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- Public Examination March 2020 Question Papers with Answers are given.



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## CONTENT

### UNIT I - MANAGEMENT PROCESS

1. Principles Of Management ..... 1 - 12
2. Functions Of Management ..... 13 - 19
3. Management By Objectives (MBO) and  
Management By Exception (MBE) ..... 20 - 27

### UNIT II - FINANCIAL MARKETS - I

4. Introduction To Financial Markets ..... 28 - 35
5. Capital Market ..... 36 - 44
6. Money Market ..... 45 - 54

### UNIT III - FINANCIAL MARKETS - II

7. Stock Exchange ..... 55 - 66
8. Securities Exchange Board Of India (SEBI) ..... 67 - 75

### UNIT IV - HUMAN RESOURCE MANAGEMENT

9. Human Resource Management ..... 76 - 84
10. Recruitment Methods ..... 85 - 92
11. Employee Selection Process ..... 93 - 106
12. Employee Training Method ..... 107 - 117

### UNIT V - ELEMENTS OF MARKETING

13. Concept Of Market And Marketer ..... 118 - 125
14. Marketing And Marketing Mix ..... 126 - 133
15. Recent Trends In Marketing ..... 134 - 142



## **UNIT VI - CONSUMER PROTECTION**

16. Consumerism .....	143 - 153
17. Rights, Duties & Responsibilities of Consumers .....	154 - 160
18. Grievance Redressal Mechanism .....	161 - 170

## **UNIT VII - BUSINESS ENVIRONMENT**

19. Environmental Factors .....	171 - 180
20. Liberalization, Privatization And Globalization .....	181 - 189

## **UNIT VIII - THE SALE OF GOODS ACT, 1930 AND THE NEGOTIABLE INSTRUMENTS ACT, 1881**

21. The Sale Of Goods Act, 1930 .....	190 - 199
22. The Negotiable Instruments Act, 1881 .....	200 - 211

## **UNIT IX - ENTREPRENEURSHIP DEVELOPMENT**

23. Elements Of Entrepreneurship .....	212 - 222
24. Types Of Entrepreneurs .....	223 - 232
25. Government Schemes For Entrepreneurial Development .....	233 - 237

## **UNIT X - COMPANY LAW AND SECRETARIAL PRACTICE**

26. Companies Act, 2013 .....	238 - 247
27. Company Management .....	248 - 259
28. Company Secretary .....	260 - 270
Government Model Question Paper - 2019 .....	271 - 272
Quarterly Question Paper - 2019 .....	273 - 274
Half Yearly Question Paper - 2019 .....	275 - 276
March - 2020 Question Paper with Answers .....	277 - 282



## UNIT I

MANAGEMENT  
PROCESS

## CHAPTER

## 1

PRINCIPLES OF  
MANAGEMENT

## CHAPTER SNAPSHOT

- 1.1 Concept of Management
- 1.2 Definitions of Management
- 1.3 Management is differ from Administration
- 1.4 Management Process
- 1.5 Principles of Scientific Management
- 1.6 Principles of Modern Management
- 1.7 Span of Management

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. Management is what a \_\_\_\_\_ does?  
[PTA-1; QY-2019]  
(a) Manager (b) Subordinate  
(c) Supervisor (d) Superior  
[Ans. (a) Manager]
2. Management is an \_\_\_\_\_  
[Govt. MQP-2019; PTA-1]  
(a) Art (b) Science  
(c) Art and Science (d) Art or Science  
[Ans. (c) Art and Science]
3. Scientific management is developed by  
[PTA-2; QY-2019]  
(a) Fayol (b) Taylor  
(c) Mayo (d) Jacob  
[Ans. (b) Taylor]

4. Dividing the work into small tasks is known as  
(a) Discipline (b) Unity  
(c) Division of work (d) Equity  
[Ans. (c) Division of work]
5. With a wider span, there will be \_\_\_\_\_  
hierarchical levels. [PTA-6]  
(a) More (b) Less  
(c) Multiple (d) Additional  
[Ans. (b) Less]

## II. VERY SHORT ANSWER QUESTIONS.

1. What is Management? [PTA-1; QY-2019]  
Ans. Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organisation.





## GOVERNMENT EXAM QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT OPTION.

1. Who is the 'Father of Modern Management'?
- Mr. F.W. Taylor [HY-2019]
  - Mr. Henry Fayol
  - Mr. Peter F. Drucker
  - Mr. Louis A. Allen

[Ans. (b) Mr. Henry Fayol]

### II. SHORT ANSWER QUESTIONS. 3 MARKS

1. Define the term management according to Peter F. Drucker. [HY-2019]

**Ans.** According to Peter F. Drucker, "Management is a multipurpose organ that manages a business and manages manager, and manages worker and work".

### IV. LONG ANSWER QUESTIONS. 5 MARKS

1. Write about the contribution of Drucker to management. [QY-2019]

**Ans.** "Management is a multipurpose organ that manages a business and manages manager, and manages worker and work." - Peter F. Drucker : The Practice of Management.

Drucker stresses three jobs of management :

- Managing a business
- Managing manager; and
- Managing workers and work.

Even if one is omitted, it would not have management anymore and it also would not have a business enterprise or an industrial society. According to P. Drucker, the manager has to balance and integrate three major jobs of a business enterprise as mentioned above.

Hence, a manager is a dynamic and life-giving element in every business. Without efficient management it cannot be possible to secure the best allocation and utilisation of human, material and financial resources.

## ADDITIONAL QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT OPTION.

1. The observation of people at work that would reveal the one best way to do a task is known as
- scientific management
  - creative management
  - human resource management
  - classical management

[Ans. (a) scientific management]

2. The founder of scientific management was
- Peter F. Drucker
  - Frederick Taylor
  - Henry Fayol
  - Elton

[Ans. (b) Frederick Taylor]

3. The first management principles were developed by
- Victor Meldrew
  - Charles
  - Henry Fayol
  - Taylor

[Ans. (c) Henry Fayol]

4. Studying the future and arranging the means for dealing with it is part of the process of

- Organising
- Controlling
- Coordinating
- Planning

[Ans. (d) Planning]

5. "Division of work, authority and responsibility, unity of command" were proposed as part of the fourteen principles of management by

- Fayol
- Meldrew
- Taylor
- Charles

[Ans. (a) Fayol]

6. Principles of management are not

- Absolute
- Flexible
- Behavioural
- Universal

[Ans. (a) Absolute]

7. Henri Fayol was a

- Social scientist
- Accountant
- Production engineer
- Mining engineer

[Ans. (d) Mining engineer]



## CHAPTER

## 2

FUNCTIONS OF  
MANAGEMENT

## CHAPTER SNAPSHOT

- 2.1 Main Functions  
2.2 Subsidiary Functions

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

## 1. Which is the primary function of management?

- (a) Innovating [PTA-3]  
(b) Controlling  
(c) Planning  
(d) Decision-making

[Ans. (c) Planning]

## 2. Which of the following is not a main function?

[QY-2019]

- (a) Decision-making (b) Planning  
(c) Organising (d) Staffing

[Ans. (a) Decision-making]

## 3. \_\_\_\_\_ is included in every managerial function.

- (a) Co-ordinating (b) Controlling  
(c) Staffing (d) Organising

[Ans. (a) Co-ordinating]

## 4. Which of the following is verification function? [Govt. MQP-2019; PTA-4; HY-2019]

- (a) Planning (b) Organising  
(c) Staffing (d) Controlling

[Ans. (d) Controlling]

## II. VERY SHORT ANSWER QUESTIONS.

## 1. Write a short note about Planning.

[PTA-3; QY-2019]

**Ans.** Planning is the primary function of management. Nothing can be performed without planning. Planning should take place before doing. In short planning refers to deciding in advance.

## 2. What is meant by Motivation?

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

## 3. What is meant by Controlling?

[PTA-4]

**Ans.** Controlling is performed to evaluate the performance of employees and deciding increments and promotion decisions. It is the control function which facilitates synchronization of actual performance with predetermined standards.

## 4. List the subsidiary functions of management.

- Ans.** (i) Innovation  
(ii) Representation  
(iii) Decision - making  
(iv) Communication





## II. LONG ANSWER QUESTIONS. 5 MARKS

1. Explain the process of MBO. (Any seven)

[QY-2019]

Ans. The process of MBO is explained below :

- (i) **Defining Organisational Objectives:** Initially, organisational objectives are framed by the top level employees of an organisation. The definition of organisational objectives states why the business is started and exists.
- (ii) **Goals of Each Section :** Objectives for each section, department or division are framed on the basis of overall objectives of the organisation. Goals or objectives are expressed in a meaningful manner.
- (iii) **Fixing Key Result Areas :** Key result areas are fixed on the basis of organisational objectives premises. Key Result Areas (KRA) are arranged on a priority basis. KRA indicates the strength of an organisation.

(iv) **Setting Subordinate Objectives or Targets :** The objectives of each subordinate or individual are fixed. It is preferable to fix the objectives at lower level in quantitative units. There should be a free and frank discussion between the superior and his subordinates.

(v) **Matching Resources with Objective :** The objectives are framed on the basis of availability of resources. If certain resources (technical personnel or scarce raw material) are not adequately available, the objectives of an organisation are changes accordingly.

(vi) **Periodical Review Meetings:** The superior and subordinates should hold meetings periodically in which they discuss the progress in the accomplishment of objectives.

(vii) **Appraisal of Activities :** At the end of the fixed period for achieving the objectives, there should be a discussion between the superior and subordinates.

## ADDITIONAL QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT ANSWERS.

1. What is MBO?

- (a) Managerial Business objects
- (b) Management by objectives
- (c) Management by organisation
- (d) Management of Business organisation

[Ans. (b) Management by objectives]

2. MBO is popularised in

- (a) USA (b) Japan (c) India (d) UK

[Ans. (a) USA]

3. MBO is a/an

- (a) Philosophy (b) training
- (c) principle
- (d) management system

[Ans. (d) management system]

4. MBE refers to

- (a) Management by efficiency
- (b) Management by extraordinary
- (c) Management by exception
- (d) Management by objectives

[Ans. (c) Management by exception]

5. Systematic evaluation of performance is made with the help of

- (a) MBO (b) KRA
- (c) MBE (d) MBA

[Ans. (a) MBO]

6. Management by objective is

- (a) goal oriented (b) work oriented
- (c) Both (d) none of these

[Ans. (a) goal oriented]

7. Third step in process of management by objectives is to

- (a) review job and agreement
- (b) develop performance standards
- (c) guide setting of objective
- (d) ongoing performance discussion

[Ans. (c) guide setting of objective]

8. Second step in process of management by objectives is to

- (a) guided setting of objective
- (b) Ongoing performance discussion
- (c) review job and agreement
- (d) develop performance standards

[Ans. (d) develop performance standards]





## GOVERNMENT EXAM QUESTIONS AND ANSWERS

## I. CHOOSE THE CORRECT ANSWERS.

1 MARK

## I. CHOOSE THE CORRECT OPTION.

1. Which one is non marketable assets?

[QY-2019]

- (a) Government securities (b) Bonds of Public sector undertakings  
(c) National Savings Certificates (d) Shares of listed companies

[Ans. (c) National Savings Certificates]

## ADDITIONAL QUESTIONS AND ANSWERS

## I. CHOOSE THE CORRECT ANSWERS. 1 MARK

## I. CHOOSE THE CORRECT OPTION.

1. Primary and secondary markets

- (a) compete with each other  
(b) complement each other  
(c) function independently  
(d) control each other

[Ans. (b) complement each other]

2. Treasury Bill is basically

- (a) An instrument to borrow short-term funds  
(b) An instrument to borrow long-term funds  
(c) An instrument of capital market  
(d) None of the above

[Ans. (a) An instrument to borrow short-term funds]

3. In primary markets, first time issued shares to be publicly traded, in stock markets is considered as

- (a) traded offering (b) Public markets  
(c) issuance offering  
(d) initial public offering

[Ans. (d) initial public offering]

4. In primary markets, property of shares which made it easy to sell newly issued security is considered as

- (a) increased liquidity  
(b) decreased liquidity  
(c) money flow  
(d) large funds

[Ans. (a) increased liquidity]

5. Money market where debit and stocks are traded and maturity period is more than a year is classified as

- (a) shortterm markets  
(b) longterm markets  
(c) capital markets  
(d) None of these

[Ans. (c) capital markets]

6. Type of structured market through which funds flow with help of financial instruments such as bonds and stocks is classified as

- (a) financial markets (b) flow market  
(c) funds market (d) capital market

[Ans. (a) financial markets]

7. The first issues are floated in

- (a) Primary market  
(b) Secondary market  
(c) Commodity market  
(d) Regulated market

[Ans. (a) Primary market]

8. Type of market in which securities with less than one year maturity are traded, is classified as

- (a) money market (b) capital market  
(c) transaction market (d) global market

[Ans. (a) money market]

9. Process of selling and buying of stocks and bonds is classified as

- (a) e-trade (b) stock trade  
(c) both 'a' and 'b' (d) none of these

[Ans. (a) e-trade]

## II. MATCH LIST I WITH LIST II AND SELECT THE CORRECT ANSWER USING THE CODES GIVEN BELOW.

1.	List I		List II
i)	Organised sector	1)	Corporate debentures
ii)	Unorganised sector	2)	Equity shares of companies
iii)	Debt market	3)	Indigenous bankers
iv)	Equity market	4)	Financial institutions



## CHAPTER

## 5

## CAPITAL MARKET

## CHAPTER SNAPSHOT

- 5.1 Meaning and Definition
- 5.2 Characteristics of Capital Market
- 5.3 Kinds of Capital Market
- 5.4 Functions and Importance of Capital Market
- 5.5 Indian Capital Market – Evolution and Growth
- 5.6 New Financial Institutions

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. Capital market do not provide [PTA-1]
  - (a) Short term Funds
  - (b) Debenture Funds
  - (c) Equity Funds
  - (d) Long term Funds

[Ans. (a) Short term Funds]

2. When the NSEI was established [PTA-2; QY-2019]
  - (a) 1990
  - (b) 1992
  - (c) 1998
  - (d) 1997

[Ans. (b) 1992]

3. Primary market is a Market where securities are traded in the [PTA-2]
  - (a) First Time
  - (b) Second Time
  - (c) Three Time
  - (d) Several Times

[Ans. (a) First Time]

4. Participants in the capital market includes [PTA-3]
  - (a) Individuals
  - (b) Corporate
  - (c) Financial Institutions
  - (d) All of the above

[Ans. (d) All of the above]

## II. VERY SHORT ANSWER QUESTIONS.

1. What is Capital Market? [PTA-2]

**Ans.** Capital market is a market where buyers and sellers engage in trade of financial securities like bonds and stocks. The buying and selling is undertaken by participants such as individuals and institutions.

2. Write a note on OTCEI. [QY-2019]

**Ans. (i)** OTCEI means Over The Counter Exchange of India.

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

**(iii)** It addresses some specific problems of both investors and medium-size companies.

3. What is Mutual Fund?

**Ans. (i)** Financial institutions that provide facilities for channeling savings of small investors into avenues of productive investments are called 'Mutual Funds'.



## CHAPTER

## 6

## MONEY MARKET

## CHAPTER SNAPSHOT

- 6.1 Meaning and Definition
- 6.2 Objectives and Characteristics
- 6.3 Money Market Vs Capital Market
- 6.4 Participants in Money Markets
- 6.5 Money Market Instruments
  - 6.5.1 Treasury Bills
  - 6.5.2 Certificate of Deposits
  - 6.5.3 Commercial Bills
  - 6.5.4 Government or Gilt - Edged Securities Market

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. The money invested in the call money market provides high liquidity with \_\_\_\_\_. [PTA-5]
  - (a) Low Profitability
  - (b) High Profitability
  - (c) Limited Profitability
  - (d) Medium Profitability

[Ans. (a) Low Profitability]
2. A major player in the money market is the \_\_\_\_\_. [PTA-6; HY-2019]
  - (a) Commercial Bank
  - (b) Reserve Bank of India
  - (c) State Bank of India
  - (d) Central Bank.

[Ans. (a) Commercial Bank]
3. Money Market provides \_\_\_\_\_. [PTA-3; QY-2019]
  - (a) Medium-term Funds
  - (b) Short-term Funds
  - (c) Long-term Funds
  - (d) Shares

[Ans. (b) Short-term Funds]
4. Money Market Institutions are \_\_\_\_\_. [PTA-1]
  - (a) Investment Houses
  - (b) Mortgage Banks
  - (c) Reserve Bank of India
  - (d) Commercial Banks and Discount Houses

[Ans. (d) Commercial Banks and Discount Houses]
5. Risk in the Money Market is \_\_\_\_\_. [PTA-2]
  - (a) High
  - (b) Market Risk
  - (c) Low Credit and Market Risk
  - (d) Medium Risk

[Ans. (c) Low Credit and Market Risk]



## UNIT III

FINANCIAL  
MARKETS – II

## CHAPTER

## 7

## STOCK EXCHANGE

## CHAPTER SNAPSHOT

- 7.1 Stock Exchange – Origin, Meaning and Definition
- 7.2 Functions of Stock Exchange
- 7.3 Features of Stock Exchange
- 7.4 Benefits and Limitations of Stock Exchange
- 7.5 Stock Exchanges in India
- 7.6 Types of Speculators
- 7.7 Stock Exchange Vs Commodity Exchange
- 7.8 Recent Development in Stock Exchange

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. \_\_\_\_ is the oldest stock exchange in the world.

- (a) London Stock Exchange [PTA-1]
- (b) Bombay Stock Exchange
- (c) National Stock Exchange
- (d) Amsterdam Stock Exchange

[Ans. (d) Amsterdam Stock Exchange]

2. There are \_\_\_\_ stock exchange in the country. [QY-2019]

- (a) 21
- (b) 24
- (c) 20
- (d) 25

[Ans. (b) 24]

3. Stock exchanges deal in [Govt. MQP-2019; PTA-1]

- (a) Goods
- (b) Services
- (c) Financial Securities
- (d) Country's Currency

[Ans. (c) Financial Securities]

4. Stock exchange allow trading in [PTA-3]

- (a) All types of Shares of any Company
- (b) Bonds issued by the Govt
- (c) Listed Securities
- (d) Unlisted Securities

[Ans. (c) Listed Securities]

5. Jobbers transact in a stock exchange

- (a) For their Clients [PTA-2; QY-2019]
- (b) For their Own Transactions
- (c) For other Brokers
- (d) For other Members

[Ans. (b) For their Own Transactions]

6. A pessimistic speculator is [PTA-4]

- (a) Stag
- (b) Bear
- (c) Bull
- (d) Lame Duck

[Ans. (b) Bear]





3. (i) Remisers acts as an agent of member of a stock exchange.  
 (ii) Brokers charge a fees from both the parties for their service.  
 (iii) Jobbers are called Taravaniwalas.  
 (a) (i) is correct  
 (b) (i) and (ii) are correct  
 (c) (i) and (iii) are correct  
 (d) (i), (ii) and (iii) are correct

[Ans. (c) (i) and (iii) are correct]

## II. VERY SHORT ANSWER QUESTIONS. 2 MARKS

### 1. What is Sensex?

- Ans. (i) Sensex is an index of the stocks in BSE (Bombay Stock Exchange) Sensex has a list of 30 stocks.  
 (ii) BSE decides the stocks that are to be listed on Sensex.  
 (iii) Based on the above said factors, BSE regularly prepares a set of 30 stocks which will be together called as SENSEX.

### 2. What is the stock trading time in India?

- Ans. The normal stock trading time in India for equity market is between 9.15 am to 3.30 pm. On Monday to Friday in the stock exchanges in India. It is closed on week days i.e. Saturday and Sundays. It is also closed on National holidays.

### 3. Explain Dalal Street.

- Ans. (i) Dalal street is an area in downtown Mumbai, India that houses the Bombay Stock Exchange - the largest stock exchange in India and other reputable financial institutions.  
 (ii) It received the name Dalal street after the Bombay stock exchange moved to the area.  
 (iii) The literal transaction of Dalal in Marathi language is broker and intermediary.

## III. SHORT ANSWER QUESTIONS. 3 MARKS

### 1. Briefly explain the stock exchanges in India.

- Ans. (i) There are 24 stock exchange in the country, with 21 of them being regional in nature.  
 (ii) Three others that have been set up in the reforms era, viz., National Stock Exchange, the over the counter Exchange of India Limited and Interconnected Stock Exchange of India Limited have mandate to nation wide trading network.

- (iii) The ISE has been promoted by 15 regional stock exchanges in the country and is based at Mumbai.  
 (iv) The NSE, OTCEI, ISE and majority of the regional stock exchanges have adopted the screen Based Trading System to provide automated and modern facilities for trading in a transparent, fair and open manner with access to investors across the country.

### 2. Write a short note on (i) Jobbers, (ii) Gambling

#### Ans. (i) Jobbers:

- (a) Jobbers are security merchants dealing in shares, debentures as independent operators.  
 (b) They buy and sell securities on their own behalf and try to earn through price changes.  
 (c) In India, they are called Taravaniwalas.

#### (ii) Gambling:

- (a) There is no reasoning involved in gambling.  
 (b) It accentuates fluctuations in price and it is unethical and illegal.  
 (c) It does not perform economic function.

### 3. What is NIFTY? and Explain it.

- Ans. (i) The word Nifty originates from 2 words, 'National' and 'Fifty'.  
 (ii) Nifty basically means the index of the 50 most actively traded stocks from across all sectors.  
 (iii) Nifty represents the top stocks of the NSE and when we talk about Nifty going up, it means that all the heavyweight stocks of NSE across all sectors are moving up.  
 (iv) Nifty consists of top 50 companies from 24 different sectors.  
 (v) Nifty is computed from the performance of top stocks from different sectors.  
 (vi) Some mutual funds use Nifty as a benchmark. The performance of the mutual funds is assessed against the performance of the Nifty.





- (iii) **Power to initiate actions in functions assigned :** SEBI has a power to initiate actions in regard to functions assigned. For example, it can issue guidelines to different intermediaries or can introduce specific rules for the protection of interests of investors.
- (iv) **Power to regulate insider – trading:** SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.
- (v) **Powers under securities contracts Act :** For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13<sup>th</sup> September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI.
- (vi) **Power to regulate business of stock exchanges :** SEBI is also empowered to regulate the business of stock exchanges. It controls intermediaries associated with the securities market as well as mutual funds, fraudulent and unfair trade practices relating to securities and regulation of acquisition of shares and takeovers of companies.

### 3. What are the benefits of Dematerialisation?

[PTA-3/]

- Ans. (i)** The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.

- (ii) The lack of paperwork enables quicker transactions and higher efficiency in trading.
- (iii) Trading has become more convenient as one can trade through computers at any location, without the need of visiting a broker.
- (iv) The shares that are created through mergers and consolidation of companies are credited automatically in the DEMAT account.
- (v) As all the transactions occur through the depository participant, a trader does not have to communicate individually with each and every company.
- (vi) There is no need for stamp duty for transfer of securities, this brings down the cost of transaction significantly.
- (vii) Certain banks also permit holding of both equity and debt securities in a single account.
- (viii) Banks also provides dedicated and trained customer care officers to assist through all the procedures.
- (ix) A DEMAT account holder can buy or sell any amount of shares.
- (x) One can also choose to take a loan against securities which are held in a DEMAT account by offering it as a collateral to the lender.

## GOVERNMENT EXAM QUESTIONS AND ANSWERS

### I. LONG ANSWER QUESTIONS.

5 MARKS

#### 1. How will you motivate an investor to open a DEMAT account?

[HY-2019]

#### Ans. Motivation an investors to open a DEMAT account :

Given the below benefits, I encourage (Motivate) investors to open a DEMAT Account :

- (i) The risks relating to physical certificated like loss, theft, forgery are eliminated completely with a Demat Account.
- (ii) The risk of paper work enables quicker transactions and higher efficiency in trading.
- (iii) The shares which are created through mergers and consolidation of companies are credited automatically in the Demat Account.
- (iv) There is no stamp duty for transfer of securities.
- (v) Certain banks also permit holding of both equity and debt securities in a single account.
- (vi) A Demat Account holder can buy or sell any amount of shares.



## UNIT IV

HUMAN RESOURCE  
MANAGEMENT

## CHAPTER

## 9

FUNDAMENTALS OF  
HUMAN RESOURCE  
MANAGEMENT

## CHAPTER SNAPSHOT

- 9.1 Meaning and Definition of Human Resource
- 9.2 Characteristics of Human Resource
- 9.3 Significance of Human Resource
- 9.4 Meaning and Definition of Human Resource Management
- 9.5 Features of Human Resource Management
- 9.6 Significance of Human Resource Management
- 9.7 Functions of Human Resource Management

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. Human resource is a \_\_\_\_\_ asset.  
[Govt. MQP-2019; PTA-3; QY-2019]  
(a) Tangible (b) Intangible  
(c) Fixed (d) Current  
[Ans. (b) Intangible]
2. Human Resource management is both \_\_\_\_\_ and \_\_\_\_\_.  
(a) Science and art  
(b) Theory and practice  
(c) History and Geography  
(d) None of the above  
[Ans. (a) Science and art]
3. Planning is a \_\_\_\_\_ function.  
(a) selective (b) pervasive  
(c) both a and b (d) none of the above  
[Ans. (b) pervasive]

4. Human resource management determines the \_\_\_\_\_ relationship. [PTA-1]  
(a) internal, external  
(b) employer, employee  
(c) Owner, Servant (d) Principle, Agent  
[Ans. (b) employer, employee]
5. Labour turnover is the rate at which employees \_\_\_\_\_ the organisation [PTA-6]  
(a) enter (b) leave  
(c) Salary  
(d) None of the above [Ans. (b) leave]

## II. VERY SHORT ANSWER QUESTIONS.

1. Give the meaning of Human Resource. [PTA-1]  
Ans. In an organisation the human resource are the employees who are inevitable for the survival and success of the enterprise. All human beings are not considered as human resource but only those individuals who acquired the required skill sets, talents, knowledge, competencies and capabilities are called human resources.





2. Explain the External Sources of Recruitment.  
(any 5). (or)

What are the various methods of recruitment?  
(any 5) [PTA-1]

Ans. External Sources

Direct

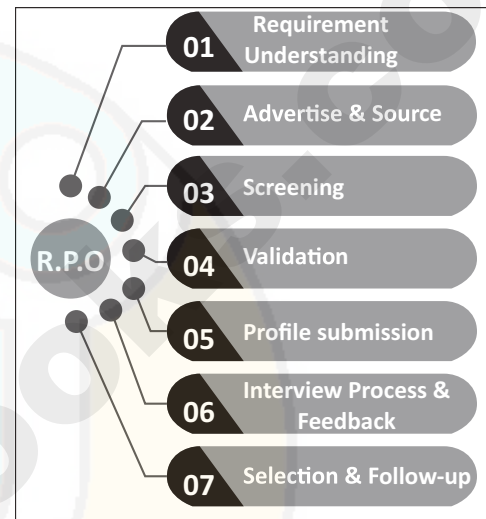
- (i) **Advertisements** – The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation specifying the nature of work, nature of vacancy, qualification and experience required, salary offered, mode of applying and the time limit within which the candidate has to apply.
- (ii) **Walk-ins** – Walk-in applicants with suitable qualification and requirement can be another source of requirement.
- (iii) **Campus Recruitment** – The organisations visit the educational institutions to identify and recruit suitable candidates.
- (iv) **Recruitment at Factory gate** – Usually casual or temporary unskilled employees are recruited by this way. They are recruited at factory gate and paid on hourly or daily basis.
- (v) **Rival firms** – This is also called poaching where the efficient employees of rival companies are drawn to the organisations by higher pay and benefits. For example Salesmen, Chartered Accountants, Management professionals etc.

3. What is the Recent Trends in Recruitment?

Ans. The recent methods of recruiting by organisations include the following methods :

- (i) **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**



- (ii) **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.

## PTA QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT OPTION.

1. Export - Import Policy is related to which business environment? [PTA-2]

- (a) Economic environment
- (b) Socio-cultural environment
- (c) Political - Legal environment
- (d) Technological environment

[Ans. (a) Economic environment]

### II. SHORT ANSWER QUESTIONS. 3 MARKS

1. Give two points of differences between advertisement and unsolicited application. [PTA-2]

Ans. Advertisement and unsolicited applicants are external sources of recruitment. There are a few differences between them. They are :

S. No.	Advertisement	Unsolicited Application
1.	It is an expensive method for the employer because advertising incurs a heavy cost.	It does not involve any expense for the employer.
2.	The employer can advertise in dailies, journals, magazines, etc., about the vacancies in the organisation.	Job seekers voluntarily apply for the vacancies that are not yet notified by the organisations.
3.	There is a time limit for applying the job.	There is no time limit for unsolicited applications.



## CHAPTER

## 12

EMPLOYEE TRAINING  
METHOD

## CHAPTER SNAPSHOT

- 12.1 Purpose of Training or Need for Training
- 12.2 Steps in Designing a Training Programme
- 12.3 Training Methods
  - 12.3 (i) On the Job Training
  - 12.3 (ii) Off the Job Training
- 12.4 Difference Between on the Job Training and off the Job Training
- 12.5 Benefits of Training
  - 12.5 (i) Benefits to the Organization
  - 12.5 (ii) Benefits to the Employees
  - 12.5 (iii) Benefits of Customer

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

## 1. Off the Job training is given [PTA-3]

- (a) In the class room
- (b) On off days
- (c) Outside the factory
- (d) In the playground

[Ans. (c) Outside the factory]

## 2. Vestibule training is provided [PTA-4; QY-2019]

- (a) On the job
- (b) In the class room
- (c) In a situation similar to actual working environment
- (d) By the committee

[Ans. (c) In a situation similar to actual working environment]

## 3. Improves Skill Levels of employees to ensure better job performance

- (a) Training
- (b) Selection
- (c) Recruitment
- (d) Performance appraisal

[Ans. (a) Training]

## 4. When trainees are trained by supervisor or by superior at the job is called [PTA-6]

- (a) Vestibule training
- (b) Refresher training
- (c) Role play
- (d) Apprenticeship training

[Ans. (d) Apprenticeship training]





13. \_\_\_\_\_ is one of the oldest method, but still a favorite training method.

- (a) Seminar / Conference method
- (b) Vestibule training method
- (c) Coaching method
- (d) Job rotation method

[Ans. (a) Seminar / Conference method]

14. \_\_\_\_\_ methods are free to clarify their doubts from the organization experts.

- (a) Role play
- (b) Seminar
- (c) Field Trip
- (d) None of these

[Ans. (c) Field Trip]

15. \_\_\_\_\_ is also often referred to us online training or web based training.

- (a) E-learning
- (b) E-publishing
- (c) E-government
- (d) None of these

[Ans. (a) E-learning]

16. \_\_\_\_\_ method is a visual display of how something works.

- (a) Job instruction
- (b) Field trip
- (c) E-learning
- (d) Demonstration

[Ans. (d) Demonstration]

17. \_\_\_\_\_ method, the subject matter to be learnt is presented in a series of units.

- (a) Programmed instruction method
- (b) Demonstration method
- (c) E-learning
- (d) Vestibule training

[Ans. (a) Programmed instruction method]

18. \_\_\_\_\_ method creates a situation that is as far as possible a replica of the real situation for imparting training.

- (a) The programmed learning
- (b) The simulation
- (c) The case study
- (d) The lecture

[Ans. (b) The simulation]

#### IV. PICK THE ODD ONE OUT.

1. (a) Job rotation method  
(b) Committee assignment method  
(c) E-learning method  
(d) Coaching method

[Ans. (c) E-learning method]

**Reason :** E-learning method is the use of technological process to access of a traditional classroom or office. E-learning is a methods of off the job training. Other three are on the job training.

#### V. WHICH ONE OF THE FOLLOWING IS NOT CORRECTLY MATCHED?

1. (a) E-learning – Use of technological process  
(b) Vestibule training – Space scientists  
(c) Seminar – Salesman conference  
(d) Field trip method – Improve employees skills

[Ans. (d) Field trip method – Improve employees skills]

2. (a) Apprenticeship training method – Craftsmen, welders  
(b) Lecture method – Universities, consultancies  
(c) Role play method – Online learning  
(d) Seminar method – Doctors conference

[Ans. (c) Role play method – On line learning]

#### VI. CONSIDER THE FOLLOWING STATEMENT.

1. **Assertion (A) :** Training helps to focus on specific area develop employee skills.

**Reason (R) :** It enables employee to increase the quality of work carried out by them.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

[Ans. (a) Both (A) and (R) are true and (R) is the correct explanation of (A)]

2. **Assertion (A) :** Training motivates and instills organizational commitment.

**Reason (R) :** Trained employees can utilize the resources in an efficient manner.

Select the correct answer.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).





## IV. LONG ANSWER QUESTIONS.

## 1. How the market can be classified?

[PTA-1, 4; QY-2019]

Ans. The market can be classified as follows :

## I. On the basis of Geographical area :

- a. Family market
- b. Local market
- c. National market
- d. International market or world market

## II. On the basis of commodities / Goods :

## a. Commodity market :

- (i) Produce Exchange market
- (ii) Manufactured goods market
- (iii) Bullion market

## b. Capital markets :

- (i) Money market
- (ii) Foreign Exchange market
- (iii) The stock Exchange market

## III. On the basis of Economics :

- (i) Perfect market
- (ii) Imperfect market

## IV. On the basis of Transaction :

- (i) Spot market
- (ii) Future market

## V. On the basis of regulation :

- (i) Regulated market
- (ii) Unregulated market

## VI. On the basis of time :

- (i) Very short period market
- (ii) Short period market
- (iii) Long period market

## VII. On the basis of volume of business :

- (i) Wholesale market
- (ii) Retail market

## VIII. On the basis of importance :

- (i) Primary market
- (ii) Secondary market
- (i) Terminal market

## 2. How the market can be classified on the basis of Economics? [PTA-5; QY-2019; HY-2019]

Ans. On the basis of Economic the market can be classified into : (a) Perfect market| (b) Imperfect market

(a). **Perfect market** : A market is said to be a perfect market, if it satisfies the following conditions.

- (i) Large number of buyers and sellers.
- (ii) Prices should be uniform throughout the market.
- (iii) Buyers and sellers have a perfect knowledge of market.
- (iv) Goods can be moved from one place to another without restrictions.
- (v) The goods are identical or homogeneous. It should be remembered that such types of markets are rarely found.

(b). **Imperfect market** : A market is said to be imperfect when :

- (i) Products are similar but not identical
- (ii) Prices are not uniform
- (iii) There is lack of communication
- (iv) There are restrictions on the movement of goods.

## PTA QUESTIONS AND ANSWERS

## I. CHOOSE THE CORRECT ANSWERS.

1 MARK

## I. CHOOSE THE CORRECT OPTION.

## 1. Bullion Market classified on the basis of

[PTA-1]

- (a) Geographical Area
- (b) Goods
- (c) Time
- (d) Volume

[Ans. (b) Goods]



# CHAPTER 14

# MARKETING AND MARKETING MIX

## CHAPTER SNAPSHOT

- 14.1 Introduction
- 14.2 Evolution of Marketing
- 14.3 Marketing Concepts
- 14.4 Definition of Marketing
- 14.5 Objectives of Marketing
- 14.6 Importance of Marketing
- 14.7 Functions of Marketing
- 14.8 Meaning and Definition of Marketing Mix
- 14.9 Elements of Marketing Mix
- 14.10 Marketing Mix Matrix

## EXERCISE

### I. CHOOSE THE CORRECT ANSWERS.

1. The initial stage of Marketing system is \_\_\_\_\_.  
[PTA-6; QY-2019]  
(a) Monopoly system  
(b) Exchange to Money  
(c) Barter system  
(d) Self producing

[Ans. (c) Barter system]

2. Who is supreme in the Market?  
(a) Customer (b) Seller  
(c) Wholesaler (d) Retailer

[Ans. (a) Customer]

3. In the following variables which one is not the variable of marketing mix?

[Govt. MQP-2019; QY-2019]

- (a) Place Variable (b) Product Variable
- (c) Program Variable (d) Price Variable

[Ans. (c) Program 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

[Ans. (c) Consumer]





## II. VERY SHORT ANSWER QUESTIONS. 2 MARKS

### 1. Definition of marketing.

**Ans.** According to WJ. Stanton, "Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying goods and services to present and potential customers".

### 2. Define Price.

**Ans.** According to Philip Kotler, "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".

## III. LONG ANSWER QUESTIONS. 5 MARKS

### 1. Explain the functions of physical supply of marketing.

**Ans.** There are two important functions under this classification :

(i) Transportation

(ii) Storage and warehousing

(i) **Transportation** : Transport means carrying of goods, materials and men from one place to another. It plays an important role in the marketing. Various types of transport are used for carrying goods like a. Land transport, b. Water transport and c. Air transport.

(ii) **Storage and Warehousing** :

**a. Storage** : Storage is another function of marketing process and it involves the holding and preservation of goods from the time they are produced to the time they are consumed. Generally, there is a time gap between the production and consumption of goods.

**b. Warehousing** : Warehouses create time utility by storing the goods throughout the

year and releasing them as and when they are needed. Several types of warehouses are used for storage of goods, which are as follows :

- (i) Private warehouses
- (ii) Public warehouses
- (iii) Bonded warehouses

### 2. Explain the facilitating functions of marketing.

**Ans.** The facilitating functions of marketing are :

(i) **Financing** :

- a. Long-term finance
- b. Medium term finance
- c. Short-term finance

(ii) **Risk bearing** :

- a. Time risk
- b. Place risk
- c. Competition risk
- d. Risk of change in demand
- e. Risk arising from natural calamities
- f. Human risks
- g. Political risks

(iii) **Market Information** : Market information means "all the facts, estimates, opinions and other information used in marketing of goods".

(iv) **Standardization** : Standardization means establishment of certain standards based on intrinsic qualities of a commodity.

(v) **Grading** : Grading means classifications of standardised products in to certain well defined classes.

(vi) **Branding** : Branding means giving a name or symbol to a product in order to differentiate it from competitive products.

(vii) **Packing** : Packing means wrapping and crating of goods before distribution.

(viii) **Pricing** : Pricing is perhaps the most important decision taken by a businessman. It is the decision upon which the success or failure of an enterprise depends to a large extent.





CHAPTER

15

# RECENT TRENDS IN MARKETING

## CHAPTER SNAPSHOT

- 15.1 Recent Trends in Marketing
  - 15.1 (i) Electronic Commerce (E-Commerce)
  - 15.1 (ii) E-Business
  - 15.1 (iii) E-Commerce Vs E-Business
- 15.2 E-Marketing
  - 15.2.(i) E-Marketing – Definition
  - 15.2.(ii) Objectives of E-Marketing
  - 15.2.(iii) Advantages of E-Marketing
  - 15.2.(iv) Disadvantages of E-Marketing
  - 15.2.(v) E-Market Vs Traditional Market
- 15.3 E-Tailing
- 15.4 Green Marketing
- 15.5 Social Marketing
- 15.6 Rural Marketing
- 15.7 Service Marketing
- 15.8 Commodity Exchanges
- 15.9 Niche Marketing
- 15.10 Viral Marketing
- 15.11 Ambush Marketing
- 15.12 Guerrilla Marketing
- 15.13 Multilevel Marketing
- 15.14 Referral Marketing
- 15.15 Content Marketing



**VII. CHOOSE THE CORRECT STATEMENT.****1. Advantages of B2C commerce are**

- (i) Business gets a wide reach to customers.
- (ii) Payment for services easy.
- (iii) Shop can be open 24 hours a day seven days a week.
- (iv) Privacy of transaction always maintained.
- (a) (i) and (ii) are correct
- (b) (ii) and (iii) are correct
- (c) (i) and (iii) are correct
- (d) (iii) and (iv) are correct

[Ans. (c) (i) and (iii) are correct]

- 2. (i) Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population.**
- (ii) Rural marketing is now a two-way marketing process.**
- (iii) Green marketing is also known as environmental marketing and ecological marketing.**
- (a) (i) is correct
  - (b) (i) and (ii) are correct
  - (c) (ii) and (iii) are correct
  - (d) (i), (ii) and (iii) are correct

[Ans. (d) (i), (ii) and (iii) are correct]

**II. VERY SHORT ANSWER QUESTIONS. 2 MARKS****1. What is commodity exchanges?**

**Ans.** A commodity exchange is an organized and regulated market that facilitates the purchase and sale of contracts whose values are tied to the price of commodities (e.g. crude oil, natural gas, copper and gold).

**2. What is referral marketing?**

**Ans. (i)** Referral marketing is refer to spreading the word about a product or service through existing customers of business enterprises rather than through traditional advertising.

- (ii)** Word-of-mouth marketing, which occurs when others tell each other about a business, is also considered to be a form of referral marketing.

**3. What is content marketing?**

**Ans.** Content marketing is said to be the art of communicating with customers and prospects without selling. The Content Marketing institute calls it non-interruption marketing.

**4. What is E-business?**

**Ans.** In simple words, if all the business transaction carried out through internet and other online tools is called E-business.

**5. What is Electronic Commerce?**

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

**III. SHORT ANSWER QUESTIONS. 3 MARKS****1. Write a short note on Rural marketing.**

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

**(ii)** Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas.

**(iii)** The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on.

**(iv)** The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton.

**(v)** There is also a movement of rural products within rural areas for consumption

**2. Write a short note on**

**(i) Viral marketing (ii) Ambush marketing**

**Ans. (i) Viral Marketing :**

**(1)** Viral marketing is able to generate interest and the potential sale of a brand or product through messages that spread quickly like a virus from person to person.

**(2)** The most widespread example in recent times is the creation of moving, surprising or spectacular videos on YouTube, which are then shared on Facebook, Twitter and other channels.



## UNIT VI

## CONSUMER PROTECTION

## CHAPTER

## 16

## CONSUMERISM

## CHAPTER SNAPSHOT

- 16.1 Consumer
- 16.2 Consumer Exploitation
- 16.3 Consumerism and Need for Consumerism
- 16.4 Importance of Consumerism
- 16.5 Origin, Evolution and Growth of Consumerism
- 16.6 Consumer Protection
- 16.7 Need for Consumer Protection
- 16.8 Consumer Legislation
- 16.9 The Consumer Protection Act, 1986 (COPRA)
- 16.10 Caveat Emptor
- 16.11 Caveat Venditor

## EXERCISE

## I. CHOOSE THE CORRECT ANSWERS.

1. The term 'consumerism' came into existence in the year \_\_\_\_\_. [PTA-4]
  - (a) 1960 (b) 1957
  - (c) 1954 (d) 1958

[Ans. (a) 1960]
2. Who is the father of Consumer Movement?
  - (a) Mahatma Gandhi [Govt. MQP-2019; PTA-5]
  - (b) Mr. Jhon F. Kennedy
  - (c) Ralph Nader
  - (d) Jawaharlal Nehru

[Ans. (c) Ralph Nader]
3. Sale of Goods Act was passed in the year.
  - (a) 1962 (b) 1972
  - (c) 1930 (d) 1985

[Ans. (c) 1930]
4. The main objective of all business enterprises is \_\_\_\_\_. [PTA-6]
  - (a) providing service
  - (b) Providing better standard of life
  - (c) Providing necessities to the society
  - (d) Earn profit

[Ans. (d) Earn profit]
5. The Consumer Protection Act came into force with effect from [PTA-1]
  - (a) 1.1.1986 (b) 1.4.1986
  - (c) 15.4.1987 (d) 15.4.1990

[Ans. (c) 15.4.1987]





11. The minimum age limit for being a member of district forum as per consumer protection act is

(a) 65 (b) 35 (c) 40 (d) 30

[Ans. (b) 35]

12. The consumer protection act 1986 extend to

(a) The Whole India  
(b) The whole India except Jammu and Kashmir  
(c) The whole India except Nagaland tribal area  
(d) None of these

[Ans. (b) The whole India except Jammu and Kashmir]

13. Which act provides safeguards and reliefs to the buyers of the goods in case the goods purchased do not match with express or implied conditions or warranties?

(a) Consumer protection Act, 1986  
(b) Sale of goods Act, 1930  
(c) The Indian contract Act 1872  
(d) None of these

[Ans. (b) Sale of goods Act, 1930]

14. What is the important of consumer protection from the point of view of a consumer?

(a) Consumer awareness  
(b) Protection against malpractices of sellers  
(c) Both 'a' and 'b'  
(d) None of these

[Ans. (c) Both 'a' and 'b']

15. The Consumer Protection (Amendment) Act was passed in the year

(a) 1994 (b) 1990  
(c) 1993 (d) 1998

[Ans. (c) 1993]

16. Which of the following is Consumer Oriented Act?

(a) Indian Companies Act 1966  
(b) Partnership Act 1932  
(c) Indian Income Tax Act 1961  
(d) Hire Purchase Act 1972

[Ans. (d) Hire Purchase Act 1972]

17. The Consumer Protection Act 1986 came into force with effect from

(a) 1.1.1986 (b) 1.4.86  
(c) 15.4.87 (d) 15.4.90

[Ans. (c) 15.4.87]

## II. MATCH LIST I WITH LIST II AND SELECT THE CORRECT ANSWER USING THE CODES GIVEN BELOW.

List I		List II	
i)	Consumer protection act	1)	National consumers league
ii)	Origin of consumerism	2)	Ralph Nader
iii)	NCL	3)	20 <sup>th</sup> century
iv)	Father of consumer movement Act	4)	1986

Codes :

	(i)	(ii)	(iii)	(iv)
(a)	4	3	2	1
(b)	1	2	3	4
(c)	4	3	1	2
(d)	2	3	4	1

[Ans. (c) (i)-4; (ii)-3; (iii)-1; (iv)-2]

List I		List II	
i)	Sale of goods act	1)	1955
ii)	The Indian contract Act	2)	1937
iii)	The Essential commodities Act	3)	1982
iv)	The Agricultural products grading and marketing Act	4)	1930

Codes :

	(i)	(ii)	(iii)	(iv)
(a)	1	2	3	4
(b)	2	3	4	1
(c)	4	3	1	2
(d)	3	4	2	1

[Ans. (c) (i)-4; (ii)-3; (iii)-1; (iv)-2]

List I		List II	
i)	The Prevention of Food Adulteration Act	1)	1999
ii)	Weights and Measures Act	2)	2002
iii)	The Trademark Act	3)	1958
iv)	The Competition Act	4)	1937





- (iii) The consumer has to bear any loss which may arise to the seller when the consumer delays taking delivery of the goods as per the terms of contract.
- (iv) The consumer is bound to pay any interest and special damages caused to the seller in case if there is delay in the payment.
- (v) The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
- (vi) The consumer has the responsibility to express unambiguously to the seller of his requirements and expectations from the product.

- (vii) The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
- (viii) The consumer must get cash receipt as a proof of goods purchased from the seller.
- (ix) The consumer must file a complaint with the seller concerned about defects or shortcomings noticed in their products and services.
- (x) The consumer should never compromise on the quality of goods. The consumers must watch for ISI, Agmark, etc.

## ADDITIONAL QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT OPTION.

1. Satisfaction of consumer needs is stated to be supreme objective of a

- (a) business (b) industry
- (c) commerce (d) economics

[Ans. (a) business]

2. Who cheat consumer by using unfair weight and measure?

- (a) Producers (b) Employees
- (c) Sellers (d) Workers

[Ans. (c) Sellers]

3. The consumer should discharge his duties as responsible

- (a) citizen (b) workers
- (c) both (d) none of these

[Ans. (a) citizen]

4. The consumer must get cash receipt as a proof of goods purchased from the

- (a) buyer (b) seller
- (c) both (d) none of these

[Ans. (b) seller]

5. The most important law is the

- (a) Consumer Protection Act, 1986
- (b) Sale of Goods Act, 1930
- (c) Weights and Measures Act, 1958
- (d) Trademark Act, 1999

[Ans. (a) Consumer Protection Act, 1986]

6. Consumer satisfaction is the ultimate aim of

- (a) marketing (b) business ethics
- (c) modern marketing (d) none of these

[Ans. (c) modern marketing]

7. Consumerism has been defined as

- (a) environmental problems
- (b) an improved quality of life
- (c) grievances of consumers
- (d) none of these

[Ans. (b) an improved quality of life]

8. "Consumer has the right to present before the appropriate forum or authorities all those matters which effect his interests" – This right of consumer is termed as right to be

- (a) informed (b) heard
- (c) safety (d) educated

[Ans. (b) heard]

9. Which of the following does not fall under consumer rights?

- (a) rights to the informed
- (b) rights to choose
- (c) rights to seek government help
- (d) rights to represent the consumer court

[Ans. (c) rights to seek government help]

10. The total number of rights given to consumers as per consumer protection Act is

- (a) 5 (b) 4 (c) 6 (d) 8

[Ans. (c) 6]



## GOVERNMENT EXAM QUESTIONS AND ANSWERS

### I. LONG ANSWER QUESTIONS. 5 MARKS

1. Who are the eligible persons to make complaints in Consumer Court? How will they register the complaints? [HY-2019]

**Ans.** There are certain persons eligible to make complaint. They are as follows :

- (i) A consumer as defined under Consumer Protection Act, 1986.
- (ii) A registered Voluntary Consumer Association.
- (iii) Central Government.
- (iv) State Government / Union Territory.
- (v) Consumers having the common problem.

The complaint should be registered by the following ways:

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

## ADDITIONAL QUESTIONS AND ANSWERS

### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

#### I. CHOOSE THE CORRECT OPTION.

1. In a country like India there is shortage of many

- (a) Workers
- (b) products
- (c) skills
- (d) none of these

[Ans. (b) products]

2. Complaints can be filed with the forum by a

- (a) Consumer
- (b) Channel of members
- (c) Suppliers
- (d) Competitors

[Ans. (a) Consumer]

3. The National Consumer Disputes Redressal Commission (NCDRC) at the apex is situated at

- (a) Calcutta
- (b) New Delhi
- (c) Bombay
- (d) Chennai

[Ans. (b) New Delhi]

4. For the District consumer Forum, is a value of upto

- (a) ₹ 20 lakhs
- (b) ₹ 15 lakhs
- (c) ₹ 25 lakhs
- (d) ₹ 10 lakhs

[Ans. (a) ₹ 20 lakhs]

5. For the State Commission, is a value above

- (a) ₹ 5 lakhs and ₹ 50 lakhs
- (b) ₹ 20 lakhs and ₹ 1 crore
- (c) ₹ 20 lakhs and ₹ 5 crore
- (d) ₹ 10 lakhs and ₹ 1 crore

[Ans. (b) ₹ 20 lakhs and ₹ 1 crore]

6. The state consumer protection council is also known as

- (a) National commission
- (b) Consumer awareness Act
- (c) Consumer Disputes Redressal Commission
- (d) All of the above.

[Ans. (c) Consumer Disputes Redressal Commission]

7. The state commission may reverse or confirm the orders passed by the

- (a) National Commission
- (b) District Forum
- (c) Central commission
- (d) None of these

[Ans. (b) District Forum]

8. In Organizations, employee dissatisfaction is indicated by

- (a) complaint
- (b) employee ownership
- (c) grievance arbitration
- (d) grievance strike

[Ans. (a) complaint]



# UNIT VII

## BUSINESS ENVIRONMENT

### CHAPTER

# 19

## ENVIRONMENTAL FACTORS

### CHAPTER SNAPSHOT

- 19.1 Meaning and Definition of Business Environment
- 19.2 Types of Business Environment
  - 19.2.1 Internal Environment
  - 19.2.2 External Environment
  - 19.2.3 Micro Environment
  - 19.2.4 Macro Environment
- 19.3 Future environment of business – VUCA
- 19.4 Corporate Governance
- 19.5 GST – Goods and Services Tax

### EXERCISE

#### 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  
**[Ans. (a) Volatility, Uncertainty, Complexity and Ambiguity]**
2. GST stands for \_\_\_\_\_.  
 (a) Goods and Social Tax  
 (b) Goods and Service Tax  
 (c) Goods and Sales Tax  
 (d) Goods and Salary Tax  
**[Ans. (b) Goods and Service Tax]**

3. Factors within an organisation constitutes \_\_\_\_\_ environment.  
 (a) Internal Thinker (b) External Thinker  
 (c) Fellow human beings (d) All of the above  
**[Ans. (a) Internal Thinker]**
4. Macro Environment of business is an \_\_\_\_\_ factor.  
 (a) Uncontrollable (b) Controllable  
 (c) Manageable (d) Immanageable  
**[Ans. (a) Uncontrollable]**
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  
**[Ans. (b) Internal and External]**





**2. Assertion (A) :** The aim of any business is to satisfy the needs of its customers.

**Reason (R) :** The customer is the kind and the fulcrum around which the business revolves.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
- (c) (A) is true, but (R) is false.
- (d) (A) is false, but (R) is true.

**[Ans. (a) Both (A) and (R) are true and (R) is the correct explanation of (A)]**

### VIII. CHOOSE THE CORRECT STATEMENT.

1. (i) The development in the IT and telecommunications has created a global market.
- (ii) Corporate governance is a set of rules and policies which governs a company.
- (iii) GST is the indirect tax levied on goods and services across the country.
- (a) (i) is correct
- (b) (i) and (ii) are correct
- (c) (ii) is correct
- (d) (i), (ii) and (iii) are correct

**[Ans. (d) (i), (ii) and (iii) are correct]**

### II. VERY SHORT ANSWER QUESTIONS. 2 MARKS

**1. What is external environment?**

**Ans.** External environment refers to those factors outside the business. These factors by and large are beyond the control of a business and hence uncontrollable. e.g. economic, political and socio-cultural factors.

### III. SHORT ANSWER QUESTIONS. 3 MARKS

**1. Explain the kinds of the GST.**

**Ans.** There are 3 taxes applicable under this system.

- (i) **CGST** : Collected by the Central Government on an intra-state sale (Eg: transaction happening in TamilNadu)
- (ii) **SGST** : Collected by the State Government on an intra-state sale (Eg: transaction happening within TamilNadu)
- (iii) **IGST** : Collected by the Central Government for inter-state sale (Eg: Punjab to Tamil Nadu)

### IV. LONG ANSWER QUESTIONS.

**5 MARKS**

**1. Explain the core values of business?**

**Ans.** Tata has always been values-driven. These values continue to direct the growth and business of Tata companies. The five core Tata values underpinning the way we do business are :

- (i) **Integrity** : We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.
- (ii) **Excellence** : We will be passionate about achieving the highest standards of quality, always promoting meritocracy.
- (iii) **Unity** : We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.
- (iv) **Responsibility** : We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.
- (v) **Pioneering** : We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.
- (vi) **Mission** : To improve the quality of life of the communities we serve globally through long-term stakeholder value creation based on Leadership with Trust.

**2. Discuss the significance of understanding business environment and the internal factors affecting business.**

**Ans.** A business in order to remain successful and competitive has to adapt to the constantly changing environment. The formulation of strategic decisions, policies and programmes requires an understanding of the environmental factors impacting the business. The significance of understanding the business environment is as follows :

- (i) **Helps in formulating Strategy and future planning** : The data relating to the business environment are used as a record for devising important business strategies and to plan for the future development of the business concerned.



# CHAPTER 20

# LIBERALIZATION, PRIVATIZATION AND GLOBALIZATION

## CHAPTER SNAPSHOT

- 20.1 Dimensions of New Economic Policy
- 20.2 Meaning and forms of Liberalization
- 20.3 Advantages and disadvantages of Liberalization
- 20.4 Impact of Liberalization
- 20.5 Meaning and Forms of Privatization
- 20.6 Advantages and disadvantages of Privatization
- 20.7 Impact of Privatization
- 20.8 Meaning and Forms of Globalization
- 20.9 Advantages and disadvantages of Globalization
- 20.10 Impact of Globalization
- 20.11 Highlights of LPG policy

## EXERCISE

### 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

[Ans. (c) Liberalisation]

2. \_\_\_\_\_ means permitting the private sector to setup industries which were previously reserved for public sector. [PTA-3]

- (a) Liberalisation (b) Privatisation  
(c) Globalisation (d) Public Enterprise

[Ans. (b) Privatisation]

3. \_\_\_\_\_ ownership makes bold management decisions due to their strong foundation in the international level.

- (a) Private (b) Public  
(c) Corporate (d) MNC's

[Ans. (a) Private]

4. \_\_\_\_\_ results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour. [PTA-4]

- (a) Privatisation (b) Liberalisation  
(c) Globalisation (d) Foreign Trade

[Ans. (c) Globalisation]



# UNIT VIII

## THE SALE OF GOODS ACT – 1930 AND THE NEGOTIABLE INSTRUMENTS ACT 1881

### CHAPTER

# 21

## THE SALE OF GOODS ACT 1930

### CHAPTER SNAPSHOT

- 21.1 Formation of Contract of Sale
- 21.2 Difference between Sale and Agreement to Sell
- 21.3 Types of Goods
- 21.4 Transfer of Ownership
- 21.5 Conditions and Warranties
- 21.6 Rights of an Unpaid Seller

### EXERCISE

#### I. CHOOSE THE CORRECT ANSWERS.

1. Sale of Goods Act was passed in the year  
[Govt. MQP-2019; PTA-1; HY-2019]  
(a) 1940 (b) 1997  
(c) 1930 (d) 1960  
[Ans. (c) 1930]
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  
[Ans. (d) All of the above]
3. Which of the below is not a good?  
(a) Stocks (b) Dividend due  
(c) Crops (d) Water  
[Ans. (b) Dividend due]
4. In case of the sale, the \_\_\_\_ has the right to sell  
(a) Buyer (b) Seller [PTA-2]  
(c) Hirer (d) Consignee  
[Ans. (b) Seller]
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)  
[Ans. (c) Ownership of goods]
6. Specific goods denote goods identified upon the time of \_\_\_\_ of sale: [PTA-6]  
(a) Agreement (b) Contract  
(c) Order (d) Obligation  
[Ans. (b) Contract]





## GOVERNMENT EXAM QUESTIONS AND ANSWERS

### I. VERY SHORT ANSWER QUESTIONS. 2 MARKS

1. The proprietor takes goods from his business for his personal use. Can it be considered as a contract of sale? Why? [HY-2019]

Ans. (i) No, it's not a contract of sale.  
 (ii) Because, if a person taken his own goods, there is no sale.  
 (iii) A contract of sale involves two parties - the buyer and seller should be two different persons.

### ADDITIONAL QUESTIONS AND ANSWERS

#### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

##### I. CHOOSE THE CORRECT OPTION.

- A contract of sale involves  
 (a) one parties (b) three parties  
 (c) two parties (d) more than five parties [Ans. (c) two parties]
- The subject matter of contract of sale must be  
 (a) goods (b) cash  
 (c) credit (d) all of these  
 [Ans. (a) goods]
- The monetary consideration for the goods sold is called  
 (a) Price (b) Goods  
 (c) Both 'a' and 'b' (d) None of these  
 [Ans. (a) Price]
- Which of the following determined with reference to the terms and conditions of the contract?  
 (a) Condition (b) Warranty  
 (c) Both 'a' and 'b' (d) None of these  
 [Ans. (b) Warranty]
- Section 2, the sale of Goods Act is about  
 (a) Principles (b) Definitions  
 (c) Exceptions (d) None of above  
 [Ans. (b) Definitions]
- The voluntary transfer of possession from one person to another is called  
 (a) Transfer  
 (b) Change of possession  
 (c) Delivery  
 (d) None of these [Ans. (c) Delivery]

7. Definition of unpaid seller is provided in section of the sale of Goods Act, 1930.

(a) 45 (b) 46  
 (c) 47 (d) None of these

[Ans. (a) 45]

8. The possession of the finder of lost goods is that of:

(a) Bailee (b) Bailor  
 (c) Creditor (d) True owner

[Ans. (a) Bailee]

9. According to sale of Goods Act, 1930, 'seller' means a person:

(a) who only agrees to sell the goods  
 (b) who sells or agrees to sell  
 (c) who only sells the goods  
 (d) who transfers the possession of the goods to the other party

[Ans. (b) who sells or agrees to sell]

10. Where the transfer of the property in the goods is to take place of a future time or subject to some condition, then such contract is called:

(a) An agreement to sell  
 (b) A contract to sale  
 (c) Future contract  
 (d) Condition contract

[Ans. (a) An agreement to sell]

11. Which of the following does not fall in the category of "goods"?

(a) Stock and shares  
 (b) Money and actionable claims  
 (c) Growing crops and grass  
 (d) None of these [Ans. (a) Stock and shares]



**5. Discuss the two different types of crossing.**

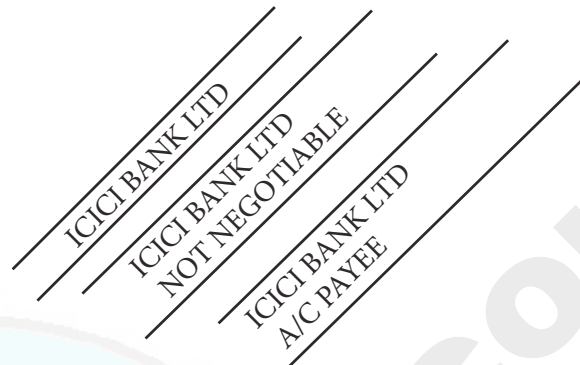
[Govt. MQP-2019; PTA-5]

**Ans. Types of crossing :** Crossing is of two types. They are :

- (i) General crossing
- (ii) Special crossing
- (i) **General Crossing :** According to section 123 of the Negotiable Instruments Act, 1881, "Where a cheque bears across its face an addition of the words "and company" or any abbreviation thereof, between to parallel transverse lines or of two parallel transverse lines simply, either with or without the words "not negotiable" that addition shall be deemed a crossing and the cheque shall be deemed to be crossed generally".



- (ii) **Special Crossing :** Section 124 defines special crossing is "Where a cheque bears across its face an addition of the name of a banker with or without the words "not negotiable", that addition shall be deemed a crossing and the cheque shall be deemed to be crossed specially and to be crossed to that banker".

**IV. LONG ANSWER QUESTIONS.****1. Mention the presumptions of Negotiable Instruments.** [PTA-2]

- Ans. (i)** Every negotiable instrument is presumed to have been drawn, accepted etc. for consideration.
- (ii)** A negotiable instrument is presumed to have been accepted.
- (iii)** Every negotiable instrument bearing, a date is presumed to have been made or drawn on such a date.
- (iv)** It is presumed to have been accepted within a reasonable time after the date and before its maturity.
- (v)** The transfer of a negotiable instrument is presumed to have been made before maturity.
- (vi)** The endorsements appearing upon a negotiable instrument are presumed to have been made in the order to which they appear thereon.
- (vii)** When a negotiable instrument has been lost, it is presumed to have been duly stamped.
- (viii)** The holder of a negotiable instrument is presumed to be a holder in due course.

The Negotiable Instruments Act, 1881

**2. Distinguish a cheque and a bill of exchange.**

[PTA-3; HY-2019]

**Ans.**

Sl. No.	Basis of Difference	Cheque	Bill of Exchange
1.	Drawn	A cheque can be drawn only on a particular banker.	A bill of exchange can be drawn on any person including a banker
2.	Payability	It is payable on demand only.	It is payable on demand or on the expiry of a certain period.





## 2. Distinguish between cheque and promissory note.

Ans.

Sl. No.	Basis of Difference	Cheque	Promissory Note
1.	Nature of order	A cheque contains an order to pay money	A promissory note contains an undertaking to pay money.
2.	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
3.	Creator of the instrument	The drawer of a cheque is a creditor	The maker of a note is a debtor.
4.	Identify of the parties to instrument	The drawer and the drawee can be one and same person	This cannot be so in a promissory note
5.	Payableness	A cheque is always payable on demand	A promissory note, on the other hand is payable either on demand or after a specified period.
6.	Crossing	A cheque can be crossed	A pronote cannot be crossed.
7.	Stamping	A cheque need not be stamped	A promissory note has to be sufficiently stamped.
8.	Discounting	A cheque cannot be discounted	A promissory note can be discounted with a banker
9.	Grace Period	No days of grace are allowed for payment of a cheque	Three days of grace are allowed for calculating the due date of promissory note.
10.	Bearer	A cheque is payable to order or to bearer	A promissory note cannot be made payable to bearer.

## 3. Explain any six kinds of Negotiable Instruments.

Ans. (i) **Bearer Instrument** : Promissory Note, Bill of Exchange or cheque is payable to bearer is called bearer instrument subject to fulfilment of either of the two conditions:

- (1) It must be expressed to be payable
- (2) The only or last endorsement should be blank endorsement.

(ii) **Order Instrument** : Promissory Note, Bill of Exchange or cheque is payable to order is called Order instrument.

(iii) **Inland Instrument** : Promissory Note, Bill of Exchange or cheque is an inland instrument subject to the following conditions:

- (a) It must be drawn in India
- (b) It must be payable in India
- (c) It must be drawn upon any person resident in India

(iv) **Foreign Instrument** : An instrument which is not inland instrument is called foreign instrument.

- (1) Bill drawn outside India
- (2) Bill payable outside India
- (3) Bill drawn upon foreign citizens

(v) **Ambiguous Instrument** : An ambiguous instrument means an instrument which can be construed either as a promissory note or a bill of exchange.

(vi) **Inchoate Instrument** : It means an incomplete instrument in some respect.





# UNIT IX

## CHAPTER

# 23

## ENTREPRENEURSHIP DEVELOPMENT

# ELEMENTS OF ENTREPRENEURSHIP

### CHAPTER SNAPSHOT

- 23.1 Entrepreneurship – Meaning, Concept & Definition
- 23.2 Characteristics of Entrepreneur
- 23.3 Importance of Entrepreneurship
- 23.4 Entrepreneur, Intrapreneur and Manager – A Comparison
- 23.5 Women Entrepreneurs – Opportunities and Challenges
- 23.6 Entrepreneurial Functions

### EXERCISE

#### 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  
[Ans. (d) All of the above]
2. Entrepreneur is not classified as  
(a) Risk Bearer (b) Innovator  
(c) Employee (d) Organizer  
[Ans. (c) Employee]
3. What are the characteristics of an entrepreneur?  
(a) Spirit of enterprise (b) Flexibility  
(c) Self Confidence (d) All of the above  
[Ans. (d) All of the above]
4. Which of the below is not classified into managerial functions?  
(a) Planning (b) Marketing  
(c) Organizing (d) Controlling  
[Ans. (b) Marketing]

#### 5. Which of the below is a commercial function?

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

[Ans. (a) Accounting]

#### II. VERY SHORT ANSWER QUESTIONS.

#### 1. Mention any two characteristics of entrepreneurs.

- Ans. (i) Spirit of service [PTA-6]  
(ii) Self confidence  
(iii) Flexibility  
(iv) Innovation

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

- Ans. (i) Planning  
(ii) Organising  
(iii) Directing  
(iv) Controlling  
(v) Co-ordination





- (iii) 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) Their dealings are governed by customs, religion, tradition and past practices handed down to them by their ancestors.

#### IV. LONG ANSWER QUESTIONS.

1. Explain in detail on classification according to the type of business. [PTA-2]

Ans. (i) **Business Entrepreneur :**

- (a) 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.
- (b) Business entrepreneur takes up production, operations and pursues marketing activities.

(ii) **Trading Entrepreneur :**

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

(iii) **Industrial Entrepreneur :**

- (a) These are entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto.
- (b) Industrial entrepreneurs mobilise the resources of various types and create an entity to manufacture the products or service.

(iv) **Corporate Entrepreneur :**

- (a) Corporate entrepreneur is called promoter. He/She entrepreneur takes initiative necessary to start an entity under corporate format.
- (b) Corporate entrepreneur assembles all the resources and put in place organisation to run the business on a day-to-day basis.

(v) **Agricultural Entrepreneurs :**

- (a) Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.

- (b) Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flower, silk, fruits, prawn, etc. are called agricultural entrepreneur.

2. Discuss the nature of functional entrepreneurs.

Ans. Classification of Entrepreneurs according to Function :

(i) **Innovative Entrepreneur :**

- (a) Innovative entrepreneur is one who is always focussed on introducing a new project or introducing something new in the venture already started.
- (b) Their innovation may take the form of brand new product, upgraded product, discovering untapped market, new method of production, re-engineering of existing product, simplification of complex process, adoption of a distinct process and so on.

(ii) **Imitative Entrepreneur :**

- (a) Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.
- (b) An imitative entrepreneur simply re-engineer or redesign the products developed in advanced countries and produce a version suited to their local conditions.

(iii) **Fabian Entrepreneur :**

- (a) These entrepreneurs are said to be conservatives and sceptical about plasticising any change in their organisation.
- (b) Their dealings are governed by customs, religion, tradition and past practices handed down to them by their ancestors. Example Nursus coffee.

(iv) **Drone Entrepreneur :**

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



# CHAPTER 25

## GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT

### CHAPTER SNAPSHOT

- 25.1 India's Efforts at Promoting Entrepreneurship and Innovations
- 25.2 Specific Entrepreneurship Schemes
- 25.3 Steps in Promoting an Entrepreneurial Venture
- 25.4 Government of TamilNadu Entrepreneurial Schemes

### EXERCISE

#### 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

[Ans. (c) Digital 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.

[Ans. (b) Make in India]
3. \_\_\_\_\_ is the Government of India's endeavour to promote culture of innovation and entrepreneurship.
  - (a) AIM
  - (b) STEP
  - (c) SEED
  - (d) AIC

[Ans. (a) AIM]
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

[Ans. (c) Project Report]
5. \_\_\_\_\_ has to include the mechanism for managing venture in the project report.
  - (a) Banker
  - (b) Government
  - (c) Lending Institutions
  - (d) Entrepreneur

[Ans. (d) Entrepreneur]





(b) **Unsecured Debentures** : These instruments are unsecured against the assets.

(iii) **On the basis of Redeemability :**

(a) **Redeemable Debentures** : It refers to the debentures which will be redeemed in future.

(b) **Irredeemable Debentures** : It is a debenture, in which no specific time is specified by the companies to pay back the money.

(iv) **On the basis of Registration :**

(a) **Registered Debentures** : These are issued in the name of a particular person, who registered by the company.

(b) **Bearer Debentures** : These are issued to the bearer and are negotiable instruments, and are transferred by mere delivery.

### PTA QUESTIONS AND ANSWERS

#### I. CHOOSE THE CORRECT ANSWERS. 1 MARK

##### I. CHOOSE THE CORRECT OPTION.

1. The person who envisages the idea to form a company called [PTA-4]  
 (a) Director  
 (b) Company Secretary (c) Registrar  
 (d) Promoter [Ans. (d) Promoter]

#### II. SHORT ANSWER QUESTIONS. 3 MARKS

1. Who is called as Promoters?

[Govt. MQP-2019; [PTA-1]]

**Ans.** Promotion stage begins when the idea to form a company comes in the mind of a person. The person who envisage the idea is called a 'promoter'.

2. What do you know about shares issued at discount? [PTA-4]

**Ans.** When the shares are issued at a price below the face value, they are said to be issued at a discount. For example, a share having the face value of Rs. 10 is issued at Rs. 8.  
 The companies Act, 2013 prohibits the issue of shares at discount except sweat equity share.

#### III. LONG ANSWER QUESTIONS. 5 MARKS

1. What a formalities need to be fulfilled for a companies having share capital to commence business? [PTA-6]

**Ans.** As per section 11 of the Act, a company having share capital should file with the Registrar, declaration stating that

- Every subscriber to the Memorandum has paid the value of shares agreed to be taken by him.
- Paidup capital is not less than Rs.5 lakhs in the case of public limited company and Rs.1 lakh in the case of private limited company.
- It has filed the Registrar the verification of the registered office.

These restrictions in section 11 are applicable to companies having share capital. It can commence business only after fulfilling all the formalities mentioned above and exercise borrowing powers immediately after incorporation.

2. Write the difference between Share Certificate and Share Warrant. [PTA-1]

**Ans.**

Sl. No.	Basis	Share Certificate	Share Warrant
1.	Meaning	A legal document that indicates the possession of the shareholder on the specified number of shares is known as share certificate	A document which indicates that the bearer of the share warrant is entitled to the specified number of shares is share warrant.



CHAPTER  
**27**

# COMPANY MANAGEMENT

## CHAPTER SNAPSHOT

- 27.1 Meaning and Definition of Directors
- 27.2 Key-Managerial Personnel of a Company
- 27.3 Board of Directors
- 27.4 Types of Directors as per Companies Act 2013
- 27.5 Number of Directors Required
- 27.6 Legal position of Director
- 27.7 Appointment of Directors under Companies Act 2013 - Section 152
- 27.8 Qualifications of Director
- 27.9 Disqualifications of a Director
- 27.10 Removal of Director
- 27.11 Remuneration of Director
- 27.12 Power of Director
- 27.13 Rights of Director
- 27.14 Duties of Director
- 27.15 Liabilities of Director
- 27.16 Directorial Register or Register of directors and KMPs (Rule 7)
- 27.17 Manager Vs Director
- 27.18 Managing Director Vs Whole time Director





## III. SHORT ANSWER QUESTIONS.

3 MARKS

## 1. Write a notes on Board of directors.

**Ans.** The Governing body of a Company incorporated under Companies Act called Board. It is a group of individuals called directors, elected to represent the views of shareholders of a public limited company and to manage the company affairs by establishing policies and implementing them to achieve the goal. In General the Board is empowered to

- (i) Set the Policies
- (ii) Restructure the objectives
- (iii) Evaluate the performance of Managing Director and Senior Executives
- (iv) Exercise overall Direction
- (v) Adopt bylaws
- (vi) Determine and pay the dividend
- (vii) Issue additional shares.

## 2. What are the difference between Manager and Director?

**Ans.**

Basis	Manager	Director
1. Nature of work	A person who is in charge for the particular department of the Company and is responsible for the performance of that department is called as manager.	A person appointed by the shareholders to lead the company to achieve its goal is known as Director.
2. Level of management	A manager comes under executive level i.e at the Middle-level management	Directors comes under Top-level management and play important role in Decision making.
3. Responsibility	Managers are responsible for implementation of plans and policies approved by the Board of Directors	Directors responsible for formulation of plans and policies time to time to achieve the goal of the company.

## 3. What are the difference between Managing director and Whole time director?

**Ans.**

Basis	Managing director	Whole time director
1. Power	Managing Director is entrusted with substantial powers.	The Power is stated in the term of employment.
2. Prohibition	Section 197 Prohibits to act both a managing director and a manager simultaneously.	Sometimes a whole-time directors may be appointed as manager and director of a company.
3. Appointment	Consent of the shareholders of the company by means of resolution is not necessarily for the appointment of managing director.	Consent of shareholders of the company by a special resolution is must for the appointment of a whole-time director.
4. Duration Appointment	No individual can be appointed for more than five years at a time.	There is no such restriction regarding the appointment of a whole-time director.





9. A special resolution must be filed with the Registrar within [HY-2019]

- (a) 7 days (b) 14 days  
(c) 30 days (d) 60 days

[Ans. (c) 30 days]

10. A special resolution is required to

- (a) redeem the debentures [Govt. MQP-2019]  
(b) declare dividend  
(c) appoint directors (d) appoint auditor

[Ans. (d) appoint auditor]

## II. VERY SHORT ANSWER QUESTIONS.

1. Who is a Secretary? [PTA-4]

**Ans.** A person is appointed to perform activities which are confidential in nature and manage the day-to-day business of the company is called secretary. 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?

**Ans.** A company meeting must be convened and held in perfect compliance with the various provisions of the Act, and the rules framed thereunder. It is essential that the business dealt with the meetings, should be validly transacted and not liable to be questioned later due to any irregularity.

3. What is Resolution?

**Ans.** As per the companies Act, 2013 for taking any decision or executing any transaction, the consent of the shareholders, the Board of directors and other specified is required. The decisions taken at a meeting are called resolutions.

4. Write short note on 'Proxy'. [HY-2019]

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

5. What is Vote?

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

## III. SHORT ANSWER QUESTIONS.

1. What is Special Resolution? [PTA-4]

**Ans.** Special resolution is one which is passed by 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.

A special resolution is required for the following matters :

- (i) To change the registered office of the company from one state to another
- (ii) To change the objectives of the company
- (iii) To change the name of the company
- (iv) To alter the Articles of Association
- (v) To commence any new business
- (vi) To appoint the auditor of the company

2. What do you mean by Statutory Meeting?

[PTA-5; HY-2019]

**Ans. (i)** 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.

**(ii)** This is the first general meeting of the public company is called the Statutory Meeting.

**(iii)** This meeting is conducted only once in the lifetime of the company.

**(iv)** A private company or a public company having no share capital need not conduct a statutory meeting.

**(v)** The company gives the circular to shareholders before 21 days of the meeting.

3. Give any three cases in which an ordinary resolution need to be passed.

[Govt. MQP-2019; PTA-5]

**Ans. (i)** To change or rectify the name of the company

**(ii)** To alter the share capital of the company

**(iii)** To redeem the debentures

**(iv)** To declare the dividends

**(v)** To approve annual accounts and balance sheet

**(vi)** To appoint the directors

4. What resolution is requires special notice?

**Ans.** Special resolution is required for the following matters.



# 12<sup>th</sup> GOVT. MODEL QUESTION PAPER 2019-20

## STD. COMMERCE

Time allowed : 3.00 hours ★] as per Govt. Notifications

[Maximum Marks: 90

- Instructions:** (1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the hall supervisor immediately.
- (2) Use **Blue** or **Black** ink to write and underline use Pencil to draw diagrams.

### PART - I

- Note:** (i) Answer all the questions. (20 × 1 = 20)
- (ii) Choose the most suitable answer from the given four alternatives and write the option code and the corresponding answer.

- |  |   |
|--|---|
| 1. Management is an _____<br>(a) Art (b) Science<br>(c) Art and Science (d) Art or Science   | 9. In the following variables which one is not the variable of marketing mix?<br>(a) Place Variable<br>(b) Product Variable<br>(c) Program Variable<br>(d) Price Variable   |
| 2. Which of the following is verification function?<br>(a) Planning (b) Organising<br>(c) Staffing (d) Controlling   | 10. Selling goods/ services through internet is<br>(a) Green marketing (b) E- business<br>(c) Social marketing (d) Niche marketing  |
| 3. Capital market is a market for<br>(a) Short Term Finance<br>(b) Medium Term Finance<br>(c) Long Term Finance<br>(d) All of these  | 11. Who is the father of Consumer Movement?<br>(a) Mahatma Gandhi<br>(b) Jhon F. Kennedy<br>(c) Ralph Nader<br>(d) Jawaharlal Nehru   |
| 4. Government Securities are issued by agencies such as _____.<br>(a) Central Government<br>(b) State Governments<br>(c) Semi-government Authorities<br>(d) All of the above | 12. The District Forum can entertain complaints where the value of goods or services and the compensation if any claimed is less than<br>(a) Below ₹ 10,00,000<br>(b) Below ₹ 20,00,000<br>(c) Below ₹ 40,00,000<br>(d) Below ₹ 50,00,000 |
| 5. Stock exchanges deal in<br>(a) Goods<br>(b) Services<br>(c) Financial Securities<br>(d) Country's Currency  | 13. New Economic Policy was introduced in the year _____.<br>(a) 1980 (b) 1991<br>(c) 2013 (d) 2015   |
| 6. The headquarters of SEBI is _____.<br>(a) Kolkata (b) Mumbai<br>(c) Chennai (d) Delhi   | 14. Sale of Goods Act was passed in the year<br>(a) 1940 (b) 1997<br>(c) 1930 (d) 1960  |
| 7. Human resource is a _____ asset.<br>(a) Tangible (b) Intangible<br>(c) Fixed (d) Current  | 15. A cheque will become stale after _____ months of its date.<br>(a) 3 (b) 4 (c) 5 (d) 1   |
| 8. Advertisement is a _____ source of recruitment<br>(a) internal (b) external<br>(c) agent (d) outsourcing  |   |



12<sup>th</sup>  
STDPUBLIC EXAM QUESTION PAPER  
MARCH - 2020

Reg. No.

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TIME ALLOWED : 3.00 Hours

PART - III COMMERCE

MAXIMUM MARKS : 90

## Instructions :

- 1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor Immediately.
- 2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams

## PART - I

- Note :** (i) Answer all the questions. [20 × 1 = 20]  
(ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

1. "Management is a multipurpose organ that manages a business and manages Manager, and manages worker and work." Who said these words?  
(a) George Odiorne (b) Henry Fayol  
(c) Peter F. Drucker (d) F.W. Taylor
2. NSEI was established in :  
(a) 1997 (b) 1990  
(c) 1992 (d) 1998
3. The headquarters of SEBI is \_\_\_\_\_  
(a) Delhi (b) Calcutta  
(c) Mumbai (d) Chennai
4. **Assertion (A) :** Human Resource Management is an intangible function.  
**Reason (R) :** This can be measured only by Results.  
(a) (A) is correct but (R) is incorrect  
(b) (A) and (R) are correct and (R) is the correct explanation of (A)  
(c) (A) and (R) are correct and (R) is not the correct explanation of (A)  
(d) (A) is incorrect but (R) is correct
5. E-Recruitment is possible only through \_\_\_\_\_ facility.  
(a) 4G (b) Computer  
(c) Internet (d) Broadband
6. First meeting of Directors should be convened within \_\_\_\_\_ days from the date of incorporation of the company.  
(a) 50 (b) 45 (c) 30 (d) 60
7. It is the responsibility of a consumer that he must obtain \_\_\_\_\_ as a proof for the purchase of goods.  
(a) Invoice (b) Cash Receipt  
(c) Warranty card (d) All of these

8. Which of the below constitutes the essential element of contract of sale?  
(a) Price  
(b) Two parties  
(c) Transfer of property  
(d) All of the above
9. Match the following :  

(1) Dalal Street	(i) New York Stock Exchange
(2) Wall Street	(ii) Canadian Stock Exchange
(3) Lombard Street	(iii) Bombay Stock Exchange
(4) Toronto	(iv) London Stock Exchange

  
 (a) (1)-(iv), (2)-(ii), (3)-(i), (4)-(iii)  
 (b) (1)-(i), (2)-(iii), (3)-(ii), (4)-(iv)  
 (c) (1)-(ii), (2)-(iv), (3)-(iii), (4)-(i)  
 (d) (1)-(iii), (2)-(i), (3)-(iv), (4)-(ii)
10. Section 123 of the Negotiable Instruments Act, 1881 deals with :  
(a) General Crossing (b) Promissory note  
(c) Special Crossing (d) Bill of Exchange
11. Specify the document which comes under the Negotiable Instrument Act :  
(a) Stock (b) Share Certificate  
(c) Share (d) Share Warrant
12. Which is the primary function of management?  
(a) Decision-making (b) Innovating  
(c) Controlling (d) Planning
13. Which of the following is not a correct pair?  
(a) Forward Market - Future Market  
(b) Debt Market - Government Bonds  
(c) Money Market - Commercial Papers  
(d) Equity Market - Debentures
14. The process of eliminating unsuitable candidate is called \_\_\_\_\_  
(a) Induction (b) Selection  
(c) Recruitment (d) Interview
15. Stock Exchange Market is also called \_\_\_\_\_.  
(a) National Market (b) Spot Market  
(c) Local Market (d) Security Market



46. (a)

Basis	Entrepreneur	Intrapreneur
Thinking	Entrepreneur is a free thinker	Intrapreneur is forced to think independently but within scope of business activities undertaken in the enterprise.
Dependency	Entrepreneur is an independent person	Intrapreneur is dependent on the entrepreneur. He is an employee.
Fund Mobilization	Entrepreneur has to mobilize funds to finance the venture.	Intrapreneur does not engage in fund mobilization. But can access funds mobilized by the entrepreneur.
Reward	Entrepreneur is rewarded by profit for the risk bearing exercise.	Intrapreneur does not share in profits of venture. But gets perquisites, salary, incentives etc., for the service.
Risk Bearing	Entrepreneur bears the risk involved in the venture undertaken.	Intrapreneur does not bear any risk in the venture and does not even share the risk inherent in the project or work assigned. However Intrapreneur is accountable for the task or project assigned.
Status	Entrepreneur is owner, and doesn't report to anybody in the venture.	Intrapreneur is a salaried employee.
Operation	Entrepreneur operates mostly outside the enterprise.	Intrapreneur operates within the enterprise.

(OR)

(b)

- (i) **Experiences:** The unique and varied experiences pertaining to a place or a park or an event can be marketed under this concept. For eg. Amusement Park, Theme Park, Mountaineering etc.,
- (ii) **Events:** The event marketing aims at promoting and marketing of special events, shows, exhibitions, fairs, performances, sports events like World Cup, Olympics, T20 etc.,
- (iii) **Persons:** The marketing of goods and services through celebrities is a successful formula for creating a brand relationship with the consumers. The endorsement for the brand of a company can be carried down by Cinema Stars, Sports Stars, Musicians and eminent personalities.
- (iv) **Places:** Under place marketing, tourist business prospects, new residents and land are appealed to visit and particular geography by promoting special characteristics of places like infrastructural facilities, amusement, climatic conditions, entertainment, culture etc.,
- (v) **Properties:** Properties include both real property and financial property which involve transfer of ownership on sale or purchase of the same. For eg. Constructed house, Land, Plot, Building, Shares, Debentures, Mutual funds etc.,

47. (a) Mr. Raghu is personally liable to third parties. In default of statutory duties, the directors shall be personally liable to third parties in the following cases :

- (i) Mis-statement in the prospectus.
- (ii) Irregular allotment.
- (iii) Failure to repay application money if the minimum subscription is not received.
- (iv) Failure to repay application money if allotment of shares and debentures is not dealt in on the stock exchange as specified in the prospectus.

(OR)

(b) **Challenges faced by women Entrepreneurs**(i) **Problem of Finance :**

- (1) The access of women to external sources of

funds is limited as they do not generally own properties in their own name.

- (2) Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

(ii) **Limited Mobility :**

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

(iii) **Lack of Education :**

- (1) Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, marketing the products, applying technology etc.,
- (2) This reduces the efficiency of operating the business successfully.

(iv) **Lack of Network Support :**

- (1) The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on.
- (2) But it is reported that women entrepreneurs get very limited support in times of crisis from most of these constituencies.

(v) **Stiff Competition :**

- (1) Women entrepreneurs have to face acute competition for their goods from organised sector and from their male counter parts.
- (2) Since, they are not able to spend liberally due to financial constraints, they are not able to compete effectively and efficiently in the market.

