact on the environment.
- ⇒ Green marketing is also known as **environmental marketing, ecological marketing eco-friendly marketing and sustainable marketing.**

3. What is Ambush Marketing?

- ⇒ It is a new technique where by a particular advertiser seeks to connect his product to the event in the mind of potential customers without paying sponsoring expenses to the event.

4. What is Social Marketing?

- ⇒ Social marketing is a new marketing tool
- ⇒ It is the systematic application of marketing philosophy and techniques to achieve specific behavioural goals that ensure social good
- ⇒ **[Eg]** Asking people- Not to smoke in a public place.

III. Short Answer Questions**1. What are the Advantages of E-Marketing?**

- ⇒ Any Time market E - Marketing provides 24 hours and 7 days “24/7” service to its users.
- ⇒ Thus products bought through e-marketing become cheaper.
- ⇒ Customer can buy whatever they want/need just by browsing the various sites.

2. Discuss the Objectives E-Marketing. (Any 3)

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

3. Explain in Detail About Niche marketing

- ⇒ **“Niche marketing “denotes a strategy of directing all marketing efforts towards one well defined segment of the population.**
- ⇒ Actually, there is no market in a niche market.
- ⇒ It is found by the company, by identifying the need of customers who are not served or underserved by the competitors.
- ⇒ It involves a specific target audience with a specialized offering.
- ⇒ It aimed at being a big fish in a small pond instead of being a small fish in a big pond.
- ⇒ The **sports channels** like START sports, ESPN, START Cricket and FOX Sports target the niche market of sports enthusiasts.

IV. Long Answer Questions**1. Explain in Detail How Traditional Marketing Differ From E-Marketing.**

| E-Marketing | Traditional Marketing |
|--|---|
| It Is Very Economical And Faster Way To Promote The Products. | It Is Very Expensive And Takes More Time To Promote Product. |
| It Is Quiet Easier For Promoting Product Globally In The Short Time. | It Is Very Expensive And Time Consuming To Promote Product/ Service |
| E-Business Enterprises Can Expand Their Operation With Minimum Manpower. | It Needs More Man Power. |
| In This Marketing Product Can Be Sold Or Bought 24 X 7, Round The Year With Minimum Manpower | That Is Not Possible In Traditional Marketing. |

2. Discuss Any Two New Methods Of Marketing

- 1) E-Marketing
- 2) E-Tailing
- 3) Green Marketing
- 4) Social Marketing
- 5) Rural Marketing
- 6) Service Marketing
- 7) Commodity Exchanges

- 8) Niche Marketing
- 9) Viral Marketing
- 10) Ambush Marketing
- 11) Multilevel Marketing
- 12) Guerrilla Marketing
- 13) Referral Marketing

1. Guerrilla Marketing

⇒ “Guerrilla marketing “represents an advertisement strategy to promote or services on streets or other public places with monkey like malls, parks, beach etc.

2. Referral Marketing

⇒ “Referral marketing is the method of promoting products or services to new customers through existing customers”.

3. Ambush Marketing

⇒ It is a new technique where by a particular advertiser seeks to connect his product to the event in the mind of potential customers without paying sponsoring expenses to the event.

4. E-Tailing

⇒ E-Tailing or electronic retailing refers to selling of goods and services through a shopping website or internet and online through virtual store to the ultimate consumer

⇒ E-Tailing is a business to consumer (B2C) Transaction model.

5. Service marketing

⇒ Service marketing is a specialized branch of marketing.

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

“ஒரு நாள் நிச்சயம் விடியும் அது உன்னால் மட்டும் முடியும்”

UNIT 6 CONSUMER PROTECTION**CHAPTER 16 CONSUMERISM****I. Choose The Correct Answers**

- 1) The term 'consumerism' came into existence in the year.....
 - a) 1960
 - b) 1957
 - c) 1954
 - d) 1958
- 2) Who is the father of Consumer Movement?
 - a) Mahatma Gandhi
 - b) Mr. Jhon F. Kennedy
 - c) **Ralph Nader**
 - d) Jawaharlal Nehru
- 3) Sale of Goods Act was passed in the year?
 - a) 1962
 - b) 1972
 - c) **1930**
 - d) 1985
- 4) The main objective of all business enterprises is.....
 - a) Providing service
 - b) Providing better standard of life
 - c) Providing necessities to the society
 - d) **Earn profit**
- 5) The Consumer Protection Act came into force with effect from.....
 - a) 1.1.1986
 - b) 1.4.1986
 - c) **15.4.1987**
 - d) 15.4.1990
- 6)of every year is declared as a Consumer Protection Day to educate the public about their rights and responsibilities.
 - a) August 15
 - b) April 15
 - c) **March 15**
 - d) September 15
- 7) Any person who buys any goods or avails services for personal use, for a consideration is called as.....
 - a) Customer
 - b) **Consumer**
 - c) Buyer
 - d) User
- 8) The General Assembly of United Nations passed resolution of consumer protection guidelines on.....
 - a) **1985**
 - b) 1958
 - c) 1986
 - d) 1988

II. Very Short Answer Questions**1. Who is a Consumer?**

- ◆ A consumer is one who consumes goods or services for a consideration.
- ◆ One, who avails services such as banking, transport, insurance, etc.,

2. Give Two Examples of Adulteration

- ◆ Powdered rice/wheat is adulterated with starch.
- ◆ Coffee powder is adulterated with tamarind seed.
- ◆ Mixing of stones with grains
- ◆ Mixing of coconut oil with palmolein
- ◆ Papayas seed is added to black pepper
- ◆ Chilli powder is adulterated with brick powder

3. What is Caveat Emptor?

- ◆ 'Caveat emptor' is a Latin term that means "let the buyer beware."
- ◆ The principle of caveat emptor serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their expectations.

4. What is Caveat Venditor?

- ◆ The principle of caveat venditor, which means "let the seller beware," by which goods are covered by an implied warranty of merchantability.

5. Write Short Notes on Consumer Protection Act, 1986

- ◆ The Act is referred in short as "COPRA".
- ◆ The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers.

III. Short Answer Questions**1. What are the Important Legislations Related To Consumerism in India? (Any 3)**

- 1) The Indian Contract Act, **1872**
 - a. Was passed to bind the people on the promise made in the contract.
- 2) The Sale of Goods Act, **1930**
- 3) The Trademark Act, **1999**
 - a. Prevents the use of fraudulent marks on the product.
- 4) The Competition Act, **2002**
 - a. Protects the consumers against unhealthy competition.
- 5) The Essential Commodities Act, **1955**
- 6) The Public Liability Insurance act, **1991**
- 7) The prevention of food adulteration Act **1954**
- 8) Weight and measures Act **1976**
- 9) The competition Act **2002**

2. What is meant by Artificial Scarcity?

- ◆ There are certain situations where the shop-keepers put up the board '**No Stock**' in **front of their shops**, even though there is plenty of stock in the store. **(Or)**
- ◆ Even though there is plenty of stock in the store, the Shopkeepers put the board '**No Stock**' in front of their store and **try to raise the price** of goods.
Example: Hoarding of onion, petrol, black market of cinema ticket.

3. Write the Importance of Consumerism. (Any 3)

- 1) Awakening and uniting consumers.
- 2) Discouraging unfair trade practices.
- 3) Protecting against exploitation.
- 4) Awakening the government.
- 5) Providing complete and latest information.
- 6) Discouraging anti-social activities

IV. Long Answer Questions**1. How Consumers are Exploited? (Any 5)**

- 1) Selling at Higher Price
- 2) Adulteration
- 3) Duplicate or Spurious goods
- 4) Artificial Scarcity
- 5) Sub-standard
- 6) Warranty and Services
- 7) Unsuitability of Products
- 8) False Advertisements

1. Selling at Higher Price

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

2. Adulteration

- ◆ Mixing of stones with grains
- ◆ Mixing of coconut oil with palmolein
- ◆ Papayas seed is added to black pepper
- ◆ Chilli powder is adulterated with brick powder

3. Sub-standard

- ◇ On opening a packet or sealed container one may find the content to be of poor quality.

4. Artificial Scarcity

- ◇ There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.

5. Warranty and Services

- ◇ In case of consumer durable goods like televisions, washing machines, refrigerators, cars, two wheelers and air conditioners etc.

6. False Advertisements

- ◇ The main purpose of advertisement is to educate the consuming public and customers of various aspects of the products/service. In reality, advertisements convey very little information about the product.

2. Explain the Role of Business in Consumer Protection. (Any 5)

- 1) Avoidance of Price Hike
- 2) Avoidance of Hoarding
- 3) Guarantees for Good Quality
- 4) Product Information
- 5) Truth in advertising
- 6) Protection from the Hazard
- 7) Money Refund Guarantee
- 8) Consumer Grievances

1. Avoidance of Price Hike

- ◇ Business enterprises should desist from hiking the price in the context of acute shortage of goods /articles.

2. Avoidance of Hoarding

- ◇ Business enterprises should allow the business to flow normally.
- ◇ It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.

3. Guarantees for Good Quality

- ◇ Business enterprises should not give false warranty for the products. It should ensure supply of good quality.

4. Product Information

- ◇ Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc.

5. Truth in advertising

- ◇ Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

6. Consumer Grievances

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

3. What are the Objectives of Consumer Protection Act, 1986? (Any 5)

- 1) Protecting consumers from unfair trade practices of traders.
- 2) Empowering consumers to seek redressal against exploitation.
- 3) Educating the consumer of their rights and duties.
- 4) Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.
- 5) Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.
- 6) Ensuring better standard of living for consumers by providing them with quality products at fair price.

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CHAPTER 17 RIGHTS, DUTIES & RESPONSIBILITIES OF CONSUMERS**I. Choose The Correct Answers**

- 1) **The final aim of modern marketing is.....**
 - a. Maximum Profit
 - b. Minimum Profit
 - c. Consumer Satisfaction**
 - d. Service to the Society
- 2) **.....is the king of modern marketing.**
 - a. Consumer**
 - b. Wholesaler
 - c. Producer
 - d. Retailer
- 3) **As the consumer is having the rights, they are also having.....**
 - a. Measures
 - b. Promotion
 - c. Responsibilities**
 - d. Duties
- 4) **Which of the following is not a consumer right summed up by John F. Kennedy.**
 - a. Right to Safety
 - b. Right to Choose
 - c. Right to Consume**
 - d. Right to be Informed
- 5) **It is the responsibility of a consumer that he must obtain.....as a proof for the purchase of goods.**
 - a. Cash Receipt**
 - b. Warranty Card
 - c. Invoice
 - d. All of these

II. Very Short Answer Questions**1. Write Short Notes on: "Right to be informed."**

- Consumers should be given all the relevant facts about the product.
- This implies that the manufacturer and the dealer are expected to disclose all the material facts relevant and relating to the product.

2. What are the Rights of Consumer According to John F. Kennedy?

- "The Right of Safety,
- The Right to be informed,
- The Right to choose
- The Right to be heard." **"Mr. John F. Kennedy"**

3. Which is the Supreme Objective of Business?

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

III. Short Answer Questions**1. What do you understand by "Right to Redressal"**

- Compensation within a reasonable time
- Prompt settlement of complaints and claims
- Boost consumer confidence
- Fair and just settlement of deserving claims in a definite time frame

2. What do you understand About" Right To Protection of Health and Safety"

- There may be few products that are more likely to cause physical danger to consumers' health, lives and property.
- They may contain potentially harmful substances which are dangerous from the consumer welfare point of view.
- The best examples of this kind are Food additives, colours, emulsifiers, preservatives.

IV. Long Answer Questions**1. Explain the Duties of Consumers. (Any 5)**

- 1) Buying Quality Products at Reasonable Price
- 2) Ensure the Weights and Measurement before Making Purchases

- 3) Reading the Label Carefully
- 4) Beware of False and Attractive Advertisements
- 5) Misleading Schemes
- 6) Ensuring the Receipt of Cash Bill
- 7) Buying from Reputed Shops

1. Buying Quality Products at Reasonable Price

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

2. Ensure the Weights and Measurement before Making Purchases

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

3. Reading the Label Carefully

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

4. Beware of False and Attractive Advertisements

- Often the products are not as attractive as shown in the advertisement by the sellers.
- Hence, it is the prime duty of consumer not to get misled by such fraudulent advertisements.

5. Ensuring the Receipt of Cash Bill

- It is a legitimate duty of consumers to collect cash receipt and warranty card supplied along with bills.
- This will help them in seeking redressal for their grievances.

6. Buying from Reputed Shops

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

2. What are the Responsibilities of Consumers? (Any 5)

- 1) The consumer must pay the price of the goods according to the terms and conditions of the sale contract.
- 2) The duty of the consumer to apply to the seller for the delivery of goods. Otherwise, goods will not be delivered
- 3) He is responsible to take delivery of goods on the due date and time.
- 4) The consumer is bound to pay any interest or special damages caused to the seller in case if there is a delay in the payment.
- 5) The consumer must ask and collect the invoice, cash receipt, delivery note, guarantee card.
- 6) The consumer has to follow and observe strictly the instruction and precautions while using the products.
- 7) He has a responsibility to tell the seller of his requirements and expectations from the product.
- 8) He must file a complaint with the seller concerned about defects or shortcoming noticed in their products and services.

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CHAPTER 18 GRIEVANCE REDRESSAL MECHANISM**I. Choose The Correct Answers**

- 1) **The Chairman of the National Consumer Disputes Redressal Council is.....**
 - a) **Serving or Retired Judge of the Supreme Court of India**
 - b) Prime Minister
 - c) President of India
 - d) None of the above
- 2) **The Chairman of the State Consumer Protection Council is.....**
 - a) **Judge of a High Court**
 - b) Chief Minister
 - c) Finance Minister
 - d) None of the above
- 3) **The Chairman of the District Forum is.....**
 - a) **District Judge**
 - b) High Court Judge
 - c) Supreme Court Judge
 - d) None of the above
- 4) **The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed.....**
 - a) Rs. 2 lakhs but does not exceed Rs. 5 lakhs
 - b) **Rs. 20 lakhs but does not exceed Rs. 1 crore**
 - c) Rs. 3 lakhs but does not exceed Rs. 5 lakhs
 - d) Rs. 4 lakhs but does not exceed Rs. 20 lakhs
- 5) **The National Consumer Disputes Redressal Commission has jurisdiction to entertain complaints where the value of goods/services complained against and the compensation, if any, claimed is.....**
 - a) **Exceeding Rs. 1 crore**
 - b) Exceeding Rs. 10 lakhs
 - c) Exceeding Rs. 5 lakhs
 - d) Exceeding Rs. 12 lakhs
- 6) **The District Forum can entertain complaints where the value of goods or services and the compensation if any claimed is less than.....**
 - a) Below Rs. 10,00,000
 - b) **Below Rs. 20,00,000**
 - c) Below Rs. 40,00,000
 - d) Below Rs. 50,00,000
- 7) **The International Organisation of Consumers Unions (IOCU) was first established in.....**
 - a) **1960**
 - b) 1965
 - c) 1967
 - d) 1987
- 8) **Consumer awareness covers the following:**
 - a) Consumer Awareness About Maximum Retail Price (MRP)
 - b) Consumer Awareness About Fair Price Shop
 - c) Consumer Awareness About Price, Quality, And Expiry Date Of The Product
 - d) **All of the Above**
- 9) **Complaints can also be filed by the.....**
 - a) Central Government
 - b) State Government
 - c) A group of consumers
 - d) **All of the above**
- 10) **A consumer has to be protected against.....**
 - a) Defects of product
 - b) Deficiencies of product
 - c) Unfair and restrictive trade practices
 - d) **All of the above**

II. Very Short Answer Questions**1. What do you meant by Redressal Mechanism?**

- ⇒ It is a management and governance related process used commonly in India.
- ⇒ It covers the receipt and processing of complaints from citizens and consumers.
- ⇒ It also includes the action taken on any issue raised by them to avail services more effectively.

2. What do you know about National Commission?

- ⇒ It is a quasi-judicial commission in India which was set up in the year **1988**.
- ⇒ Its head office is in **New Delhi**
- ⇒ It is headed by a serving or retired judge of the **supreme court** of India
- ⇒ It is also called as National commission. (**more than 1 Crore**)

3. State the Meaning of the Term State Commission

- ⇒ A consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices. (More than **20 lakhs Less than 1 crore**)
- ⇒ The State Consumer Protection council is also called State Commission.

4. What is an Term District Forum?

- ⇒ As per the Consumer Protection Act of 1986 the establishment of a District Form by the State Government in each District is necessary today to protect the interest of aggrieved consumers in that district.
- ⇒ (Exceeds the limit of Rs. **20 lakhs**)

III. Short Answer Questions**1. Who are the Members of the National Commission?**

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

2. Who are the Members of the State Commission?

- ⇒ A person who is or has been a Judge of a High Court appointed by the **State Government** as its President.
- ⇒ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience relating to Economics, Law, Commerce, Industry, Public affairs or Administration.
- ⇒ One shall be **a woman**.

3. Write a Note on the Voluntary Consumer Organisation

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

IV. Long Answer Questions**1. Explain the Overall Performance of National Commission****• National Commission**

- ⇒ It is a quasi-judicial commission in India which was set up in the year **1988**.
- ⇒ Its head office is in **New Delhi**.
- ⇒ It is headed by a serving or retired judge of the **supreme court** of India
- ⇒ It is also called as National commission.

• Members

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

- **Jurisdiction**

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

- **Powers**

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

- **Appellate Forum**

- ⇒ Appeal against such order to Supreme Court of India within a period of **30 days**.

2. Explain the overall performance of State Commission

- **State Commission**

- ⇒ A consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices.
- ⇒ The State Consumer Protection council is also called **State Commission**.

- **Members**

- ⇒ A person who is or has been a Judge of a **High Court** appointed by the State Government as its President.
- ⇒ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge.
- ⇒ One shall be a woman.

- **Jurisdiction**

- ⇒ Compensation – claims More than **20 lakhs Less than 1 crore**.
- ⇒ To entertain Appeal from District forum.

- **Powers**

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

- **Appellate Forum**

- ⇒ Any person aggrieved by an order of the State Commission may prefer an **appeal** to the National Commission within **30 days** from the date of such order.

“முடியாது என்று நீ சொல்வதையெல்லாம் யாரோ ஒருவன் எங்கோ செய்துகொண்டிருக்கிறான்”

UNIT 7 BUSINESS ENVIRONMENT
CHAPTER 19 ENVIRONMENTAL FACTORS

I. Choose The Correct Answers

- 1) **VUCA stands for.....,.....,.....**
 (a) **Volatility, Uncertainty, Complexity and Ambiguity**
 (b) Value, Unavoidable, Company and Authority
 (c) Volatility, Uncontrollable, Company and Auction (d) All of the above
- 2) **GST stands for,.....**
 (a) Goods and Social Tax (b) **Goods and Service Tax**
 (c) Goods and Sales Tax (d) Goods and Salary Tax
- 3) **Factors within an organisation constitutes..... Environment.**
 (a) **Internal Thinker** (b) External Thinker
 (c) Fellow human beings (d) All of the above
- 4) **Macro Environment of business is an.....factor.**
 (a) **Uncontrollable** (b) Controllable
 (c) Manageable (d) Immanageable
- 5) **The two major types of business environment are.....and.....**
 (a) Positive and Negative (b) **Internal and External**
 (c) Good and Bad (d) Allowable and Unallowable
- 6) **.....Environment includes weather and climatic conditions.**
 (a) Micro (b) **Macro** (c) Minimum (d) Maximum

II. Very Short Answer Questions

1. What Is Internal Environment?

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

2. Give the Meaning of Corporate Governance

- ✂ Corporate governance is a set of rules and policies which governs a company.
- ✂ It provides a frame work for managing a company and achieving its objectives.

3. What is GST?

- ✂ Goods and services tax [GST] is an indirect tax levied on goods and services across the country.
- ✂ Types of taxes: CGST, SGST, IGST.

4. Expand VUCA

- 1) **V - Volatility**
- 2) **U - Uncertainty**
- 3) **C - Complexity**
- 4) **A - Ambiguity**

III. Short Answer Questions

1. What Are The Political Environment Factors? (Any 3)

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

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

2. Write About Any Three Internal Environmental Factors Of Business

- 1) Values system
- 2) Vision and objectives
- 3) Management structure and nature
- 4) Internal power relations
- 5) Human resources
- 6) Company image

1. Values system

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

2. Vision and objectives

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

3. Management structure and nature

- ✂ The structure of management/board and their style of functioning, the level of professionalism of management, and the composition of the board are the various factors which affects the decision making.

4. Company image

- ✂ The image of an organisation plays an important role in introducing new products, selecting agents and dealers for distribution.

5. Human resources

- ✂ The success of an enterprise is solely dependent on the quality, skill competency, right attitude and commitment of its human resources.

3. What Do You Know About Technological Environment?

- ✂ The development in IT and telecommunications has created a global market.
- ✂ Technology is widely used in conducting market research for understanding the special needs of the customer.
- ✂ Digital and social media are used as a platform for advertising and promoting the products/services.
- ✂ Data-mining and data analytics are used to know the customer better.

IV. Long Answer Questions

1. Discuss The Role Of Macro Environment Of Business. (Any 5)

- 1) Economic Environment
- 2) Socio-Cultural Environment
- 3) Political and Legal Environment
- 4) Geo-physical Environment
- 5) Technological Environment
- 6) Global Environment

1. Economic Environment

- ✂ The business is an integral part of the economic system prevalent in a nation.
- ✂ The nature of economy based on the stage of development.
- ✂ The economic policies of a nation.
- ✂ Development of financial market.

2. Socio-Cultural Environment

- ✂ Business is a part of the society.
- ✂ Social environment refers to the sum total of factors of the society in which the business is located.
- ✂ Social and cultural environment of society affects the business.
- ✂ The social institutions and groups
- ✂ Family structure prevalent in the society

3. Political and Legal Environment

- ✂ The framework for running a business is given by the political and legal environment.
- ✂ The success of a business lies in its ability to adapt and sustain to political and legal changes.
- ✂ The image of the leader and the country in the inter-national arena.
- ✂ Legal framework of business and their degree of flexibility.
- ✂ The constitution of the nation.

4. Geo-physical Environment

- ✂ The natural, geographical and ecological factors have a bearing on the business.
- ✂ Availability of natural harbours and port facilities for transporting goods.

5. Technological Environment

- ✂ The development in IT and telecommunications has created a global market.
- ✂ Technology is widely used in conducting market research for understanding the special needs of the customer.
- ✂ Digital and social media are used as a platform for advertising and promoting the products/services.
- ✂ Data-mining and data analytics are used to know the customer better.
- ✂ Rate of change in technology.
- ✂ Technology adopted by competitors.

6. Global Environment

- ✂ With the rapid growth of technology the physical boundaries are fast disappearing and the new global market is emerging.
- ✂ Differences in language and culture
- ✂ Differences in currencies
- ✂ Differences in norms and practices
- ✂ The tax structure relating to import and export.

2. Explain The Micro Environmental Factors Of Business. (Any 5)

- 1) Financiers
- 2) Suppliers
- 3) Marketing Channel members
- 4) Public
- 5) Customers
- 6) Competitors

1. Financiers

- ✂ The financiers of a business which includes the debenture holders and financial institutions play a significant part in the running of a business.

2. Suppliers

- ✂ In any organisation the suppliers of raw materials and other inputs play a very vital role.
- ✂ Organisations generally obtain supplies from a panel of suppliers instead of relying on a single source.

3. Marketing Channel members

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

4. Public

- ✂ This refers to any group like media group, citizen action group and local public which has an impact on the business.
- ✂ The public group has the ability to make or mar a business. Many companies had to face closure due to actions by local public.

5. Customers

- ✂ The aim of any business is to satisfy the needs of its customers. The customer is the king.

6. Competitors

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

“ஆண்டவன் சோதிப்பது எல்லோரையும் அல்ல. உன்னைப் போல சாதிக்க துடிக்கும் புத்திசாலிகளை மட்டுமே”

CHAPTER 20 LIBERALIZATION, PRIVATIZATION AND GLOBALIZATION**I. Choose The Correct Answers**

- 1)is the result of New Industrial Policy which abolished the 'License System'.
(a) Globalisation (b) Privatisation (c) Liberalisation (d) None of these
- 2)means permitting the private sector to setup industries which were previously reserved for public sector.
(a) Liberalisation (b) Privatisation (c) Globalisation (d) Public Enterprise
- 3)Ownership makes bold management decisions due to their strong foundation in the international level.
(a) Private (b) Public (c) Corporate (d) MNC's
- 4)results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour.
(a) Privatisation (b) Liberalisation (c) Globalisation (d) Foreign Trade
- 5) New Economic Policy was introduced in the year.....
(a) 1980 (b) 1991 (c) 2013 (d) 2015

II. Very Short Answer Questions**1. State the Branches of New Economic Policy**

1. Liberalization
2. Privatization
3. Globalization

2. What is Privatisation?

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

(Or)

- Privatisation means permitting the private sector to set up industries which were previously reserved for the public sector.

3. Mention Any Two Disadvantages of Liberalisation.

- 1) Increase in unemployment
- 2) Loss to domestic units
- 3) Increased dependence on foreign nations
- 4) Unbalanced development

4. Give Any Two Advantages of Globalisation

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

III. Short Answer Questions**1. What Do You Mean by Liberalisation?**

- Liberalisation means the laws and rules liberalized or relaxed by the Government
- It means relaxation of various Government restrictions in the areas of social and economic policies in order to make the economics free to enter the market and establish their venture [Business] in the country.

2. State Any Three Impacts on Globalisation

- Corporations got a competitive advantage from lower operating costs and access to new raw materials and additional markets.
- MNCs can manufacture, buy and sell goods worldwide.
- Globalisation has led to a boom in the consumer products market.
- The advent of foreign companies and growth in economy has led to job creation.

3. Write a Short Note on New Economic Policy

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

IV. Long Answer Questions**1. Explain the Advantages and Disadvantages of Liberalisation. (Any 5)****1) Advantages of Liberalisation**

1. Increase in foreign investment
2. Increase the foreign exchange reserve
3. Increase in consumption
4. Control over price
5. Reduction in external borrowings

2) Disadvantages of Liberalisation

1. Increase in unemployment
2. Loss to domestic units
3. Increased dependence on foreign nations
4. Unbalanced development

Advantages of Liberalisation**1. Increase in foreign investment**

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

2. Increase the foreign exchange reserve

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

3. Increase in consumption

⇒ Liberalization increases the number of goods available for consumption within a country due to increase in production.

Disadvantages of Liberalisation**1. Increase in unemployment**

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

2. Loss to domestic units

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

3. Increased dependence on foreign nations

⇒ Trade liberalisation means firms will face greater competition from abroad.

4. Unbalanced development

⇒ Trade liberalisation may be damaging for developing economies which cannot compete against free trade.

⇒ The trade liberalisation often benefits developed countries rather than developing economies.

2. What are the Highlights of the LPG policy? (Any 5)

- 1) Introduction of new Foreign Trade Agreements
- 2) Foreign Investment (FDI & FII)
- 3) MRTP Act, 1969 (Amended)
- 4) Deregulation
- 5) Opportunities for overseas trade
- 6) Steps to regulate inflation
- 7) Tax reforms
- 8) Abolition of License

3. Explain the Impact of LPG on Indian Economy**1. Impact of Liberalization**

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

2. Impact of Privatization

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

3. Impact of Globalization

- Corporations got a competitive advantage from lower operating costs and access to new raw materials and additional markets.
- MNCs can manufacture, buy and sell goods worldwide.
- Globalisation has led to a boom in the consumer products market.
- The advent of foreign companies and growth in economy has led to job creation.

“வாய்ப்புக்காக காத்திருக்காதே. உனக்கான வாய்ப்பை நீயே ஏற்படுத்திக் கொள்”

“முயற்சிகள் தவறலாம் ஆனால் முயற்சிக்க தவறாதே”

UNIT 8 THE SALE OF GOODS ACT 1930 AND THE NEGOTIABLE INSTRUMENTS**ACT 1881****CHAPTER 21 THE SALE OF GOODS ACT 1930****I. Choose The Correct Answers**

- 1) Sale of Goods Act was passed in the year.....
 - a)1940
 - b)1997
 - c)1930**
 - d)1960
- 2) Which of the below constitutes the essential element of contract of sale?
 - a) Two Parties
 - b) Transfer of Property
 - c) Price
 - d) All of the above**
- 3) Which of the below is not a good?
 - a) Stocks
 - b) Dividend Due**
 - c) Crops
 - d) Water
- 4) In case of the sale, the..... has the right to sell.
 - a) Buyer
 - b) Seller**
 - c) Hirer
 - d) Consignee
- 5) The property in the goods means the.....
 - a) Possession of Goods
 - b) Custody of Goods
 - c) Ownership of Goods**
 - d) Both (a) and (b)
- 6) Specific goods denote goods identified upon the time ofof sale.
 - a) Agreement
 - b) Contract**
 - c) Order
 - d) Obligation
- 7) In which of the following types, the ownership is immediately transferred to buyer?
 - a) When Goods are Ascertained
 - b) When Goods are Appropriate
 - c) Delivery to the Carrier**
 - d) Sale or Return Basis
- 8)is a stipulation which is collateral to main purpose of contract:
 - a) Warranty**
 - b) Condition
 - c) Right
 - d) Agreement
- 9) Unpaid seller can exercise his right of lien over the goods, where he is in possession of the goods as.....
 - a) Owner of Goods
 - b) Agent of Buyer
 - c) Bailee for Buyer
 - d) All of these**
- 10) The unpaid seller can exercise his right of stoppage of goods in transit where the buyer.....
 - a) Becomes Insolvent**
 - b) Refuses to Pay Price
 - c) Payment of Price
 - d) Both (b) and (c)

II. Very Short Answer Questions**1. What is a Contract of Sale of Goods?**

- Contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property (ownership) of the goods to the buyer for a price.

2. List Down the Essential Elements of A Contract of Sale

- 1) Two Parties
- 2) Transfer of Property
- 3) Goods
- 4) Price
- 5) Includes both 'Sale' and 'Agreement to Sell'

3. What is Meant by Goods?

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

4. What is a Contingent Goods?

- Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency (an event which may or may not happen).
- Contingent goods are a part of **future goods**.

III. Short Answer Questions

1. Discuss in Detail About Existing Goods

- **Existing goods are those owned or possessed by the seller at the time of contract of sale.**
- **Goods possessed even refer to sale by agents or by pledges.**
- Existing goods may be either
 - Specific Goods
 - Ascertained Goods
 - Generic or Unascertained Goods

2. Discuss the Implied Conditions and Warranties in Sale of Goods Contract

- **Following are the implied conditions**
 - Conditions as to Title
 - Conditions as to Description
 - Sale by Sample
 - Conditions as to Quality or Fitness
 - Conditions as to Merchantability
 - Condition as to Wholesomeness
 - Condition Implied by Trade Usage
- **Following are the implied warranties**
 - Quiet Possession
 - Free from Any Encumbrances
 - Warranty in the case of Dangerous Goods

IV. Long Answer Questions

1. Explain in Detail the Elements of Contract of Sale

- 1) Two Parties
- 2) Transfer of Property
- 3) Goods
- 4) Price
- 5) Includes both 'Sale' and 'Agreement to Sell'

1. Two Parties

- A contract of sale involves two parties – the seller and the buyer.
- The buyer and the seller should be two different persons.

2. Transfer of Property

- To constitute a sale, the seller must transfer or agree to transfer the ownership of the goods to the buyer.
- A simple transfer of possession does not amount to sale.

3. Goods

- The subject matter of the contract of sale must be goods. It excludes money, actionable claims, and immovable property.
- The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc.

- Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.

4. Price

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

5. Includes both 'Sale' and 'Agreement to Sell'

- If the property in goods is transferred immediately to the buyer it is called a sale.
- If the transfer of property takes place at a future date or on fulfilment of certain conditions, it is called 'an agreement to sell'.

2. Distinguish between Conditions and Warranty.

| Basic of Difference | Condition | Warranty |
|-----------------------|--|--|
| Meaning | It is a stipulation which is essential to the main purpose Of the contract of sale. | It is a stipulation which is collateral to the main purpose of contract. |
| Significance | Condition is so essential to the contract that the breaking of which cancels out the Contract. | It is of subsidiary or inferior Character. The violation of warranty will not revoke the Contract. |
| Transfer of Ownership | Ownership on goods cannot be transferred without Fulfilling the conditions. | Ownership on goods can be transferred on the buyer without Fulfilling the warranty. |
| Remedy | In case of breach of contract, the affected party can cancel the contract and claim Damages. | In the case of breach of warranty, the affected party cannot cancel the contract but can claim Damages only. |
| Treatment | Breach of condition may be treated as breach of warranty | Breach of warranty cannot be treated as breach of condition. |

“உங்களால் பறக்க முடியாவிட்டால் ஓடுங்கள். ஓடமுடியாவிட்டால் நடந்து செல்லுங்கள். நடக்கவும் முடியாவிட்டால் தவழுங்கள். இலக்குகளை நோக்கி சென்று கொண்டிருக்கிறீர்கள் என்பதே முக்கியமானது”.

CHAPTER 22 THE NEGOTIABLE INSTRUMENTS ACT 1881**I. Choose The Correct Answers**

- 1) **Negotiable Instrument Act was passed in the year.....**
 - a. 1981
 - b. 1881**
 - c. 1994
 - d. 1818
- 2) **Negotiable Instrument is freely transferable by delivery if it is a.....instrument.**
 - a. Order
 - b. Bearer**
 - c. Both a & b
 - d. None of the above
- 3) **The transferee of a Negotiable Instrument is the one.....**
 - a. Who Transfer the Instrument
 - b. On Whose Name it is Transferred**
 - c. Who Enchases it
 - d. None of the above
- 4) **Number of parties in a bill of exchange is.....**
 - a. 2
 - b. 6
 - c. 3**
 - d. 4
- 5) **Section 6 of Negotiable Instruments Act 1881 deals with.....**
 - a. Promissory Note
 - b. Bills of Exchange
 - c. Cheque**
 - d. None of the above
- 6) **.....cannot be a bearer instrument.**
 - a. Cheque
 - b. Promissory Note**
 - c. Bills of exchange
 - d. None of the above
- 7) **When crossing restrict further negotiation.....**
 - a. Not negotiable crossing**
 - b. General Crossing
 - c. A/c payee crossing
 - d. Special crossing
- 8) **Which endorsement relieves the endorser from incurring liability in the event of dishonour.....**
 - a. Restrictive
 - b. Faculative
 - c. Sans recourse**
 - d. Conditional
- 9) **A cheque will become stale after.....months of its date:**
 - a. 3**
 - b. 4
 - c. 5
 - d. 1
- 10) **Document of title to the goods exclude.....**
 - a. Lorry receipt
 - b. Railway receipt
 - c. Airway bill
 - d. Invoice**

II. Very Short Answer Questions**1. What is meant by Negotiable Instrument?**

- Thus, a negotiable instrument is a document which entitles a person to a certain sum of money and which is transferable from one person to another by mere delivery or by endorsement and delivery.

2. List Three Characteristics of a Promissory Note

- A promissory note must be in writing.
- The promise to pay must be unconditional.
- It must be signed by the maker.
- A bank note or a currency note is not a promissory note.
- A promissory note must be sufficiently stamped.

3. What is a meant by Cheque?

- "A bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand".

III. Short Answer Questions**1. Distinguish between Negotiability and Assignability. (Any 3)**

| Basic of Difference | Negotiability | Assignability |
|---------------------|---------------|--|
| Transfer notice | Not required | Must be served by assignee on his debtor |

| | | |
|---------------|--|--|
| Title | Transferee gets the right of holder in due course. | Assignee's title is subject to the title of Assignor |
| Consideration | It is presumed | It is proved |

2. What are the Characteristics of a Bill Of Exchange? (Any 3)

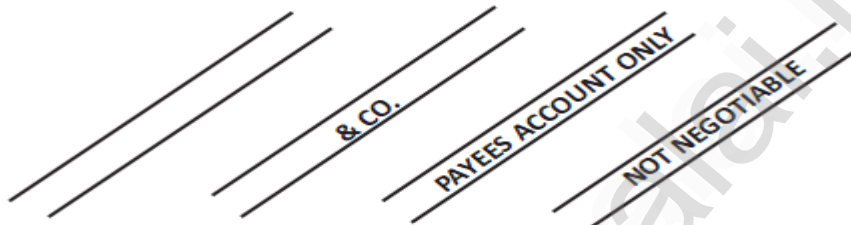
- 1) A bill of exchange is a document in writing.
- 2) The document must contain an order to pay.
- 3) The order must be unconditional.
- 4) The instrument must be signed by the person who draws it.
- 5) The name of the person on whom the bill is drawn must be specified in the bill itself.

3. Draw the two different types of crossing

(i) General Cheque Crossing

- The cheque or the payee will receive the payment only through a bank account and not over the counter.

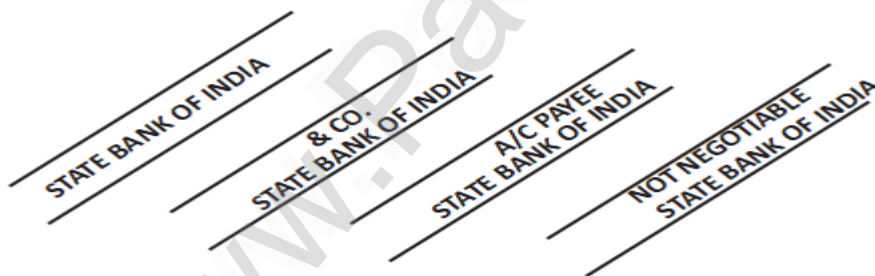
Specimens of General Crossing



(ii) Special Cheque Crossing

- However in special crossing two parallel transverse lines are not essential but the name of the banker is most important.

Specimens of Special or Restrictive Crossing



IV. Long Answer Questions

1. Distinguish a Cheque and a Bill Of Exchange. (Any 5)

| Basic of Difference | Cheque | Promissory Note |
|---------------------------|---|---|
| Nature of order | A cheque contains an order to pay money | A promissory note contains an Undertaking to pay money. |
| Creator of the instrument | The drawer of a cheque is a Creditor | The maker of a note is a debtor |
| Crossing | A cheque can be crossed | A promissory note cannot be crossed |
| Stamping | A cheque need not be stamped | A promissory note has to be sufficiently stamped |

| | | |
|----------------|--|--|
| No. of Parties | There are three parties in a cheque – drawer, drawee and payee | In a promissory note there are only two parties – the maker and the payee. |
| Grace Period | No days of grace are allowed for payment of a cheque | Tree days of grace are allowed for calculating the due date of promissory note |

2. Discuss in Detail the Features of A Cheque. (Any 5)

- 1) Instrument in Writings
- 2) Unconditional Orders
- 3) Drawn on a Specified Banker Only
- 4) A Certain Sum of Money Only
- 5) Payee to be Certain
- 6) Signed by the Drawer
- 7) Payable Always on Demand

1. Instrument in Writings

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

2. Unconditional Orders

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

3. Drawn on a Specified Banker Only

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

4. A Certain Sum of Money Only

- o The order must be for payment of only money.
- o If the banker is asked to deliver securities, the document cannot be called a cheque.

5. Payee to be Certain

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

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

- 1) Signing in block letters does not constitute regular endorsement.
- 2) Endorsement must be in link.
- 3) The endorsement is to be made on the face of the instrument or on its back.
- 4) When there is no space for making further endorsements a piece of paper can be attached
- 5) Endorsement for only a part of the amount of the instrument is invalid.
- 6) The endorsement is complete only when delivery of the instrument is made.

சோதிப்பது காலமாக இருந்தாலும்... சாதிப்பது நீங்களாக இருங்கள்...

UNIT 9 ENTREPRENEURSHIP DEVELOPMENT
CHAPTER 23 ELEMENTS OF ENTREPRENEURSHIP

I. Choose The Correct Answers

1) Which of the below is a factor of production?

- (a) Land (b) Labour (c) Entrepreneurship (d) All of the above

2) Entrepreneur is not classified as.....

- (a) Risk Bearer (b) Innovator (c) **Employee** (d) Organizer

3) What are the characteristics of an entrepreneur?

- (a) Spirit of enterprise (b) Flexibility (c) Self Confidence (d) **All of the above**

4) Which of the below is not classified into managerial functions?

- (a) Planning (b) **Marketing** (c) Organizing (d) Controlling

5) Which of the below is a commercial function?

- (a) **Accounting** (b) Coordination (c) Discovery of idea (d) Planning

II. Very Short Answer Questions

1. Mention Any Two Characteristics of Entrepreneurs

- 1) Spirit of Enterprise
- 2) Self Confidence
- 3) Flexibility
- 4) Innovation

1. Spirit of Enterprise

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

2. Self Confidence

- Entrepreneur should have a self confidence in order to achieve high goals in the business.

2. List Down The Managerial Functions Of Entrepreneurs. (Any 2)

- 1) Planning
- 2) Directing
- 3) Organising
- 4) Controlling
- 5) Co-ordination

3. List Down The Promotional Functions Of Entrepreneurs. (Any 2)

- 1) Discovery of Idea
- 2) Determining the business objectives
- 3) Detailed Investigation
- 4) Choice of form of enterprise
- 5) Fulfilment of the formalities
- 6) Preparation of Business Plan
- 7) Mobilisation of funds

4. List the Challenges Faced By The Women Entrepreneurs. (Any 3)

- | | |
|------------------------|----------------------------|
| 1. Problem of Finance | 2. Limited Mobility |
| 3. Lack of Education | 4. Lack of Network Support |
| 5. Stiff Competition | 6. Sensitivity |
| 7. Lack of Information | 8. Dependent culture |

III. Short Answer Questions**1. Distinguish Between Entrepreneur and Manager. (Any 3)**

| Basis Of Difference | Entrepreneur | Manager |
|----------------------------|---|--|
| Motive | It is to start a venture by setting of an entity. | The very motive of manager is to render service in an entity. |
| Status | Entrepreneur is owner of the entity. | Manager is a salaried employee in the entity set up for carrying on the venture. |
| Risk Bearing | Entrepreneur bears the eventual risk and uncertainty in operating the enterprise. | Manager doesn't bear any risk in the venture where the venture. |

2. List Down The Commercial Functions Of Entrepreneur And Explain Them Shortly. (Any 3)

- 1) Manufacturing or production
- 2) Accounting
- 3) Marketing
- 4) Financing
- 5) Human Resource Management

1. Production or Manufacturing

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

2. Finance

- In the sphere of financial function, an entrepreneur has to take decisions like choosing the right type of financing, framing the best dividend policy, acquiring of funds etc.,

3. Human Resource Management

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

3. Explain the promotional functions of entrepreneur. (Any 3)

- 1) Discovery of Idea
- 2) Determining the business objectives
- 3) Detailed Investigation
- 4) Choice of form of enterprise
- 5) Fulfilment of the formalities

1. Discovery of Idea

- The first and foremost function of entrepreneur is idea generation.
- Ideas can be generated through several ways like own experience and, education, training.

2. Detailed Investigation

- Entrepreneur has to analyse in detail the product proposes to produce.

3. Choice of form of enterprise

- Entrepreneur has to choose the appropriate form of organisation suited to implement the venture.

IV. Long Answer Questions

1. What are the Characteristics of an Entrepreneur? (Any 5)

- 1) Spirit of Enterprise
- 2) Self Confidence
- 3) Flexibility
- 4) Innovation
- 5) Hard work
- 6) Leadership
- 7) Foresight
- 8) Analytical Ability
- 9) Decision Making

1. Spirit of Enterprise

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

2. Self Confidence

- Entrepreneur should have a self confidence in order to achieve high goal in the business.

3. Analytical Ability

- Entrepreneur should be-able to objectively analyse the situation and act accordingly.

4. Innovation

- He should contributing something new or something unique to meet the changing requirements of – customers [New product – New method of production etc.]

5. Flexibility

- He should not be rigid and flexible in decisions.
- He should change the decisions made already in the light of ever- changing business environment.

6. Foresight

- Entrepreneur should have a foresight to visualize future business environment

2. Distinguish between an Entrepreneur and an Intrapreneur. (Any 5)

| Basis | Entrepreneur | Intrapreneur |
|------------|--|---|
| Thinking | He is a free thinker | He is forced to think independently |
| Dependency | He is an independent Person | He is an employee |
| Reward | He is rewarded by profit for the risk bearing exercise | He gets perquisites, salary, incentives etc., for the service |

| | | |
|-------------------|---|--|
| Operation | He operates mostly outside the enterprise | He operates within the enterprise |
| Fund Mobilization | He mobilize funds to finance the venture | He does not engage in fund Mobilization. |

3. Discuss the Challenges Faced by Women Entrepreneurs. (Any 5)

- 1) Problem of Finance
- 2) Limited Mobility
- 3) Lack of Education
- 4) Lack of Network Support
- 5) Stiff Competition
- 6) Sensitivity
- 7) Lack of Information
- 8) Dependent culture

1. Problem of Finance

- The access of women to external sources of funds is limited as they do not generally own properties in their own name.
- Financial institutions too do not consider women in General credit worthy as they are doubtful of their entrepreneurial capabilities of women.

2. Lack Education

- Illiterate and Semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey

3. Lack Network Support

- The successful operations of any venture irrespective of size depend upon the network of support extended by various constituencies like family members, relatives, friends, neighbours and so on.

4. Stiff Competition

- They have to face acute competition for their goods from organised sector and from their male counterparts.

5. Lack Information

- They are reported not be generally aware of subsidies and incentives available for them due to their poor literacy levels
- The Domestic responsibilities do not allow women entrepreneurs to freely move out of business enterprise in connection with business activities.

6. Limited Mobility

- Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them.
- This restricts the mobility of women entrepreneur significantly.

விடா முயற்சியும் பயிற்சியும் இருந்து விட்டால்... எந்த துன்பத்தையும் கடந்து வாழ்வில் சாதிக்க முடியும்...

CHAPTER 24 TYPES OF ENTREPRENEURS**I. Choose The Correct Answers**

- 1) Choose the type of entrepreneur that isn't based on function:
a. Innovative b. Classical c. Fabian d. Drone
- 2) Choose the type of Entrepreneur that is not based on Motivation:
a. Pure b. Corporate c. Spontaneous d. Induced
- 3) Which of the following is the Activity of a Business Entrepreneur?
a. Production b. Marketing c. Operation d. All of the above
- 4) Find the odd one out in context of Trading Entrepreneur.....
a. Selling b. Commission c. Buying d. Manufacturing
- 5) Corporate Entrepreneur is also called as.....
a. Intrapreneur b. Promoter c. Manager d. Shareholder
- 6) Poultry, Flowers, Fruits etc are called allied Products of.....entrepreneur.
a. Corporate b. Retail c. Trading d. Agricultural
- 7)Entrepreneur Supply Services Unlike.
a. Hoteliers b. Banking c. Airlines d. Livestock
- 8) Motive of a Pure Entrepreneur is.....
a. Rendering Service b. Earning Profit c. Attaining Status d. Both b & c
- 9) Which of these is based on Technology?
a. Modern b. Professional c. Corporate d. Industrial
- 10) Which of the below is not a Characteristic of a Fabian Entrepreneur?
a. Conservative b. Risk Averse c. Sceptical d. Adaptive

II. Very Short Answer Questions**1. What Is The Other Name Of Business Entrepreneur?**

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

2. Mention the Other Name For Corporate Entrepreneur

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

3. Who are Agricultural Entrepreneur?

- ⇒ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
- ⇒ Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flower, silk, fruits, prawn etc.,

4. Give Some Examples of Pure Entrepreneurs

- Dhirubai Ambani
- Jamshadji Tata
- T.V. Sundaram Iyengar
- Seshadriji
- Birla
- Narayanamurthi
- Aziz Premji

III. Short Answer Questions

1. Who is a Private Entrepreneur?

⇒ Venture started by individual either alone or collectively at their own risk after mobilising various resources in order to earn profit are called “Private Entrepreneur”

2. Explain About the Imitative Entrepreneur

⇒ Imitative entrepreneur is one who simply imitative existing skill, knowledge or technology already in place in advanced countries.

⇒ A simply re-engineer or redesign the products developed in advanced countries and produce a version to their local conditions.

⇒ For **Example**, Many electronic products invented in advanced arteries are simply re-engineered in developing countries.

3. Write About Fabian Entrepreneur

⇒ These entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation.

⇒ They are of a risk-averse type.

⇒ They do not simply change to the changes happening in the environment.

⇒ But they adapt themselves to the changes only as a last resort when they fear that non-adaptability to changes will inevitably lead to loss or collapse of the enterprise.

IV. Long Answer Questions

1. Explain In Detail On Classification According To The Type Of Business. (Any 5)

- 1) Business Entrepreneur
- 2) Trading Entrepreneur
- 3) Industrial Entrepreneur
- 4) Corporate Entrepreneur
- 5) Agricultural Entrepreneur
- 6) Retail Entrepreneurs
- 7) Service Entrepreneurs

1. Business Entrepreneur

⇒ Business entrepreneur is called solo entrepreneur.

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

⇒ He/she takes up production, operations and pursues marketing activities

2. Trading Entrepreneur

⇒ Trading entrepreneurs are those who restrict themselves to buying and selling finished goods.

⇒ They may be engaged in domestic and international trade.

⇒ Their core strength lies in distribution and marketing.

3. Industrial Entrepreneur

⇒ These are entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto.

4. Corporate Entrepreneur

⇒ He is called a promoter.

⇒ He takes initiative necessary to start an entity under a corporate format.

⇒ He/she arranges to fulfil the formalities to start a corporate entity under Company law.

5. Agricultural Entrepreneur

⇒ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.

⇒ Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flower, silk, fruits, prawn etc.,

6. Service Entrepreneurs

⇒ Service entrepreneurs enter into the venture of supplying service products to end consumers.

⇒ Hoteliers, airlines, banking, insurance and financial service providers, repair service organisation, bus operators, train service, advisory organisation, advertising firms, manpower supplier etc.,

2. Discuss the Nature of Functional Entrepreneurs

- 1) Innovating Entrepreneur
- 2) Imitative Entrepreneur
- 3) Fabian Entrepreneur
- 4) Drone Entrepreneur

1. Innovating Entrepreneur

⇒ An innovative Entrepreneur is one who is always focused on introducing a new project or introducing something new in the venture already started.

⇒ Their innovation may take the form of Brand New product, upgraded product, discovering untapped market, new method of production, new method of distribution of product, simplification of complex process and so on.

2. Imitative Entrepreneur

⇒ An imitative Entrepreneur is one who simply imitates existing, skill, knowledge or Technology already in place in advanced countries.

⇒ **Example:** many electronic products invented in advanced countries is simply reengineered in developing countries.

3. Fabian Entrepreneur

⇒ These entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation. They are of a risk-averse type.

⇒ They do not simply change to the changes happening in the environment.

⇒ **Example:** Nursus coffee

4. Drone Entrepreneur

⇒ Drone Entrepreneurs are those who are totally opposed to changes unfolding in the environment. They used to operate in the "Niche Market".

⇒ The only difference between Fabian and Drone is Fabian adapts to changes eventually as a last resort. Drone never adapts himself to change.

⇒ **Example:** Gopal Tooth powder

உனக்கான பாதையை அறிந்து துணிந்து போராடி வென்று காட்டு. உனக்கென்று
படைக்கப்பட்ட எதுவும் உன்னைவிட்டு எங்கும் சென்றுவிடாது.

CHAPTER 25 GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT**I. Choose The Correct Answers**

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

II. Very Short Answer Questions**1. Name any Two Governmental Entrepreneurial schemes**

- 1) Startup India
- 2) Make in India
- 3) Atal Innovation Mission (AIM)
- 4) Support to Training and Employment Programme for Women (STEP)
- 5) Jan Dhan-Aadhaar - Mobile (JAM)
- 6) Digital India
- 7) Stand-Up India

2. Give a note on 'Digital India'

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

3. List down the Two Types of Finance For Entrepreneur

- ✦ Long term finance
- ✦ Short term finance
- ✦ Micro, small and medium enterprises (MSMEs)
- ✦ New Entrepreneur-Cum-Enterprise Development Scheme (NEEDS)
- ✦ Self-Help Group (SHG)

III. Short Answer Questions**1. What is 'Startup India'?**

- ✦ **Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.**
- ✦ Since its launch in **January 2016**.
- ✦ **'Fund of Funds'**

2. Expand the Following:

- 1) **STEP** : Support to Training and Employment Programme for Women
- 2) **JAM** : Jan Dhan - Aadhaar - Mobile
- 3) **SEED** : Science for Equity Empowerment and Development

IV. Long Answer Questions**1. Explain any five Government Entrepreneurial schemes**

- 1) Startup India
- 2) Make in India
- 3) Atal Innovation Mission (AIM)
- 4) Support to Training and Employment Programme for Women (STEP)
- 5) Jan Dhan-Aadhaar - Mobile (JAM)
- 6) Digital India
- 7) Stand-Up India

1. Startup India

- ♣ Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- ♣ Since its launch in **January 2016**, the initiative has successfully given a head start to numerous Aspiring entrepreneurs.
- ♣ A '**Fund of Funds**' has been created to help startups gain access to funding.

2. Digital India

- ♣ The Digital India initiative has been launched to modernize the Indian economy to make all government services available **electronically**.
- ♣ The initiative aims at transforming India into a **digitally**-empowered society and knowledge economy with universal access to goods and services.

3. Make in India

- ♣ The Make in India initiative was launched in September 2014.
- ♣ This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

4. Stand-Up India

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

5. Atal Innovation Mission (AIM)

- ♣ AIM is the Government of India's endeavour to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas.

6. Support to Training and Employment Programme for Women (STEP)

- ♣ STEP was launched by the Government of India's Ministry of Women and Child Development to train women who have access to formal skill training facilities, especially in rural India.

2. Describe the Steps Promoting Entrepreneurial Venture

- 1) Selection of the product
- 2) Selection of form of ownership
- 3) Selection of Site
- 4) Designing Capital Structure
- 5) Acquisition of Manufacturing know-how
- 6) Preparation of project report

1. Selection of the product

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

2. Selection of form of ownership

- ✦ The entrepreneur has to choose the form of organization suitable and appropriate for his venture namely family ownership, partnership, and private company.

3. Selection of site

- ✦ The entrepreneur has to choose a suitable plot for starting his venture. The plot may be an industrial site, land by the private people, or a housing board plot allotted.

4. Designing capital structure

- ✦ The entrepreneurs have to determine the source of finance for funding the venture. It may be own savings, a loan from friends, relatives, or a loan from banks.

5. Acquisition of manufacturing know-how

- ✦ Entrepreneur can acquire manufacturing know-how from government research laboratories and industrial consultants.

6. Preparation of project report

- ✦ Project reports need to be prepared according to the format prescribed in the loan application forms.

ஆசைப்படுவதற்கு தகுதி தேவையில்லை அதை அடைவதற்கான தகுதியை உருவாக்கிக் கொள்...

UNIT 10 COMPANY LAW AND SECRETARIAL PRACTICE**CHAPTER 26 COMPANIES ACT 2013****I. Choose The Correct Answers**

- 1) The Company will have to issue the notice of situation of Registered Office to the Registrar of Companies within.....days from the date of incorporation.
 (a) 14 days (b) 21 days (c) **30 Days** (d) 60 Days
- 2) How does a person who envisages the idea to form a company called?
 (a) Director (b) Company Secretary (c) Registrar (d) **Promoter**
- 3) For which type of capital a company pays the prescribed fees at the time of registration?
 (a) Subscribed Capital (b) **Authorised Capital**
 (c) Paid-up Capital (d) Issued Capital
- 4) Which of the following types of shares are issued by a company to raise capital from the existing shareholders?
 (a) Equity Shares (b) **Rights Shares**
 (c) Preference Shares (d) Bonus Shares
- 5) Specify the type of resolution to be passed to choose the location of Registered Office of the company within the town or village or city.
 (a) Ordinary (b) Special (c) Either Ordinary or Special (d) **Board**
- 6) Who can issue stock?
 (a) **Public** (b) Private (c) One Person (d) Small
- 7) Specify the document which comes under the Negotiable Instrument Act.
 (a) Share Certificate (b) Share (c) **Share Warrant** (d) Stock
- 8) The shares which are offered to the existing shareholder at free of cost is known as.....
 (a) **Bonus Share** (b) Equity Share (c) Right Share (d) Preference Share
- 9) The shares which are offered first to the existing shareholder at reduced price is known as.....
 (a) Bonus Share (b) Equity Share (c) **Right Share** (d) Preference Share
- 10) The Companies Act 2013 Prohibits the issue of shares at.....to the public.
 (a) Premium (b) Par (c) **Discount** (d) Both at par and Premium

II. Very Short Answer Questions**1. What are the Four Stages of Formation of a Company?**

- 1) Promotion
- 2) Registration
- 3) Capital subscription
- 4) Commencement of business

2. What is Bonus Shares?

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

3. What is Right Shares?

- ❖ Right shares are the shares which are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue, if it is authorized by its Articles.

- ❖ The right shares are primarily issued to the **existing equity shareholders** through a letter of an issue, on pro rata basis.

4. What is Debentures?

- ❖ When a company needs funds for extension and development purpose without increasing its share capital, it can borrow from the general public by issuing certificates for a fixed period of time and at a **fixed rate Interest**.
- ❖ This loan certificate is known as debenture.

III. Short Answer Questions

1. What do you Understand by Issue of Securities at Premium?

- 1) When Shares are issued at a **price above** the face or Nominal value, they are said to be issued at a “premium”.
- 2) For **example**, a share having the face value ₹10 Issued at ₹12 here ₹2 is the premium.
- 3) The amount a share premium has be transferred to an account called the ‘securities Premium Account’.

2. Explain Different Kinds of Preference shares. (Any 3)

- 1) Cumulative Preference Shares
- 2) Redeemable Preference Shares
- 3) Convertible Preference Shares
- 4) Participating Preference Shares

1. Cumulative Preference Shares

- ❖ As the word indicates all dividends [Arrears] are carried forward until specified and paid out only at the end of the specified period.

2. Convertible Preference Shares

- ❖ Preference shares can be converted into Equity shares after a time of period or as per the conditions laid down in the terms.

3. Participating Preference Shares

- ❖ Such shares have the right to participate in any additional profits, after paying to the equity shareholders.

IV. Long Answer Questions

1. Write the Differences Between Shares and Debentures. (Any 5)

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

2. What are the Various Kinds of Debentures? (Any 5)**1. On the basis of convertibility, Debentures may be classified into following categories**

- ❖ Non Convertible Debentures
- ❖ Partly Convertible Debentures
- ❖ Fully convertible Debentures
- ❖ Optionally Convertible Debentures

2. On the basis of Security, debentures are classified into

- ❖ Secured Debentures
- ❖ Unsecured Debentures

3. On the basis of Redeemability, debentures are classified into

- ❖ Redeemable Debentures
- ❖ Perpetual or Irredeemable Debentures

4. On the basis of Registration, debentures may be classified as

- ❖ A Registered Debentures
- ❖ Bearer debentures

1. Non Convertible Debentures

- ❖ These instruments retain the debt character and cannot be converted into equity shares.

2. Partly Convertible Debentures

- ❖ A part of these instruments are converted into Equity shares in the future at notice of the issuer.

3. Fully convertible Debentures

- ❖ These are fully convertible into Equity shares at the issuer's notice.
- ❖ The ratio of conversion is decided by the issuer.

4. Secured Debentures

- ❖ These instruments are secured by a charge on the fixed assets of the issuer company.
- ❖ So if the issuer fails on payment of interest amount, such fixed assets can be sold to repay the liability to the investors.

5. Unsecured Debentures

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

6. Redeemable Debentures

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

7. Perpetual or Irredeemable Debentures

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

“You Have To Dream Before Your Dreams Can Come True”...

CHAPTER 27 COMPANY MANAGEMENT**I. Choose The Correct Answers**

- 1) A person shall hold office as a director in.....companies as per the Companies Act, 2013.
(a) 5 companies (b) 10 companies (c) **20 companies** (d) 15 companies
- 2) Which.....Director is appointed by a financial institution?
(a) **Nominee** (b) Additional (c) Women (d) Shadow
- 3) A Private Company shall have a minimum of.....
(a) Seven directors (b) Five directors (c) Three directors (d) **Two directors**
- 4) A Public Company shall have a minimum of.....Directors.
(a) Twelve (b) Seven (c) **Three** (d) Two
- 5) A Public Company having a paid up Share Capital of Rs.....or more may have a Director, elected by such small shareholders.
(a) One (b) Three (c) **Five** (d) Seven
- 6) Under the companies Act, which one of the following powers can be exercised by the Board of Directors?
a) Power To Sell The Company's Undertakings
b) **Power To Make Call**
c) Power To Borrow Money In Excess Of The Paid Up Capital
d) Power To Reappoint An Auditor
- 7) Which director need not hold qualifying shares.....?
(a) **Directors appointed to Central Government**
(b) Directors appointed to Shareholders
(c) Directors appointed to Managing Director
(d) Directors appointed to Board of Directors
- 8) What is the statue of Directors who regulate money of the company?
(a) Banker (b) Holder (c) Agent (d) **Trustees**
- 9) According to Companies Act, the Directors must be appointed by the.....
(a) Central Government (b) Company Law Tribunal
(c) **Company in General Meeting** (d) Board of Directors
- 10) The Board of Directors can exercise the power to appoint directors in the case of.....
(a) Additional Directors (b) Filling up the Casual vacancy
(c) Alternate Directors (d) **All the above**

II. Very Short Answer Questions**1. Name the Companies Required to Appoint KMP**

⇒ Every Listed Company.

⇒ Every Public Company [Paid up capital ₹ 10 crores and more]

2. Who is whole time Director?

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

3. Who is called as Managing Director?

⇒ A Managing Director is one who is employed by the company.

⇒ He has substantial powers of management over the affairs of the company subject to superintendence, direction control of the Board.

4. Who can be Executive Director?

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

III. Short Answer Questions

1. When are Alternative Directors Appointed?

- ⇒ Alternate Directors are appointed by the Board of Directors, as a substitute to a (original) Director who may be absent from India, for a period which is not less than **3 months**.
- ⇒ It is authorized by AOA or by passing a resolution in the Annual General Meeting.
- ⇒ He is not a representative or agent of Original Director.

2. Who is a Shadow Director?

- ⇒ A shadow director is a person who is **not a member** of the Board
- ⇒ But has some **power to run it**
- ⇒ He can be **appointed** as the **director** but according to his/her wish.

3. State the Minimum Number of Directors for a Private company

1. Minimum Number of Directors

- ⇒ **Public Company:** Directors is **3**.
- ⇒ **Private company**
- **One Person Company:** Director is **1**.
 - **Private Companies:** Directors is **2**.

2. Maximum Number of Directors

- ⇒ A company can appoint maximum **15** directors.

IV. Long Answer Questions

1. Who are the KMP?

- 1) The Chief Executive Officer
- 2) The Managing Director or the Manager
- 3) The Company Secretary
- 4) The Whole-time Director
- 5) the Chief Financial Officer
- 6) Such other officer as may be prescribed

Following Companies are required to appoint KMP

Requirement to Appoint "KMP"

- Every listed company
- Every public company (having paid up share capital of Rs. **10 Crore** or **More**)

2. Brief different types of Directors. (Any 5)

- 1) Residential Director
- 2) Independent Director
- 3) Small Shareholders Directors
- 4) Nominee Director
- 5) Women Director
- 6) Additional Directors
- 7) Alternate Directors

1. Residential Director:

⇒ According to Section 149 (3) of the Companies Act 2013, every company should appoint a director who has stayed in India for a total period of **182 days**.

2. Independent Director

⇒ An independent director is an alternate director other than a Managing Director who is known as a **Whole-time director or Nominee director**.

3. Small shareholder's Director

⇒ Small shareholders can appoint a single director in a listed company.

4. Nominee Director

⇒ A director nominated by any financial institution in pursuance of the provisions of law.

5. Additional Directors

⇒ Any Individual can be appointed as Additional Directors by a company.

6. Alternate Directors

⇒ Alternate director is appointed by the Board of Directors, as a substitute who may be absent from India, for a period of **3 months**.

3. State the qualification of Directors

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

நீங்கள் தைரியமாக எழுந்து நிற்காதவரை உங்களை யாரும் மதிக்கப் போவதில்லை. இங்கு பயத்திற்கு இடமில்லை. பலத்திற்கே இடமுள்ளது...

CHAPTER 28 COMPANY SECRETARY**I. Choose The Correct Answers**

- 1) **Mention the status of a Company Secretary in a company.....**
a) A member b) A director c) An independent **d) An employee contractor**
- 2) **Who can become a secretary for a company?**
a) **Individual person** b) Partnership firm
c) Co-operative societies d) Trade unions
- 3) **Which meeting will be held only once in the life time of the company?**
a) **Statutory** b) Annual General c) Extra – Ordinary d) Class General
- 4) **Board Meetings to be conducted minimumtimes in a year.**
a) 2 b) 3 **c) 4** d) 5
- 5) **Who is not entitled to speak at the annual general meeting of the company?**
a) Auditor b) Shareholder **c) Proxy** d) Directors
- 6) **Mention the company which need not convene the Statutory Meeting.**
a) Widely Held Public **b) Private Limited**
c) Public Limited d) Guarantee Having a Share Capital
- 7) **From the date of its incorporation the First Annual General Meeting is to be conducted withinmonths.**
(a) Twelve (b) Fifteen **(c) Eighteen** (d) Twenty One
- 8) **What percentage of shareholders is needed to pass special resolution?**
a) It must be unanimous b) Not less than 90%
c) Not less than 75% d) More than 50%
- 9) **A special resolution must be filed with the Registrar within.....**
a) 7 days b) 14 days **c) 30 days** d) 60 days
- 10) **A special resolution is required to**
a) Redeem the Debentures b) Declare Dividend
c) Appoint Directors **d) Appoint Auditor**

II. Very Short Answer Questions**1. Who is a Secretary?**

- ◆ The word secretary has originated in **Latin**. The Latin word ‘Secretarius’ which means secret.
- ◆ The person who steers the company holding the administrative, financial, and overall performance of the company is called company secretary.

2. What is meant by Meeting?

- ◆ A meeting is a gathering of two or more person that has been convened for the purpose of achieving a common goal through verbal interaction such as sharing information or reaching agreement.

3. Write short note on ‘Proxy’?

- ◆ Proxy means a person being the representative of shareholders at the meeting of the company.
- ◆ He **cannot vote**.
- ◆ He **cannot speak**.
- ◆ He can be **present** at the **meeting**.

4. What is Voting?

- ◆ The word ‘Vote’ originated from **Latin** word ‘Votum’ indicating one’s wishes or desire.

- ◆ By casting his vote one formally declares his opinion or wish in favour of or against a proposal or a candidate to be elected for an office.

III. Short Answer Questions

1. What is Special Resolution?

- ◆ "Special Resolution" is one which is passed by not less than **75%** of majority. [3/4th majority]
- ◆ The number of votes cast in favour of the resolution should be three times the number of votes cast against it.
- ◆ The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

2. What do you mean by Statutory Meeting?

- ◆ The **First Meeting** of the Company.
- ◆ This is convened **only once in the life time** of the company.
- ◆ It should hold the meeting of shareholders **within 6 months** but not earlier than **one month** from the date of commencement of business of the company.
- ◆ The **first general meeting** of the **public company** is called statutory meeting.

3. Give Any Three Cases in Which an Ordinary Resolution Need to be passed

- 1) To change or rectify the name of the company
- 2) To alter the share capital of the company
- 3) To redeem the debentures
- 4) To declare the dividends
- 5) To appoint the directors

IV. Long Answer Questions

1. Briefly State Different Types of Company Meetings

1) Meetings of Shareholders

- (a) Statutory Meeting
- (b) Annual General Meetings (AGM)
- (c) Extraordinary General Meetings (EGM)

2) Meetings of the Directors

- (a) Board meetings
- (b) Committees meetings

3) Special Meetings

- (a) Class Meetings
- (b) Creditors and of Debenture/bond holders meetings

1. Statutory Meeting

- ◆ **Every public** company.
- ◆ Should hold a meeting of the shareholders within **6 months** but not earlier than **one month** from the date of commencement of business of the company.
- ◆ This is the **first general** meeting of the public company is called the Statutory Meeting.
- ◆ This meeting is conducted **only once** in the **lifetime** of the company.
- ◆ A private company or a public company having no share capital need not conduct a statutory meeting.
- ◆ The company give the circular to shareholders before **21** days of the meeting.

2. Annual general Meetings

- ◆ Usually it is convened **once in a year**.
- ◆ The **first** AGM convened within **18 months** from the date of Registration.
- ◆ The time gap between **two** consecutive AGM should not exceed **15 months**.
- ◆ It should be convened where the Registered office situated or in any other place.
- ◆ Every AGM shall be held during business hours, on a day which is not a public holiday.

3. Extra-Ordinary General Meeting

- ◆ Both Statutory meeting and annual general meetings are called as ordinary meetings of a company.
- ◆ All other general meetings other than statutory and annual general meetings are called extraordinary general meetings.

4. Board Meetings

- ◆ Meetings of directors are called Board Meetings. Meetings of the directors provide a platform to discuss the business and take formal decisions.
- ◆ First meeting of directors should be convened within 30 (Thirty) days from the date of incorporation of the company.

5. Committee Meetings

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

6. Class Meeting (Meetings of Particular Share or Debenture Holders)

- ◆ Meetings, which are held by a particular class of share or debenture holders e.g. preference shareholders or debenture holders is known as class meeting.
- ◆ The debenture holders of a particular class conduct these meetings.

2. Explain different types of open and secret types of voting

- ◆ **Voting:** The word 'Vote' originated in **Latin** word 'Votum' indicating one's wishes or desire.

Procedures of Voting

- ◆ There are **two** distinct procedures of voting viz.,
 - Open
 - Secret
- ◆ **Open Procedure**
 - By Voice
 - By Show of Hands
- ◆ **Secret Procedure**
 - By Ballot
 - Postal Ballot

1. Open Procedure

a) By Voice

- Voice voting in which the chairman allows the members to raise their voice in favour or against an issue.
 "Yes" for Approval
 "No" for Rejection.

- The chairman announces the results of voice voting on the basis of strength of words shouted.

b) By Show of Hands

- Under this method, the chairman requests the members to raise their hands of those who are in favour of the proposal or candidate and then requests those are against.
- He announces the result on the basis of hands counted.

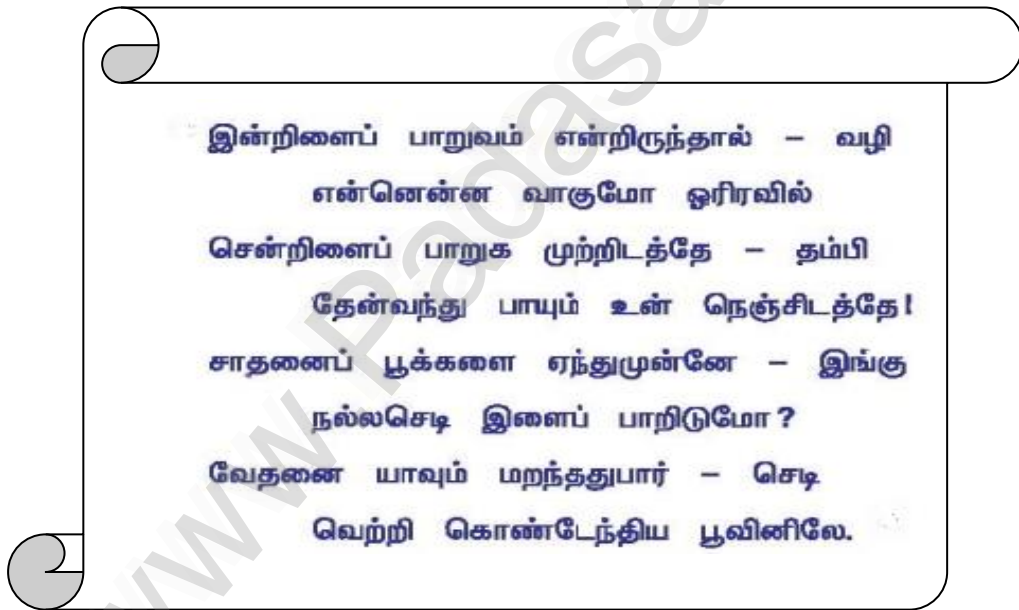
2. Secret Procedure

a) By Ballot

- Under this method, Ballot Paper Bearing Serial Number a (Symbol) is given to the members to record their opinion by marking with a symbol [S], they have to cast their vote in a secret chamber and put the ballot paper into the ballot box.
- The votes are counted and the results are announced.

b) By Post [Postal Ballot]

- Big Companies or Big Associations having members scattered all over the country follow this method of voting.
- The members or voters fill in the ballot papers and return them by post in sealed covers which are opened when the ballot box is opened for counting the votes.



பொருள் : வாழ்க்கையாகிய வழித்தடம் குப்பைகூளங்களால் அடைபடுமுன் நீ நேர்வழியில் துளியும் சோர்வில்லாமல் விரைந்து செல்லுதல் வேண்டும்.

கல்லும் முள்ளும் உள்ள மலைப்பகுதியைக் கடப்பதற்கு இரண்டு கால்களை உடையவன் நீ. நடக்கும் பாதையில் வளரும் புதர்களை அழிப்பதற்கும் உனக்கு இரு கைகள் உள்ளன.

செல்லும் வழியில் முன்னேறிச் செல்வதற்குக் கண்களும் காதுகளும் துணையாக உள்ளன; இவற்றுடன் மனஉறுதியும் இருந்தால் விண்ணையும் கடந்து வெற்றி கொள்ளும் வழியைக் காணலாம். இன்று ஓய்வெடுத்து நாளை செல்லலாம் என்று எண்ணினால் ஓர் இரவுக்குள் வழித்தடத்தில் என்னென்ன நேருமோ; பணியை முடித்து ஓய்வு பெறுக தம்பி! இனிக்கும் செய்திகள் உன் மனத்தில் வந்து குவியும்.

செடிகள் பூப்பதற்குமுன் ஓய்வெடுப்பதில்லை. செடியின் வெற்றி பூவில் உள்ளதைப்போல், உன் வெற்றிகளால் துன்பங்கள் யாவும் ஓடிவிடும்.