

HALF YEARLY EXAMINATION - DECEMBER-2024 - ANSWER KEY**XII STANDARD – COMMERCE – ENGLISH MEDIUM****DR.A.VENNILA****PRINCIPAL**MYDEEN MATRIC. HR.SEC. SCHOOL
MELACAUVEY – KUMBAKONAM.

CELL NO.: 8220179521

8608481579

Time Allowed : 3 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer **20 x 1 = 20**

1	C	Division of work	11	A	1960
2	A	Motivation	12	C	Consumer Satisfaction
3	A	Short Term Funds	13	B	Internal and External
4	A	Commercial Bank	14	C	1930
5	C	Bull	15	C	Cheque
6	B	Mumbai	16	C	Three Directors
7	B	Intangible	17	A	Statutory
8	B	Negative	18	A	i ii iii iv
9	D	Needs of the customers	19	A	A and R are correct and R in the correct explanation for A
10	B	Transaction Brokers	20	A	Rural Entrepreneur

II. Answer any seven questions. Question No.30 is compulsory. **7 x 2 = 14****21) Management Tools.**

- • Accounting,
- • Business law,
- • Psychology,
- • Statistics,
- • Econometrics,
- • Data processing, etc.

22) Participants in a Capital Market

- * Individuals,
- * Corporate sectors,
- * Govt.,
- * Banks and
- * Other financial institutions.

23) 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.

24) Meaning of Recruitment:

- Recruitment is the process of finding suitable candidates for the various posts in an organisation.
- It is a process of attracting potential people to apply for a job in an organisation.

25) Grading – Meaning:

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

26) Consumer – Meaning:

- ➔ A consumer is one who consumes goods manufactured and sold by others or created (air, water, natural resources) by nature and sold by others.
- ➔ One, who avails services such as banking, transport, insurance, etc., is also called a consumer.

27) Internal Environment – Meaning:

- 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.

28) 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’

29) Whole Time Director:

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

30) Bonus Shares of the shares that a company issues to its existing shareholders without consideration.

PART - III

III. Answer any seven questions. Question No.40 is compulsory.

7 x 3 = 21

31) Features of MBO:

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. A high degree of motivation and satisfaction is available to employees through MBO.

32) Note on Secondary Market

- ♣ The place where formerly issued securities are traded is known as Secondary Market.(Resale Market)
- ♣ Secondary Market is the market for securities that are already issued.
- ♣ Stock Exchange is an important institution in the secondary market.
- ♣ It does not provide funding to companies

33) Types of Treasury Bills:**91 days Treasury Bills:**

- Its issued at a fixed discount rate of 4 per cent as well as through auctions.

182 days Treasury Bills:

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

364 days Treasury Bills:

- 364 days Treasury Bills do not carry any fixed rate.
- The discount rate on these bills are quoted in auction by the participants and accepted by the authorities.
- Such a rate is called cut off rate.

34) Bull and Bear Speculators:**Bull Speculators:**

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

Bear Speculators:

- * **A Bear or Mandiwala speculator expects prices to fall in future and sells securities at present with a view to purchase them at lower prices in future.**
- * **He is called Bear. He is a pessimistic speculator.**

35) Stress Interview – Meaning:

- ✎ This type of interview is conducted to test the temperament and emotional balance of the candidate
- ✎ Interviewer deliberately creates 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 the stressful situations.

36) Niche marketing:

1. Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population.
2. A niche market does not mean a small market, but it involves specific target audience with a specialized offering.
3. The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts.

37) Artificial Scarcity:

- There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.
- In such situations consumers who are desperate to buy such goods have to pay high price to buy those goods and thus earning more profit unconsciously.
- Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market.

38) Technological Environment:

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

39) Special Resolution:

- ♣ A special resolution is the one which is passed by a not less than 75% of majority.
- ♣ The number of votes, cast in favour of the resolution should be three times the number of votes cast against it.
- ♣ The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

40) Stand-Up India scheme launched in 2015 to establish green industries and service industries in India.

PART - IV**IV. Answer all questions.****7 x 5 = 35****41.a. Principles of Modern Management:**

- The Father of Modern Management is Mr. Henry Fayol, and according to him there are 14 major principles of management.

i. Division of Work:

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

ii. Authority and Responsibility:

- ♣ Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

iii. Discipline:

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

iv. Unity of Command:

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

v. Unity of Direction:

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

[OR]

41.b. Difference between Debentures and Shares (Any 5)

S. No	DEBENTURES	SHARES
1.	Debentures constitute a loan.	Shares are part of the capital of a company.
2.	Middle and Lower Level	Top level
3.	Debenture holder gets fixed rate of Interest which carries a priorities over dividend.	Shareholders gets dividends with a varying rate.
4.	Debentures generally have a charge on the assets of the company.	Shares do not carry any such charge.
5.	Debentures can be issued at a discount without restrictions.	Shares cannot be issued at a discount.
6.	The rate of interest is fixed in the case of debentures	Whereas on equity shares, the dividend varies from year to year depending upon the profit of the company and the Board of directors decision to declare dividends or not.
7.	Debenture holders do not have any voting right	Shareholders enjoy voting right.
8.	Interest on debenture is payable even if there are no profits i.e. even out of capital.	Dividend can be paid to shareholders only out of the profits of the company and not otherwise.
9.	Interest paid on debenture is a business expenditure and allowable deduction from profits.	Dividend is not allowable deduction as business expenditure.
10.	Return of allotment is not required for allotment of debentures.	Return of allotment in e-Form No. 2 is to be filed for allotment of shares.

42.a. Five Government Entrepreneurial Schemes**1. 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.

2. 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.

3. Dairy Entrepreneurship development scheme.

- Dairy Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of Agriculture, pets and animals, to set up small dairy farms
- Incentives are provided to cover the cost of the required equipment or establishment of the facility.

4. Jan Dhan-Aadhaar - Mobile (JAM):

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

5. Single Point Registration Scheme (SPRS)

- A great scheme for Micro and Small Enterprises, which provides an exemption from payment of Earnest Money Deposit (EMD).
- Under this scheme, the tenders are issued free of cost.

[OR]

42.b.

Functions of Management (Any 5)**a. Main functions:**

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

b. Subsidiary functions:

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

Main Functions:**I. Planning:**

- Planning is the primary function of management.
- Nothing can be performed without planning.
- Planning refers to deciding in advance.

II. Organising:

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

III. Staffing:

- Staffing refers to placement of right persons in the right jobs.
- The success of any enterprise depends upon the successful performance of staffing function

IV. Directing:

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

V. Motivating:

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

Subsidiary Functions:**I. Innovation:**

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

II. Representation:

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

III. Decision-making:

- Every employee of an organisation has to take a number of decisions every day.
- Decision making helps in the smooth functioning of an organization.

IV. Communication:

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

43.a. 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) Barring insider trading in securities.
- 4) Prohibiting deceptive and unfair methods used by financial intermediaries operating in securities markets.
- 5) Registering and controlling the functioning of stock brokers, sub-brokers, share transfer agents, bankers
- 6) SEBI regulates mergers and acquisitions as a way to protect the interest of investors.
- 7) Promoting self-regulatory organization of intermediaries.
- 8) It has extensive legal powers.
- 9) Carrying out steps in order to develop the capital markets by having an accommodating approach.
- 10) Provide appropriate training to financial intermediaries.

[OR]

43.b. Methods of Training: (Any 5)

(I) On the Job Training:

- On the job training refers to the training which is given to the employee at the work place by his immediate supervisor.

i) Coaching Method:

- The superior teaches or guides the new employee about the knowledge and skills relevant to a given job.
- The superior should point out mistakes committed by the new worker and also advise the remedial measures, to trainees.

ii) Mentoring method:

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

iii) Job Rotation Method:

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

(II) Off the Job Training

- Off the job training is the training method where in the workers/employees learn the job role away from the actual work floor.

i) Lecture Method:

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

- They impart training effectively by their oratorical skill, knowledge and practical knowledge using audio visual tools.

ii) Group Discussion Method:

- Participants are divided into various groups; they were provided a particular issue for deliberation
- Each group has to prepare solution after deep discussion with their group members.
- The group leader has to present the solution to the audience, which will be discussed or deliberated by other groups.

iii) Case Study Method

- Trainees are described a situations which stimulate their interest to find solution.
- They have to use their theoretical knowledge and practical knowledge to find solution to the problem presented.
- There is no single solution to the problem, It may vary depending upon view points of trainees.

44.a. Difference between the Money Market and Capital Market.

Basis	Money Market	Capital Market
Risk	Low credit and market risk.	High credit and market risk
Liquidity	High liquidity in Money Market	Low liquidity in Capital Market
Price Discovery	No price discovery mechanism and exists in this Market.	Price discovery mechanism exists in Capital Market
Regulator	Central Bank is the Regulator of Money Market.	Besides Central Bank, Special regulatory authority like SEBI, etc.,
Underwriting	Underwriting is not a primary function.	It is a primary function.

[OR]

44.b. Components of Marketing mix

i. 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, use or consumption that might satisfy a want or a need” - Philip Kotler.

ii. 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, or the sum of the values that consumers exchange for the benefits of having or using the product or service” - Philip Kotler

iii. 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.

iv. Promotion

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

45.a. Characteristics of Human Resource. (Any 5)

- 1) Human resource is the only factor of production that lives
- 2) Human resource created all other resources
- 3) It is only the labour of employees that is hired and not the employee himself
- 4) Human resource exhibits innovation and creativity
- 5) Human resource alone can think, act, analyse and interpret
- 6) Human resources are emotional beings
- 7) Human resources can be motivated either financially or non financially
- 8) The behaviour of human resources are unpredictable
- 9) Human resources are movable
- 10) Human resource can work as a team

[OR]

45.b. Micro Environmental factors of business.

This refers to those factors which are in the immediate environment of a business affecting its performance. These include the following:

i) Suppliers:

- ✕ In any organisation the suppliers of raw materials and other inputs play a very vital role.
- ✕ Organisations have realised the importance of nurturing and maintaining good relationship with the suppliers.

ii) Customers:

- ✕ The aim of any business is to satisfy the needs of its customers. The customer is the king business.
- ✕ Customer relationship management aims at creating and sustaining cordial relations with customers.

iii) Competitors:

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

iv) Marketing Channel members:

- ✕ The marketing inter-mediaries serve as a connecting link between the business and its customers.
- ✕ Market research agencies help the firm to understand the needs of the customers

v) 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.

46.a. Duties of Consumers:

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.

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.

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.

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.

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.

[OR]

46. b. Different types of Company Meetings:**I. Shareholders Meetings:**

- The meeting held with the shareholders of the company is called shareholders meeting.

a) Statutory Meeting

- According to Companies Act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.
- This is the first general meeting of the public company.
- This meeting is conducted only once in the lifetime of the company.

b) Annual General Meeting [AGM]

- Every year a meeting is held to transact the ordinary business of the company. Such meeting is called Annual General Meeting of the company (AGM).
- Company is bound to invite the first general meeting within eighteen months from the date of its registration. Then the general meeting will be held once in every year.

c) Extra-Ordinary General Meeting

- All other general meetings other than statutory and annual general meetings are called extraordinary general meetings.
- If any meeting conducted in between two annual general meeting to deal with some urgent or special or extraordinary nature of business is called as extra-ordinary general meetings.

II. Meeting of the Board of Directors**a) 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 organized within 30 (Thirty) days from the date of incorporation of the company.

b) Committee Meetings

- Every listed company and every other public company having paid up share capital of Rs.10 crores is required to have audit committee. This committee should meet at least four times in a year.
- In case of other companies, the board of directors shall nominate a director to play the role of audit committee which is functioning as a vigil mechanism.

III. Special Meeting**a) 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.

b) Meetings of the Creditors

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

47.a**Differences between a cheque and a bill of exchange.**

BASIC OF DIFFERENCE	BILL OF EXCHANGE	CHEQUE
Payability	It is payable on demand or on the expiry of a certain period.	It is payable on demand only.
Sets	Foreign bills of exchange are drawn in sets of three.	It is not so in case of cheque.
Discounting	A bill can be discounted with a bank.	A cheque cannot be discounted
Stamping	Bills are to be sufficiently stamped.	Cheques need not be stamped
Currency	A bill can be drawn and payable in any currency.	A cheque is payable only in home currency.

[OR]

47.b. Nature of Functional Entrepreneurs**1. Innovating Entrepreneur:**

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

2. Imitative Entrepreneur

- ✓ Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.
- ✓ For example, expensive medicines developed in advanced countries are simply reengineered by changing the composition of elements or changing the process of production.

3. Fabian Entrepreneur

- ✓ These entrepreneurs are said to be traditionalists. 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 unavoidably lead to loss or collapse of the enterprise. 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.
- ✓ They are similar to fabian entrepreneur in single-mindedly pursuing their conventional practices.

***** All the best Children *****