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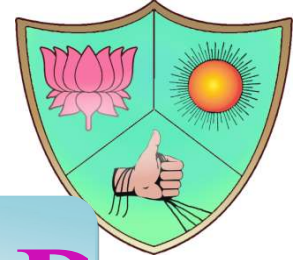
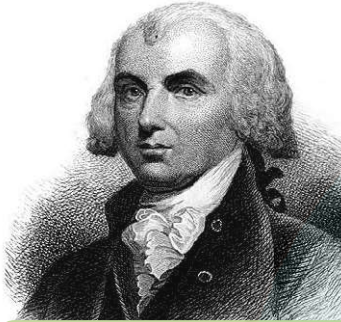
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முகவுரை

மாணவ நண்பர்களுக்கு,

வணிகவியல் பாடத்தில் நல்ல மதிப்பெண்களை பெற வேண்டும் என்ற நோக்கத்தில் எளிமையான முறையில் படிப்பதற்கு வசதியாக எனது 5 வருட பணி அனுபவத்தை கொண்டு இந்த **material** – யை தொகுத்துள்ளேன். எனது பாணியில் எனது மாணவர்களுக்கு ஏற்றவாறு தயார் செய்த இந்த தொகுப்பை அனைத்து மாணவர்களும் பயன்பெற வேண்டும் என்ற நோக்கத்திலேயே வெளியிட்டுள்ளேன். எனது இந்த தொகுப்பில் ஏதேனும் பிழைகள் குறைகள் இருந்தால் சரிசெய்து கொள்ளவும். பின் தங்கிய மாணவர்களும் நல்ல மதிப்பெண்களை பெற வேண்டும் என்ற நோக்கத்திலேயே இதை தொகுத்துள்ளேன்.

தற்பொழுது அரசு வெளியிட்டுள்ள புதிய பாடத் திட்ட தொகுப்பின் அடிப்படையில் இந்த வினா விடை தொகுப்பை என்னால் இயன்ற அளவிற்கு மிக எளிமையாக உருவாக்கியுள்ளேன். முழு மதிப்பெண்கள் பெற இதுவே போதுமானது. நடந்து முடிந்த 2019 பொதுத் தேர்வில் முழு மதிப்பெண்களை பெற இதுவே எங்களுக்கு உதவியது. மேலும் பின்தங்கிய மாணவர்களும் நல்ல மதிப்பெண்களை பெற வைக்க முடிந்தது.

மாணவ நண்பர்களே!! நேரத்தை சரியாக பயன்படுத்தி கொள்ளுங்கள். சரியான நேரத்தில் சரியான முறையில் படித்து வெற்றி பெற்று அடுத்த கட்ட நிலைக்கு செல்ல வேண்டிய இறுதி நிலையில் உள்ளாய். நேரத்தை வீணாக்காதே! அடுத்து என்ன செய்ய போகிறாய் என்பதை முதலில் தீர்மானி. மதிப்பெண்களை பெறுவதிலேயே கவனத்தை வை. முயன்றால் முடியாதது எதுவுமில்லை. கடினமாக தான் இருக்கும். கஷ்டப்பட்டு படித்தால் நல்ல முன்னேற்றத்தை அடைவாய்.

பள்ளி பருவத்தில் நீ பெறும் வெற்றியே உன் வாழ்க்கை முழுவதையும் தீர்மானிக்க போகிறது என்பதை நன்றாக கவனம் கொள். தினமும் காலையில் படிப்பதற்கு முன் உன் இலக்கு என்ன என்பதை இரு நிமிடம் யோசித்து பார். நீ செல்வது சரியான பாதையா என்று சிந்தி!!!! நல்ல பாதையே நல்ல முடிவை தரும். நல்ல மதிப்பெண்களை பெறுவதே உன் நோக்கமாக இருக்கட்டும். அதுவே உன் வாழ்க்கை என்னும் பாதைக்கு நல்வழிகாட்டும். பள்ளி வாழ்க்கையின் கடைசி நிலையில் உள்ளாய்!!!! இங்கு நீ பெறும் மதிப்பெண்களே உன் அடுத்த கட்ட பாதையை உருவாக்க போகின்றன என்பதை நினைவில் எப்பொழுதும் வை.

உன் பெற்றோரின் உழைப்பையும் சிந்தித்துப் பார். பிறகு படிக்க ஆரம்பி. கவனம் சிதறாமல் படிப்பில் கவனத்தை செலுத்துவாய். பிறகு நீயாகவே முயற்சி செய்து நல்ல மதிப்பெண்களையும் பெறுவாய்.

உங்களுக்காக நாங்கள்!!!!

உன் வெற்றியே எங்கள் வெற்றி!!!!

உங்கள் வெற்றியில் பெருமைப்பாட நாங்களும் காத்திருக்கிறோம்!!!!!!

WISH YOU ALL THE BEST FOR YOUR EXAMINATION

P. VAHEESWARAN
ஆசிரியர்

CHAPTER - 1**PRINCIPLES OF MANAGEMENT****I. Choose the Correct answers**

1. Management is what a _____ does?

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

2. Management is an _____

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

3. Scientific management is developed by

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

4. Dividing the work into small tasks is known as

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

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

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

II. Very short answer questions:

1. What is Management?

Management is the art of getting things done with and through others.

2. List out the management tools.

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

3. Who is a manager?

Manager has to balance and integrate three major jobs of i). *managing a business*, ii). *managing manager and* iii). *managing workers and work*.

4. State the meaning of Authority.

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

5. What do you mean by Span of management?

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

III. Short answers questions:

1. Define the term management.

“Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.”

— Peter F. Drucker:

2. Is management an Art or Science?

Management is an in-exact science, because in pure science, the principles are put into test in a laboratory and they are either proved or disproved exactly and precisely.

3. Differentiate management from Administration.

| S.No | BASIS | MANAGEMENT | ADMINISTRATION |
|------|-----------------------|------------------------|--------------------|
| 1 | Authority | Middle and Lower Level | Top level |
| 2 | Role | Executive | Decisive |
| 3 | Concerned with | Policy implementation | Policy formulation |
| 4 | Key person | Manager | Administrator |

4. What are the principles of Taylor?

- ❖ Science, Not Rule of Thumb
- ❖ Harmony, Not Discord
- ❖ Mental Revolution
- ❖ Cooperation, Not Individualism

5. What determines the span of management?

The following factor determines the span of management:

- * Capacity of Superior
- * Capacity of subordinate
- * Nature of work
- * Degree of decentralization
- * Planning
- * Communication technique

IV. Long answer questions:

1. Write about the contribution of Drucker to 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.
- ♠ It also would not have a business enterprise or an industrial society.
- ♠ Manager is a dynamic and life-giving element in every business.
- ♠ Without efficient management it cannot be secure the best allocation and financial resources.

2. Explain the management process in detail.

- The substance of management should be identified as a process.
- A process is something that what a person does in the context of his individual duties and responsibilities.
- A process also implies ongoing and unceasing cyclical operations.
- In management there is planning-action-control cycle.
- A process indicates the dynamic nature of management.

3. Describe the principles of scientific management.

i). Science, Not Rule of Thumb:

- ✱ In order to increase organizational efficiency, the 'Rule of Thumb' method should be substituted.
- ✱ It means decisions taken by manager as per their personal judgments.
- ✱ This will help in saving time as well as human energy.

ii). Harmony, Not Discord:

- ❖ Taylor emphasized that there should be complete harmony between the workers.
- ❖ It will not be beneficial either for the workers or the management.
- ❖ The management and the workers should realize the importance of each other.

iii). Mental Revolution:

- ✱ The technique of Mental Revolution involves a change in the attitude of workers
- ✱ The workers should aim to increase the profits of the organisation.
- ✱ There should be a spirit of togetherness between workers and management.

iv). Cooperation, Not Individualism:

- ❖ The intention is to replace internal competition with cooperation.
- ❖ Both 'Management' and 'Workers' should realize the importance of each other.
- ❖ Workers should be considered as part of management.

v). Development of each and every person to his or her greatest efficiency and prosperity:

- ♠ Efficiency of any organisation also depends on the skills and capabilities.

- ♠ To attain the efficiency, steps should be taken right from the process of selection of employees.

4. Explain the principles of modern management.

i). Division of Work:

- ✱ According to this principle the whole work is divided into small tasks.
- ✱ The specialization of the workforce according to the skills of a person, creating specific personal and professional development within the labour force.

ii). Authority and Responsibility:

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

iii). Discipline:

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

iv). Unity of Command:

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

v). Unity of Direction:

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

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CHAPTER – 2**FUNCTIONS OF MANAGEMENT****I. Choose the Correct Answers:**

1. Which is the primary function of management?

- (a) Innovating (b) Controlling **(c) Planning** (d) Decision-making

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

- (a) Decision-making** (b) Planning (c) Organizing (d) Staffing

3. _____ is included every managerial function.

- (a) Co-ordinating** (b) Controlling (c) Staffing (d) Organizing

4. Which of the following is verification function?

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

II. Very Short Answer Questions:

1. Write a short note about Planning.

- ◆ Planning is the primary function of management.
- ◆ Nothing can be performed without planning.

2. What is meant by Motivation?

The goals are achieved with the help of motivation.

3. What is meant by Controlling?

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

4. List the subsidiary functions of management?

- | | |
|------------------|-------------------|
| ✿ Innovation | ✿ Decision making |
| ✿ Representation | ✿ Communication |

5. What is the traditional proverb used in Planning?

“Think Before you Act” or “Look Before you Leap”.

III. Short Answer Questions:

1. List out the main functions of management?

- | | | |
|--------------|--------------|-----------------|
| ♣ Planning | ♣ Directing | ♣ Controlling |
| ♣ Organizing | ♣ Motivation | ♣ Co-ordination |

2. State the importance of staffing.

- ❖ Staffing refers to placement of right persons in the right jobs.
- ❖ Staffing helps to ensure better utilization of human resource

- ❖ It ensures to continuity and growth of the organization, through development managers.

3. What is meant by Innovation?

- ✱ Innovation refers to the preparation of personnel and organisation to face the changes made in the business world.
- ✱ Consumers are satisfied through innovation.

4. What is meant by Co-ordination?

- ➔ It is the integration of the actions of all individuals working in the enterprise.
- ➔ It's included in every managerial functions of Planning, Organizing, Staffing, Directing, Motivation and Controlling.

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

- ✱ Communication is the transmission of human thoughts and opinions from one person to another person.
- ✱ Employees are informed about the following way.

IV. Long Answer Questions:

1. Explain the various functions of management.

i). Planning

- ♥ “Look Before you Leap” are traditional proverbs which provide a basis for planning.
- ♥ Planning is the primary function.

ii). Organizing

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

iii). Directing

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

iv). Representation:

- ♥ A manager has to act as representative of a company.
- ♥ Manager has dealings with customers, suppliers, government officials, banks.

v). Decision-making:

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

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“Education is not the filling of a pail, but the lighting of a fire”

CHAPTER – 3**MANAGEMENT BY OBJECTIVES (MBO)
MANAGEMENT BY EXCEPTION (MBE)****I. Choose the Correct Answers:**

1. _____ System gives full Scope to the Individual Strength and Responsibility.
(a) MBO (b) MBE (c) MBM (d) MBA
2. Which is the First step in Process of MBO?
(a) Fixing Key Result Area (b) Appraisal of Activities
(c) Matching Resources with Activities (d) Defining Organisational Objectives
3. _____ keeps Management Alert to Opportunities and Threats by Identifying Critical Problems.
(a) MBA (b) MBE (c) MBM (d) MBO
4. Delegation of Authority is Easily Done with the Help of _____.
(a) MBM (b) MBE (c) MBO (d) MBA

II. Very Short Answer Questions:**1. Define - MBO**

“The establishment of effective standards for managerial positions and the periodic objectives linked vertically and horizontally and with future planning”.

- Prof. Reddin

2. What are the objectives of MBO?

- ↔ To measure and judge performance
- ↔ To relate individual performance to organizational goals

3. Bring out the meaning of MBE.

Management by Exception is an important principle of managerial control suggested by the classical writers on management.

4. Mention any two advantages of MBO?

- ✱ MBO gives the criteria of performance. It helps to take corrective action.
- ✱ Delegation of authority is easily done with the help of MBO.

5. What is known as KRA?

Key result areas are fixed on the basis of organizational objectives premises.

III. Short Answer Questions:

1. Write the features of MBO.

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

2. What are the Process of MBE?

- ✱ It is necessary to set objectives with estimated results.
- ✱ These performances are assessed and get equated to the actual performance.
- ✱ The deviation gets analyzed.
- ✱ The aim is to solve this "exception" immediately.

3. List out any three process of MBO.

- ❖ Defining Organizational Objectives
- ❖ Goals of Each Section
- ❖ Fixing Key Result Areas

IV. Long Answer Questions:

1. What are the major advantages of MBO?

- ❖ Systematic evaluation of performance is made with the help of MBO.
- ❖ MBO gives the criteria of performance. It helps to take corrective action.
- ❖ Delegation of authority is easily done with the help of MBO.
- ❖ MBO motivates the workers by job enrichment and makes the jobs meaningful.
- ❖ The responsibility of a worker is fixed through MBO.

2. What are the advantages of MBE?

- ✱ It saves the time of managers because they deal only with exceptional matters.
- ✱ It focuses managerial attention on major problems.
- ✱ It facilitates delegation of authority.
- ✱ There is increase in span of control.
- ✱ This leads to motivation and development of subordinates.

3. Explain the various disadvantages of MBO.

- ❖ MBO fails to explain the philosophy; most of the executives do not know.
- ❖ MBO is a time consuming process. Much time is needed by senior people for framing the MBO.
- ❖ It leads to heavy expenditure and also requires heavy paper work.

- ❖ MBO emphasizes only on short-term objectives and does not consider the long-term objectives.
- ❖ MBO is rigid one. Objectives should be changed according to the changed circumstances, external or internal.

4. Discuss the disadvantages of MBE.

- ♥ Only managers have the power over really important decisions, which can be demotivating for employees at a lower level.
- ♥ Furthermore, it takes time to pass the issues to managers.
- ♥ Managing employees who deviate from the normal procedures.
- ♥ Because of compliance failures are considered difficult to manage.
- ♥ Typically find themselves with limited job duties and ultimately dismissed.

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**“Just as a candle cannot burn without fire,
men cannot live without a spiritual life”**

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CHAPTER – 4 INTRODUCTION TO FINANCIAL MARKETS

I. Choose the Correct Answers:

1. Financial market facilitates business firms

- | | |
|-----------------------|---------------------------------|
| a) To rise funds | b) To recruit workers |
| c) To make more sales | d) To minimize fund requirement |

2. Capital market is a market for

- | | |
|-----------------------|--|
| a) Short Term Finance | b) Medium Term Finance |
| c) Long Term Finance | d) Both Short Term and Medium Term Finance |

3. Primary market is also called as

- | | |
|---------------------|--------------------|
| a) Secondary market | b) Money market |
| c) New Issue Market | d) Indirect Market |

4. Spot Market is a market where the delivery of the financial instrument and payment of cash occurs

- | | | | |
|----------------|------------------|--------------|--------------------|
| a) Immediately | b) In the future | c) Uncertain | d) After one month |
|----------------|------------------|--------------|--------------------|

5. How many times a security can be sold in a secondary market?

- | | | | |
|------------------|-------------|----------------|-------------------|
| a) Only one time | b) Two time | c) Three times | d) Multiple times |
|------------------|-------------|----------------|-------------------|

II. Very Short Answer Questions:

1. What are the components of organized sectors?

- ↔ Exchange Traded Market
- ↔ Over-the-Counter Market

2. Write a note on financial market.

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

3. What is Spot market?

It is market where the delivery of financial instrument and payment of cash occurs immediately.

4. What is debt market?

Debt Market is the financial market for trading in Debt Instrument

5. How is prize decided in a secondary market?

Price decided in secondary market is determined by the demand and supply.

III. Short Answer Questions:

1. Give the meaning and definition of financial market.

Meaning:

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

Definition:

"The place where people and organizations wanting to borrow money are brought together with those having surplus funds is called a financial market."

- **Brigham, Eugene F**

2. Differentiate spot market from future market.

Spot Market is a market where the delivery of the financial instrument and payment of cash occurs immediately.

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

3. Write a note on Secondary Market.

- ♣ The place where formerly issued securities are traded is known as Secondary Market.
- ♣ Stock exchange is important one of secondary market.
- ♣ It does not provide funding to companies.

4. Bring out the scope of financial market in India.

- ↔ It leads to the overall economic development.
- ↔ It provides financial assistance to individuals, agricultural sectors, industrial sector, service sectors and financial institutions.
- ↔ With the help of the financial market all the above stated individuals institutions and government can get their required funds in time.

IV. Long Answer Questions:

1. Distinguish between new issue market and secondary market.

| S.no | Basis | New Issue Market | Secondary Market |
|------|------------------------|--|---|
| 1 | Meaning | The market place for new shares is called primary market | The place where formerly issued securities are traded is known as Secondary Market. |
| 2 | Buying | Direct | Indirect |
| 3 | Securities sold | Only Once | Multiple times |
| 4 | Gained Person | Company | Investors |
| 5 | Intermediary | Underwriters | Brokers |

2. Enumerate the different kinds of financial markets.

Kinds of financial market as:

- ♣ Marketable assets
- ♣ Non-marketable assets

i). Marketable Assets

- ✱ Marketable assets are those which can be easily transferred from one person to another without much hindrance.
- ✱ *Example: Shares of Listed Companies, Government Securities, etc.*

ii). Non-Marketable Assets

- ♥ If the assets cannot be transferred easily, they come under this category.
- ♥ *Example: Bank Deposits, Provident Funds, Pension Funds, etc.*

3. Discuss the role of financial market.

(i) Savings Mobilization

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

(ii) Investment

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

(iii) National Growth

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

(iv) Entrepreneurship Growth

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

(v) Industrial Development

The different components of financial markets help an accelerated growth of industrial and economic development of a country.

4. What are the functions of Financial Markets?**(i) Transfer of Resources:**

Financial markets facilitate the transfer of real economic resource from lenders to ultimate borrowers.

(ii) Enhancing Income:

Financial markets allow lenders earn interest on their surplus investible funds and thus contributing to the enhancement of the individual and the national income.

(iii) Productive Usage:

Financial markets allow for the productive use of the funds borrowed and thus enhancing the income and the gross national production.

(iv) Capital Formation:

Financial markets provide a channel through which new savings flow to aid capital formation of a country.

(v) Sale Mechanism:

Financial market provides a mechanism for selling of a financial asset by an investor so as to offer the benefits of marketability and liquidity of such assets.

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**“Education is what remains after one has forgotten
what one has learned in school”**

CHAPTER – 5**CAPITAL MARKET****I. Choose the Correct Answers:**

1. Capital market do not provide

- a) Short term Funds b) Debenture Funds c) Equity Funds d) Long term Funds

2. When the NSEI was established

- a) 1990 b) 1992 c) 1998 d) 1997

3. Primary market is a Market where securities are traded in the

- a) First Time b) Second Time c) Three Time d) Several Times

4. Participants in the capital market includes

- a) Individuals b) Corporate c) Financial Institutions d) All of the above

II. Very Short Answer Questions:

1. What is Capital Market?

It is a market where buyers and sellers engage in trade of financial securities like bonds, and stocks.

2. Write a note on OTCEI.

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

3. What is Mutual Fund?

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

4. Who are the participants in a Capital Market?

- ✱ Individuals
- ✱ Corporate Sectors
- ✱ Government banks
- ✱ Financial Institutions

5. How is price determined in a Capital Market?

Price determined in a Capital Market it is based on demand and supply.

III. Short Answer Questions:

1. What are the various kinds of Capital Market? Explain.

The capital market is divided into two i.e.,

✱ **Primary market and**

✱ **Secondary market**

i). Primary Market

Primary market is a market for new issues or new financial claims. Hence, it is also called New Issue Market.

ii). Secondary Market

The market for old securities, in the sense that securities which are previously issued in the primary market are traded here

2. Explain any two functions of Capital Market.

i). Savings and Capital Formation

In capital market, various types of securities help to mobilize savings from various sectors of population.

ii). Industrial Growth

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

3. Write a note on National Clearance and Depository System (NCDS).

- ♥ Under the scripless trading system, settlement of transactions relating to securities takes place through a book entry.
- ♥ NCS aims at determining the net cash and stock liability of each broker on a settlement date.
- ♥ National Trade Comparison and reporting system which prescribes the terms and conditions of conduct for the securities market.

4. Discuss about evolution and growth of Indian Capital Market.

- ✱ The period between 1947 and 1973 marked the development of infrastructure for capital market.
- ✱ During this period, a network of development financial institutions such as IFCI, ICICI, IDBI and UTI, SFCs and SIDCs were established.
- ✱ In this period many number of stock exchanges came into existence and the public sector bonds were introduced.
- ✱ SEBI introduced many new financial services such as credit rating.

5. Explain about Factoring and Venture Capital Institutions.

i). Factoring Capital

- ✱ The factoring institutions collect the book debts for and on behalf of its clients.

- Some of the factoring institutions operating in India are SBI Factors and Commercial Services Private Limited, etc

ii). Venture capital:

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

IV. Long Answer Questions:

1. Discuss the characters of a Capital Market.

(i) Securities Market

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

(ii) Price

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

(iii) Participants

There are many players in the capital market. It includes individuals, corporate sectors, Govt., banks and other financial institutions.

(iv) Location

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

(v) Market for Financial Assets

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

2. Briefly explain the functions of capital market.

(i) Savings and Capital Formation

Various types of securities help to mobilize savings from various sectors of population.

(ii) Permanent Capital

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

iii) Industrial Growth

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

↔ The existence of such an institution encourages people to invest in productive channels.

(iv) Ready and Continuous Market

* Easy marketability makes investment in securities more liquid as compared to other assets.

(v) Reliable Guide to Performance

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

3. Explain the various types of New Financial Institutions

i) Mutual Funds

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

ii) Over the Counter Exchange of India (OTCEI)

- The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.
- Some of the greatest strengths of OTCEI are transparency of transactions, quick deals, faster settlements and better liquidity.

iii) National Stock Exchange of India Limited (NSEI)

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

iv) National Securities Depositories Limited

- ❖ The NSDL was set up in the year 1996 for achieving a time bound dematerialization as well as rematerialization of shares.
- ❖ The establishment of NSDL is expected to alleviate the problems of post trade transactions in the secondary market.

v) Stock Holding Corporation of India Limited (SHCIL)

- ❖ It aims at serving as a central securities depository in respect of transactions on stock exchanges.

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can use to change the world”**

MONEY MARKET

d) Medium Profitability

b) Reserve Bank of India

d) Central Bank.

b) Short-term Funds

d) Shares

b) Mortgage Banks

d) Commercial Banks and Discount Houses.

d) Medium Risk

b) Commercial Paper

d) Government Securities

b) Treasury Bill Market

d) Capital Market

b) Certificate of Deposit

d) Government. Securities

d) Limited Liquidity

b) State Governments

d) All of the above.

II. Very Short Answer Questions:

1. Define the term “Money Market”.

“The money market is the collective name given to the various firms and institutions that deal in the various grades of near money”.

- **Crowther**

2. What is a CD market?

Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.

3. What is Government Securities Market?

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

4. What do you meant by Auctioning?

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

5. What do you meant by Switching?

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

III. Short Answer Questions:

1. What are the features of Treasury Bills?

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

2. Who are the participants of Money Market?

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

3. Explain the types of Treasury Bills?

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

↔ **91 days Treasury Bills**

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

↔ **182 days Treasury Bills**

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

↔ **364 days Treasury Bills**

364 days Treasury Bills do not carry any fixed rate.

4. What are the features of Certificate of Deposit?

- ❖ Document of title to time deposit
- ❖ It is unsecured negotiable instruments.
- ❖ It is freely transferable by endorsement and delivery.
- ❖ It is issued at discount to face value.

5. What are the types of Commercial Bill?

- Demand and Usance Bills
- Clean bills and documentary Bills
- Inland bills and Foreign Bills
- Indigenous Bills
- Accommodation and supply Bills

IV. Long Answer Questions:

1. Differentiate between the Money Market and Capital market?

| S.no | Features | Money Market | Capital Market |
|------|--------------------------|---|--------------------------------------|
| 01 | Duration of Funds | It is a market for short term loan funds. | It is a market for long term Funds . |
| 02 | Risks | Low credit and Market risk | High credit and Market Risk |
| 03 | Liquidity | High | Low |
| 04 | Underwriting | It is not primary function | It is a primary function |
| 05 | Subdivision | There is no such subdivision | There is a division |

2. Explain the characteristics of Money Market?

i).Short-term Funds

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

ii).Maturity Period

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

iii).Conversion of Cash

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

iv).Existence of Secondary Market

There should be an active secondary market for these instruments.

v).Wholesale Market

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

3. Explain the Instruments of Money Market?**i). Treasury Bill Market**

- ❖ A market for the purchase and sale of Treasury Bills is known as a “Treasury Bills Market”.

ii). Certificate of Deposits

- ♥ Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.
- ♥ Certificate of Deposits are issued in the form of usance promissory notes.

iii). Commercial Bills

- ↔ The Commercial Bill is an instrument drawn by a seller of goods on a buyer of goods.
- ↔ These bills are of 30 days, 60 days and 90 days maturity.

iv). Government Securities Market

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

4. Explain the features and types of Commercial Bills?**Features:**

- | | |
|--------------|-----------------|
| ✱ Drawer | ✱ Assessment |
| ✱ Acceptor | ✱ Maturity |
| ✱ Payee | ✱ Credit Rating |
| ✱ Discounter | |

Types:**a. Demand and Usance Bills**

- ↔ A demand bill is one wherein no specific time of payment is mentioned.
- ↔ Demand bills are payable immediately when they are presented to the drawee.

b. Clean bills and documentary Bills

- ❖ Bills that are accompanied by documents of title to goods.
- ❖ Clean bills are drawn without accompanying any document.
- ❖ E.g. Railway Receipt and Lorry Receipt

c. Inland bills and Foreign Bills

- ♠ Bills that are drawn and payable in India on a person who is resident in India are called *inland bills*.
- ♠ Bills that are drawn outside India and are payable either in India or outside India are called *foreign bills*.

d. Indigeneous Bills

- The drawing and acceptance of indigenous bills are governed by native custom or usage of trade.

e. Accommodation and supply Bills

- * Accommodation bills are those which do not arise out of genuine trade or transactions.

5. What are the Characteristics of Government Securities?**i). RBI Special Role**

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

ii). Nature of Securities

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

iii). Liquidity Profile

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

iv). Issue Mechanism

The Public Debt Office of the RBI undertakes to issue government securities.

v). Issue opening

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

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“The best way to predict your future is to create it”

CHAPTER – 7**STOCK EXCHANGE****I. Choose the Correct Answers:**

1. ____ is the oldest stock exchange in the world.

- a) London Stock Exchange b) Bombay Stock Exchange
c) National Stock Exchange d) Amsterdam Stock Exchange

2. There are ____ stock exchange in the country.

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

3. Stock exchanges deal in

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

4. Stock exchange allow trading in

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

5. Jobbers transact in a stock exchange

- a) For their Clients b) For their Own Transactions
c) For other Brokers d) For other Members

6. A pessimistic speculator is

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

7. An optimistic speculator is

- a) Bull b) Bear c) Stag d) Lame duck

8. A bull operator believes in

- a) Increase in Prices b) Decrease in Prices
c) Stability in Prices d) No change in Prices

9. ____ means the price at which securities are bought and sold are recorded and made public.

- a) Market Quotations b) Trade Quotations
c) Business Quotations d) Buyers Quotations

10. The rules and regulations of Stock exchange is framed by ____ guide lines.

- a) RBI b) Central Government c) SEBI d) BSE

II. Very Short Answer Questions:

1. What is meant Stock Exchange?

Stock Exchange is an organized market for the purchase and sale of industrial and financial security.

2. Define Stock Exchange.

"Stock exchanges are privately organized markets which are used to facilitate trading in securities."

- Husband and Dockerary

3. Write any 5 Stock Exchanges in India.

- ✱ Bangalore Stock Exchange Ltd.
- ✱ The Cochin Stock Exchange Ltd.
- ✱ The Bombay Stock Exchange
- ✱ The Jaipur Stock Exchange Ltd.
- ✱ The Kanara Stock Exchange Ltd.

4. What is meant by Remisier?

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

5. Who is called a Broker?

Brokers are commission agents, who act as intermediaries between buyers and sellers of securities.

6. What are the types of Speculator?

↔ Bull ↔ Bear ↔ Stag ↔ Lame Duck

7. Mention the Recent Development in Stock Exchange?

- ❖ The structure of stock market in India has undergone a vast change due to the liberalization process initiated by the Government.
- ❖ A number of new structures have been added to the existing structure of the Indian stock exchange.

III. Short Answer Questions:

1. What are the limitations of Stock exchange?

- ✱ Lack of uniformity and control of stock exchanges.
- ✱ Failure to control unhealthy speculation.
- ✱ No proper regulation of listing of securities on the stock exchange

2. Explain Bull and Bear.

i). Bull

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

ii). Bear

- ✱ A bear or Mandiwala speculator expects prices to fall in future and sells securities at present with a view to purchase them at lower prices in future.
- ✱ A bear usually presses its victim down to ground.
- ✱ A bear is a pessimistic speculator.

3. Explain Stag and Lame Duck.

i) Stag

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

ii). Lame Duck

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

4. Explain National Stock Market System. (NSMS)

- Y National stock market system was advocated by the - High Powered Group on the Establishment of New Stock Exchanges headed by Shri.M.J.Pherwani.
- Y At present the National Stock Market in India comprises the following:
 - ✱ National Stock Exchange of India Limited (NSE)
 - ✱ Stock Holding Corporation of India Limited (SHCIL)
 - ✱ National Clearing and Depository System (NCDS)
 - ✱ Securities Trading Corporation of India (STCI)
 - ✱ National Securities Depository Limited (NSDL)

5. Explain National Stock Exchange. (NSE)

- NSE was incorporated in November, 1992.
- It is a country wide, screen based, online and order driven trading system.
- It uses satellite link to spread trading throughout the country thereby connecting members scattered all over the India.
- NSE has two segments, i.e., Debt segment and Capital segment.
- It has revolutionized stock trading in India

IV. Long Answer Questions:

1. Explain the functions of Stock Exchange.

i). Ready and Continuous Market

↔ Stock Exchange is, in fact, a market for existing securities.

↔ If an investor wants to sell his securities, he can easily and quickly dispose them off on a stock exchange.

ii). Correct Evaluation of Securities

♥ One can easily evaluate the worth of one's securities on the basis of these quotations.

♥ The lender can easily assess the worth of security offered for loan.

iii). Aid to Capital Formation

❖ The facilities provided by it for their purchase and sale induce people to save and invest.

❖ Stock exchanges thus ensure a steady flow of capital into industry and assist industrial development.

iv). Facilities for Speculation

* Speculation is an integral part of stock exchange operations.

* As a result of speculation, demand for and supply of securities are equalized.

* Similarly, price movements are rendered smoothly.

v). Seasoning of Securities

✓ Speculators and underwriters hold for a temporary period, securities issued by new companies.

✓ They unlock them when the market is prepared to absorb the new issues.

2. Explain the features of Stock Exchange.

i). Market for Securities

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

ii). Deals in Second Hand Securities

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

iii). Regulates Trade in Securities

✱ Stock exchange does not buy or sell any securities on its own account.

✱ It regulates the trade activities so as to ensure free and fair trade.

iv). Association of Persons

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

v). Recognition from Central Government

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

3. Explain the Benefits of Stock Exchange.

A. Benefits to the Community

i. Economic Development

It accelerates the economic development by ensuring steady flow of savings into productive purposes.

ii. Fund Raising Platform

It enables the well-managed, profit-making companies to raise limitless funds by fresh issue of shares from time to time.

iii. Tools to Divert Resources

Scarce resources are thus diverted to efficiently run enterprises for better utilization.

iv. Capital Formation

It encourages capital formation.

v. Fund Raiser for Government

It enables Government to raise funds for undertaking projects through sale of securities on the stock exchange.

B. Benefits to the Company

i. Enhances Goodwill or Reputation

Companies whose shares are quoted on a stock exchange enjoy greater goodwill and credit standing.

ii. Wide Market

There is a wide and ready market for such securities.

iii. Raises huge funds

Stock Exchange can raise huge funds easily by issue of shares and debentures.

iv. Increases bargaining strength

Companies whose shares rise in the stock exchange command higher bargaining power in the event of further expansion, merger or amalgamation.

C. Benefits to Investors

i. Liquidity

Stock exchange helps an investors to convert his shares into cash quickly and thus increases the liquidity of his investments.

ii. Adding collateral value of security

The fact that a security is dealt on a stock exchange makes it a good collateral security for obtaining loan from banks.

iii. Investor protection

The stock exchange safeguards, investor's interest and ensures fair dealing by strictly enforcing its rules and regulations.

iv. Assessing real worth of security

An investor can easily assess the real worth of securities in his hands, as market quotations are published daily in the newspapers and in websites.

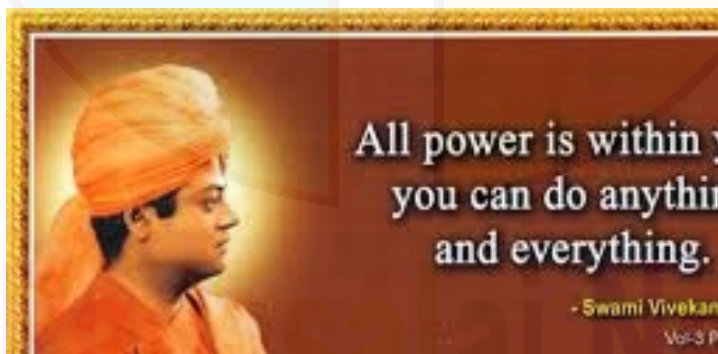
v. Mechanism to trade security

Stock Exchange provides a mechanism by which purchase and sale of listed securities take place in a matter of few minutes

4. Distinguish between Stock Exchange and Commodity Exchange.

| S.no | Features | Stock Exchange | Commodity Exchange |
|------|------------------------|---|--|
| 1 | Meaning | It is an organized market for the purchase and sale of industrial and financial security. | It is an exchange where commodities are traded. |
| 2 | Function | Providing easy marketability | Price insurance service and liquidity to securities |
| 3 | Object | It is facilitating capital formation | It is facilitating goods flow through risk reduction |
| 4 | Participants | Investors and Speculators | Producers, Dealers, Traders |
| 5 | Price Quotation | Its dealings only one quotation is possible | Its dealings multiple quotation is possible |

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

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

II. Very Short Answer Questions:

1. Write a short notes on SEBI.

SEBI is an apex body that maintains and regulates our capital market.

2. Write any two objectives of SEBI.

- ✂ Regulation of Stock Exchanges
- ✂ Protection to the Investors

3. What is Demat account?

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

4. Mention the headquarters of SEBI.

↔ BandraKurla Complex in Mumbai,

↔ **North** - New Delhi, **East** - Kolkata, **South** - Chennai and **West**- Ahmadabad.

5. What are the various ID proofs?

- | | | |
|---------------|---------------------|---------------------|
| ● PAN Card, | ● Driver's License, | ● Electricity Bill, |
| ● Voter's ID, | ● Bank Attestation, | ● Telephone Bill, |
| ● Passport, | ● IT Returns, | ● ID Cards |

III. Short Answer Questions:

1. What is meant by Dematerialization?

- ❖ It is the process by which physical share certificates of an investor are taken back by the company.
- ❖ Then an equivalent number of securities in the electronic form are credited to the investors account.

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

- ♥ Proof of identity and address along with the passport size photograph and the account opening form.
- ♥ Only photocopies of the documents are required for submission, but originals are required for verification.

3. What is the power of SEBI under Securities Contract Act?

- ✱ Powers Relating to Stock Exchanges & Intermediaries
- ✱ Power to Impose Monetary Penalties
- ✱ Power to Regulate Insider Trading

4. What is meant by Insiders trading?

- ❖ Insider trading is the buying or selling of a publicly traded company's stock.

- ❖ Insider trading can be illegal or legal depending on when the insider makes the trade.
- ❖ It is illegal when the material information is still non-public.

5. Draw the organization structure of SEBI.



IV. Long Answer Questions:

1. What are the functions of SEBI?

- ✱ Regulating and controlling the business on stock markets.
- ✱ Barring insider trading in securities.
- ✱ Carrying out steps in order to develop the capital markets by having an accommodating approach.
- ✱ Levying fee or any other type of charges to carry out the purpose of the Act.
- ✱ Performing functions that may be assigned to it by the Central Government of India.

2. Explain the powers of SEBI.

i). Powers Relating to Stock Exchanges & Intermediaries

- ↔ SEBI has wide powers regarding the stock exchanges and intermediaries dealing in securities.
- ↔ It can ask information from the stock exchanges and intermediaries regarding their business transactions for inspection and other purpose.

ii). Power to Impose Monetary Penalties

- ✱ SEBI has been empowered to impose monetary penalties on capital market intermediaries
- ✱ It can even impose suspension of their registration for a short period.

iii). Power to Initiate Actions in Functions Assigned

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

iv). Power to Regulate Insider Trading

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

v). Powers Under Securities Contracts Act

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

3. What are the benefits of Dematerialization?

- ✱ The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
- ✱ The lack of paperwork enables quicker transactions and higher efficiency in trading.
- ✱ There is no need for stamp duty for transfer of securities; this brings down the cost of transaction significantly.
- ✱ Certain banks also permit holding of both equity and debt securities in a single account.
- ✱ Banks also provide dedicated and trained customer care officers to assist through all the procedures.

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***“Don’t let what you cannot do interfere with
what you can do”***

CHAPTER – 9**FUNDAMENTALS OF HUMAN RESOURCE MANAGEMENT****I. Choose the Correct Answers:**

1. Human resource is a ----- asset.

- a) Tangible b) Intangible c) Fixed d) Current

2. Human Resource management is both ----- and -----.

- a) Science and art b) Theory and practice
c) History and Geography d) None of the above

3. Planning is a ----- function.

- a) Selective b) Pervasive c) Both a and b d) None of the above

4. Human resource management determines the ----- relationship.

- a) Internal, External b) Employer, Employee
c) Owner, Servant d) Principle, Agent

5. Labour turnover is the rate at which employees ----- the organisation

- a) Enter b) Leave c) Salary d) None of the above

II. Very Short Answer Questions:

1. Give the meaning of Human Resource.

Those individuals who have competencies and capabilities in the accomplishment of both individual and organizational objectives.

2. What is Human Resource Management?

The branch of management that deals with managing human resource is known as Human Resource Management.

3. State two features of HRM.

- ✱ It is an Universally relevant.
- ✱ Goals are made possible through best utilization.

4. Mention two characteristics of Human Resource.

- ❖ Human resource management is both science as well as art.
- ❖ It is intangible

5. What are the Managerial functions of HRM.

- Planning,
- Organizing,
- Directing,
- Controlling

III. Short Answer Questions:

1. Define the term Human Resource Management.

“Man, of all resources available to him, can grow and develop”

- **Peter.F.Drucker**

2. What are the Characteristics of Human resources?

- ✧ It is the only factor of production that lives.
- ✧ It's created all other resources.
- ✧ Human resources are emotional beings.
- ✧ Human resources are movable.

3. What is the Significance of Human resource?

- ❖ Industrial relation depends on human resource.
- ❖ Human relation is possible only through human resource.
- ❖ Human resource manages all other factors of production.

4. State the functions of Human Resource Management.

i). Planning

- ❖ Planning is deciding in advance what to do, how to do and who is to do it.
- ❖ It helps in the systematic operation of business.

ii). Organizing

- ✱ It includes division of work among employees by assigning each employee their duties, delegation of authority as required and creation of accountability to make employees responsible.

iii). Directing

- It involves issue of orders and instructions along with supervision, guidance and motivation to get the best out of employees.

IV. Long Answer Questions:

1. Explain the Characteristics of Human Resource.

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

2. Describe the significance of Human Resource Management.

i). To identify manpower needs:

- ♠ It is very important as it is a form of investment.
- ♠ The number of men required are to be identified accurately to optimize the cost.

ii). To incorporate change:

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

iii). To ensure the correct requirement of manpower:

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

iv). To select right man for right job:

It ensures the right talent available for the right job, so that no employee is either under qualified or over qualified

v). To update the skill and knowledge:

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

3. Elaborate on the Managerial functions of Human Resource Management.

i). Planning

- ❖ Planning is deciding in advance what to do, how to do and who is to do it.
- ❖ It helps in the systematic operation of business.

ii). Organizing

- ✱ It includes division of work among employees by assigning each employee their duties, delegation of authority as required and creation of accountability to make employees responsible.

iii). Directing

It involves issue of orders and instructions along with supervision, guidance and motivation to get the best out of employees.

iv). Controlling

- It is comparing the actual with the standards and to check whether activities are going on as per plan and rectify deviations.
- This is made possible through observation, supervision, reports, records and audit.

4. Discuss the Operating functions HRM.

i. Procurement:

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

ii. Development

Development includes performance appraisal, training, executive development, career planning and development, organizational development

iii. Compensation

It deals with job evaluation, wage and salary administration, incentives, bonus, fringe benefits and social security schemes

iv. Retention

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

v. Integration

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

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**“No matter what people tell you,
words and ideas can change the world”**

CHAPTER - 10**RECRUITMENT METHODS****I. Choose the Correct Answers:**

1. Recruitment is the process of identifying -----.

- a) Right man for right job b) Good performer
c) Right job d) All of the above

2. Recruitment bridges gap between ----- and ----- .

- a) Job seeker and job provider b) Job seeker and agent
c) Job provider and owner d) Owner and servant

3. Advertisement is a ----- source of recruitment

- a) Internal b) External c) Agent d) Outsourcing

4. Transfer is an ----- source of recruitment.

- a) Internal b) External c) Outsourcing d) None of the above

5. E-recruitment is possible only through ----- facility.

- a) Computer b) Internet c) Broadband d) 4G

II. Very Short Answer Questions:

1. Give the meaning of Recruitment.

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

2. What is promotion?

Based on seniority and merits of the employees they are given opportunity to move up in the organizational order.

3. Write any two internal source of recruitment.

- ★ Transfer
- ★ Upgrading
- ★ Promotion
- ★ Demotion

4. Mention any two features of campus recruitment.

- ⊙ Visit the educational institutions to identify new talent candidates.
- ⊙ It's costless method of recruitment.

5. What is meant by Poaching?

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

III. Short Answer Questions:

1. Define the term Recruitment.

“It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.”

- **Edwin B. Flippo**

2. What is meant by unsolicited application?

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

3. What is meant by job portals?

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

4. State the steps in Recruitment process Outsourcing?

- | | |
|-----------------------------|----------------------|
| • Recruitment understanding | • Profile Submission |
| • Advertise & Source | • Interview Process |
| • Screening | • Selection |
| • Validation | |

IV. Long Answer Questions:

1. Explain the internal source of recruitment.

i). Transfer:

Transfer of employee from one department with surplus staff to that of another with deficit staff.

ii). Upgrading:

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

iii). Promotion:

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

iv). Demotion:

Movement of employee from a higher position to a lower position because of poor performance continuously.

v). Dependants:

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

2. Explain the external source of recruitment.**i). Advertisements:**

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

ii). Unsolicited applicants:

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

iii). Walkins:

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

iv). Campus Recruitment:

The organisations visit the educational institutions to identify and recruit suitable candidates.

v). Recruitment at Factory gate:

- Usually unskilled employees are recruited by this way.
- They are recruited at factory gate and paid on hourly or daily basis.

3. What is the Recent trend in Recruitment?**i). Outsourcing**

- ♥ It 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:

- * Recruitment understanding
- * Advertise & Source
- * Screening
- * Validation
- * Profile Submission
- * Interview Process
- * Selection

ii). Poaching

- ♠ Organizations 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.

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“Learning is a treasure that will follow its owner everywhere”

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EMPLOYEE SELECTION PROCESS

9. The process of eliminating unsuitable candidate is called

- a) Selection b) Recruitment c) Interview d) Induction

10. Scrutiny of application process is the

- a) Last step in Selection process b) First step in Selection process
c) Third step in Selection Process d) None of the above

11. Selection process helps in

- a) Locating candidates b) Determining the suitability of the candidates.
c) preparing employees for training d) None of these

12. The process of placing the right man on the right job is called -----

- a) Training b) Placement c) Promotion d) Transfer

13. Probation/Trial period signifies

- a) one year to two years b) one year to three years
c) Two years to four years d) None of the above

14. Job first man next is one of the principles of -----

- a) Test b) Interview c) Training d) placement

II. Very Short Answer Questions:

1. What is selection?

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

2. What is an interview?

“An interview is a purpose full exchange of ideas, the answering of questions and communication between two or more persons.”

3. What is intelligence test?

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

4. What do you understand about bio data?

It is the collection of information regarding the socio-economic profile, job, previous experiences, the nature of the work done and achievements of the person who prepared it.

5. What do you mean by placement?

Placement is a process of assigning a specific job to each and every candidate selected.

III. Short Answer Questions:

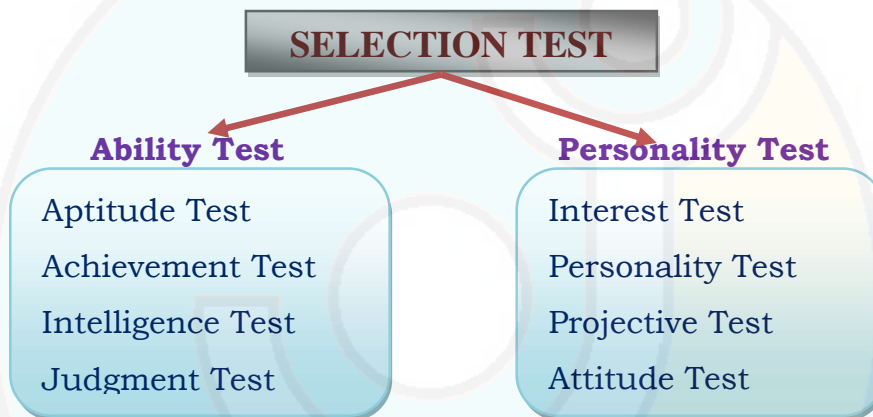
1. What is stress interview?

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

2. What is structured interview?

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

3. Name the types of selection test?



4. What do you mean by achievement test?

- ♥ This test measures a candidate's capacity to achieve in a particular field.
- ♥ It is also called proficiency test.
- ♥ This test is conducted before, during or after a learning experience.

5. What is aptitude test?

- ✱ Aptitude test is a test to measure suitability of the candidates for the post/role.
- ✱ It actually measures whether the candidate possess a set of skills required to perform a given job.
- ✱ It helps in predicting the ability and future performance of the candidate.

6. How is panel interview conducted?

- ❖ Where a group of people interview the candidate, it is called panel interview.
- ❖ All panel members ask different types of questions on general areas of specialization of the candidate.
- ❖ At the end, the marks awarded by all the members are aggregated.

IV. Long answer questions:

1. Briefly explain the various types of tests.

i). Aptitude Test:

- ✱ It is a test to measure suitability of the candidates for the post/role.
- ✱ It helps in predicting the ability and future performance of the candidate.

ii). Achievement Test:

- ♥ This test measures a candidate's capacity to achieve in a particular field.
- ♥ It is also called proficiency test.

iii). Intelligence test:

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

iv). Judgment Test:

This test is conducted to test the presence of mind and reasoning capacity of the candidates

v). Interest Test:

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

2. Explain the important methods of interview.

i). Stress Interview:

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

ii). Structured Interview:

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

iii). Online Interview

- ↔ These days interviews are conducted by means of internet via **Skype, Wechat, Google duo, Viber, Whatsapp** or **Video chat** applications.
- ↔ They saves a lot of time, money and energy both for employer's organisation and the candidate.

iv). Group interview

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

v). Video Conferencing Interview

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

3. Explain the principles of placement.

i). Job First, Man Next

- ❖ Man should be placed on the job according to the requirements of the job.
- ❖ There is no compromise on the qualifications of the man with respect to job.
- ❖ “Job first Man next” should be principles of Placement.

ii). Job Offer

The job should be offered to the man based on his qualification.

iii). Terms and conditions

The employee should be made conversant with the conditions and culture prevailing in the organization and all those things relating to the job.

iv). Aware about the Penalties

The employee should also be made aware of the penalties if he / she commit a wrong or lapse.

v). Loyalty and Co-operation

- ♠ When placing new recruit on the job, an effort should be made to develop a sense of loyalty and co-operation in him.
- ♠ Placement is not an easy process.

4. Differentiate Recruitment and Selection.

| S.no | Basics | Recruitment | Selection |
|------|----------------------|-------------------------|---------------------------|
| 01 | Approach | Positive one | Negative one |
| 02 | Sequence | First | Second |
| 03 | Method | It is economical method | It is an expensive method |
| 04 | Contractual relation | No contractual relation | Its contractual relation |
| 05 | Process | It is very simple | It is very complex. |

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“The real failure is the one from which we learn nothing”

4. State e-learning method?

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

III. Short Answer Questions:

1. What is vestibule training?

Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose.

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

- ❖ On the job training refers to the training which is given to the employee at the work place by his immediate supervisor.
- ❖ It is based on the principle of "*Learning by Doing and Learning While Earning*".

3. Write down various steps in a training programme.

- ✱ Whom to train?
- ✱ Who is the trainee?
- ✱ Who are trainers?
- ✱ What method will be used for training?
- ✱ What should be the level of training?
- ✱ Where to conduct the training programme?

4. Write short note on trainer and trainee.

Trainee

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

Trainer

- ✱ Trainer is a person who teaches skills to employee and prepares them for a job activity.
- ✱ Trainers may be supervisor, coworkers, HR staffs, faculty members of Educational Institutions like University etc.
- ✱ The trainers is otherwise called Instructor, Coach, Teacher, Mentor, Adviser, Counselor, Guide, Guru, Manager, Handler, Tutor and Educator etc.,

IV. Long Answer Questions:

1. Discuss various types of training.

i) Coaching Method

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

ii) Mentoring method:

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

iii) Job Rotation Method

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

iv). Group Discussion Method

- ♥ Under this method participants are divided into various groups.
- ♥ Each groups has to prepare solution after deep discussion with their group members.
- ♥ Moderator will give final solution after listening to divergent view points.

v) Role Play Method

- Under this method trainees are explained the situation and assigned roles.
- They have to act out the roles assigned to them without any rehearsal.
- There are no pre-prepared dialogues.
- Thus they have to assume role and play the role without any preparation.

2. What are the differences between on the job training and off the job training?

| S.no | Transaction | On the job training | Off the job training |
|------|-------------|---|---|
| 01 | Meaning | The employee learns the job in the actual work environment. | Off the job training involves the train employees outside the actual work location. |
| 02 | Cost | It is cheapest to carry out | It requires expenses like separate training rooms specialist, resource like project |
| 03 | Location | At the work place | Away from the work place |
| 04 | Approach | Practical approach | Theoretical approach |
| 05 | Principle | Learning by performing | Learning by acquiring knowledge |

3. Explain the benefits of training.

(i) Benefits to the Organization

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

(ii) Benefits to the Employees

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

(iii) Benefits of Customer

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

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“Believe you can and you’re halfway there”

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CHAPTER -13**CONCEPT OF MARKETING
AND MARKETER****I. Choose the Correct Answers:**

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

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

The meeting place of buyers and sellers in an area is called Market.

2. Define Marketer.

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

- Pyle

3. What is mean by Regulated Market?

These are types of markets which are organized, controlled and regulated by statutory measures.

4. What is meant by Spot Market?

Goods are exchanged and the physical delivery of goods takes place immediately.

5. What is meant by Commodity Market?

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

II. Short Answer Questions:

1. What can be marketed in the Market?

i). Goods:

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

ii). Services:

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

iii). Information:

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

2. Mention any three Role of Marketer?

i. Instigator

- ♣ Marketer keenly watches the developments taking place in the market and identifies marketing opportunities.

ii. Innovator

- ✱ He differentiates his products /services by adding additional features to the existing product.

iii. Integrator

- ♥ Marketer plays a role of integrator in the sense that he collects feedback from channel members and consumers.

3. Marketer is an innovator? Do you agree?

- * Yes. Market is an innovator. I agree.
- * Because Marketer seeks to distinguish his products/ services by adding additional features to the existing product.
- * The marketers as an innovator introduce changes in production process and so on.

4. Explain the types of market on the basis of time.

(i) Very short period market:

- Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market.

(ii) Short period market:

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

(iii) Long period market:

- This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

5. List down the functions of Marketer?

- | | |
|--|-------------------------------|
| ➤ Gathering and Analyzing market information | ➤ Standardization and Grading |
| ➤ Market planning | ➤ Branding |
| ➤ Product Designing and development | ➤ Pricing of products |
| | ➤ Transportation |

III. Long Answer Questions:

1. How the market can be classified?

a. Family Market:

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

b. Local Market:

- Participation of both the buyers and sellers belonging to a local area or areas, may be a town or village, is called as local market.
- For example, perishable goods like fruits, fish, vegetables etc.

c. National Market:

- ✱ Certain type of commodities has demand throughout the country.
- ✱ Hence it is called as a national market.

d. International Market or World Market:

World or international market is one where the buyers and sellers of goods are from different countries.

e. Money Market:

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

2. How the market can be classified on the basis of Economics?

a. Perfect Market:

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

- ♠ Large number of buyers and sellers are there.
- ♠ Prices should be uniform throughout the market.
- ♠ Buyers and sellers have a perfect knowledge of market.
- ♠ Goods can be moved from one place to another without restrictions.

b. Imperfect Market: A market is said to be imperfect when

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

@*a*@*a*@*a*@*a

"You have to expect things of yourself before you can do them"

CHAPTER -14**MARKETING AND MARKETING MIX****I. Choose the Correct Answers:**

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

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

It is one of the business functions that all activities that take place in relation to markets for the purpose of satisfying human needs and wants.

2. Define Marketing Mix.

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

- **Mr. Jerome McCarthy,**

3. What is meant by Grading?

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

4. Define Product.

“A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”.

- **Philip Kotler.**

III. Short Answer Questions:

1. What are the objectives of marketing?

- ✱ Intelligent and capable application of modern marketing policies.
- ✱ To develop the marketing field.
- ✱ To find sources for further information concerning the market problems.

2. What is need for market and explain the concept of marketing?

Need for market:

- ◆ To exchange goods and services.
- ◆ To improve the quality of life of the society.
- ◆ To introduce new modes of life.

Concept of Marketing:

- ♣ *What I can sell?*
- ♣ *Shall I first create products?*
- ♣ *Shall I love my products?*
- ♣ *Who is supreme in markets?*
- ♣ *Who will shape my decisions?*

3. What are the factors affecting Price of Product?

Internal Factors

- i). Marketing Objectives
- ii). Marketing Mix Strategies
- iii). Organisation consideration
- iv). Costs
- v). Organization Consideration

External Factors

- i). The market and demand
- ii). Completion
- iii). Customer
- iv). Suppliers
- v). Legal Factors

4. What do you mean by marketing mix? Describe any two elements.

Marketing mix:

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

Elements of marketing of mix:

i. Product:

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

ii. Price:

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

IV. Long Answer Questions:

1. Discuss about the Evolution of marketing.

i. Barter System:

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

ii. Production Orientation:

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

iii. Sales Orientation:

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

iv. Marketing Orientation:

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

v. Consumer Orientation:

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

2. Why the marketing is important to the society and individual firm? Explain.

- ❖ Marketing is a connecting link between the consumer and the producer.
- ❖ Marketing helps in increasing the living standard of people.
- ❖ Marketing helps to increase the nation's income.
- ❖ Marketing process increases employment opportunities.
- ❖ Marketing creates modern cultivators.
- ❖ A reduction in the cost of marketing is a direct benefit to society.

3. Narrate the Elements of Marketing mix.

i) Product:

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

- Philip Kotler

ii) Price:

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

- Philip Kotler

iii. Place

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

iv. Promotion

- ♠ The special features and benefits should be conveyed to the potential consumers.
- ♠ Most of the consumers become customers on the basis of the special features of the products.

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“It always seems impossible until it's done”

Padasalai.Net

CHAPTER -15**RECENT TRENDS IN MARKETING****I. Choose the Correct Answers:**

1. Selling goods/ services through internet is

- a. Green marketing **b. E- business** c. Social marketing d. Meta marketing

2. Which is gateway to internet?

- a. Portal b. CPU **c. Modem** d. Webnaire

3. Social marketing deals with:

- a. Society **b. Social Class** c. Social change d. Social evil

4. Effective use of Social media marketing increase conversion rates of –

- a. **Customer to buyers** b. Retailer to customers
c. One buyer to another buyer's d. Direct contact of marketer

5. A company's products and prices is visually represented by

- a. Shopping cart b. Web portal **c. Electronic catalogue** d. Revenue model.

6. Pure play retailers are called

- a. Market creators **b. Transaction brokers** c. Merchants d. Agents

II. Very Short Answer Questions:

1. What is E business?

- ✱ All the business transaction carried out through internet and other online tools is called E-business

2. What is green marketing?

Green marketing involves developing and promoting products and services which satisfy customers' wants and needs without affecting environment.

3. What is service marketing?

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

4. Define E-Marketing.

"E-Marketing is achieving marketing objectives through use of digital technologies like *Internet, world wide web, email, wireless media,*.

5. What is E-Tailing?

Electronic retailing refers to selling of goods and services through a shopping internet to the ultimate consumer.

6. What is Social marketing?

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

III. Short Answer Questions:

1. What are the advantages of E-marketing?

- ✱ It's provides 24 Hrs and 7 days service to its users.
- ✱ Products bought through e-marketing become cheaper.
- ✱ Customer can buy whatever they want just by browsing the various sites.

2. Discuss the objectives E-Marketing

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

3. Explain in detail about Niche marketing.

- ✱ A strategy of directing all marketing efforts towards one well defined segment of the population.
- ✱ The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts.

IV. Long Answer Questions:

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

| S.No | E-marketing | Traditional marketing |
|------|---|--|
| 1 | It is very economical and faster way to promote the products. | It is very expensive and takes more time to promote product. |
| 2 | It is quiet easier for promoting product globally in the short time | It is very expensive and time consuming to promote product/service |
| 3 | It can expand their operation with Minimum manpower. | It needs more man power. |
| 4 | In this marketing product can be sold or bought 24*7,round the year with minimum manpower | That is not possible in traditional marketing. |

2. Explain advantages and disadvantages of E-tailing.

Advantages:

- ♣ E-tailors are convenient whereby consumers can shop from the comfort of their homes at any time of the day.
- ♣ Buy online and pick up in the store allows consumers to have the best of both worlds.
- ♣ Infrastructure costs are lower for companies that operate electronic retailing versus physical locations.
- ♣ E-tailing allows companies to close unprofitable stores boosting their profitability.

Disadvantages:

- ♣ Creating and maintaining an e-tailing website can be expensive
- ♣ Infrastructure costs can be substantial if warehouses and distribution centers need to be built to store and ship the products.
- ♣ Consumers may have a lack of trust with shopping on an e-tailer's website
- ♣ Describe the various strategies pursued in recent day's marketers.
- ♣ There is a developing generic competitive strategy followed nowadays.

3. Discuss any two new methods of marketing .

Service Marketing:

- ✱ A service is any activity that one party can offer to another which is essentially intangible.
- ✱ Service marketing is a specialized branch of marketing.
- ✱ The processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,

Multilevel Marketing:

- ♥ It is the marketing strategy wherein the direct sales companies encourage its existing distributors.
- ♥ The distributor is compensated not only for the sales generated by him.
- ♥ The distributors not only sell the products but also encourage others to join the company.
- ♥ The recruits are called as the participant's "Downline".

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"Don't let what you cannot do interfere with what you can do"

CHAPTER - 16**CONSUMERISM****I. Choose the Correct Answers:**

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

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

- ★ A consumer is one who consumes goods manufactured and sold by others.
- ★ One, who avails services such as banking, transport, insurance, etc., is also called a consumer.

2. Define Consumerism.

"It is an attempt to enhance the rights and powers by buyers in relation to sellers."

- L. Massie

3. Give two examples of adulteration.

- Mixing of stones with grains
- Papayas seed is added to black pepper

4. What is Caveat Emptor?

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

5. What is Caveat Venditor?

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

6. Write short notes on Consumer Protection Act, 1986.

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

III. Short Answer Questions:

1. What are the important legislations related to consumerism in India?

- The Indian Contract Act, 1982 was passed to bind the people on the promise made in the contract.
- The Trademark Act, 1999 prevents the use of fraudulent marks on the product.
- The Competition Act, 2002 protects the consumers against unhealthy competition.

2. What is meant by artificial scarcity?

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

3. Write the importance of consumerism.

- ✳ Awakening and uniting consumers.
- ✳ Discouraging unfair trade practices.

- ✱ Protecting against exploitation.
- ✱ Awakening the government.
- ✱ Providing complete and latest information.

IV. Long Answer Questions:

1. How consumers are exploited?

i). Selling at Higher Price:

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

ii). Adulteration:

- ✱ It refers to mixing or substituting undesirable material in food.
- ✱ This causes heavy loss to the consumers.
- ✱ This will lead to monetary loss and spoil the health.

iii). False Advertisements:

- ⦿ Advertisements convey very little information about the product.
- ⦿ Many times it makes false representation about the quality, price, grade, composition, utility guaranteed, performance etc.

iv). Sub-standard:

- ⦿ On opening a packet or sealed container one may find the content to be of poor quality.
- ⦿ A consumer finds it difficult to exchange the defective one for good one.

v). Warranty and Services:

- ♠ Warranty service may not be extended to many parts of the product sold.
- ♠ Thus consumers may be charged exorbitant charges in the name of repair costs.

2. Explain the role of business in consumer protection.

i). Avoidance of Price Hike

- ⦿ Business enterprises should stop from hiking the price in the context of critical shortage of goods.

ii). Avoidance of Hoarding

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

iii) Guarantees for Good Quality

- ⦿ Business enterprises should not give false warranty for the products.

- It should ensure supply of good quality.

iv). Truth in advertising

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

v). Consumer Grievances

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

3. What are the needs for consumer protection?

- ◆ Though consumer is said to be the king of entire business sphere, his interests are virtually neglected.
- ◆ Shortage of goods makes the consumers to be content with whatever is offered for sale.
- ◆ Quality is sacrificed warranty of performance has no meaning; health hazard is never considered.
- ◆ For instance, in case of drugs manufacturers generally charge high prices which are much above their cost of production.
- ◆ Some pharmaceutical companies misuse their patent rights to exploit consumers.

4. Explain the role of consumers in Consumer Protection.

- ✦ Consumer action councils established at village levels should educate consumers of the right.
- ✦ It should regulate business enterprises according to the rules of the industry.
- ✦ It should organize movement against the malpractice of manufacturers and traders.
- ✦ Consumer cooperatives need to be strengthened.
- ✦ There should be testing laboratories at each district to test the purity of goods.

5. What are the objectives of Consumer Protection Act, 1986?

- Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.
- Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.
- Protecting consumers from unfair trade practices of traders.
- Empowering consumers to seek redressal against exploitation

- Educating the consumer of their rights and duties

6. Write about five important consumer legislations.

- ✱ **The Indian Contract Act, 1872** was passed to bind the people on the promise made in the contract.
- ✱ **The Agricultural Products Grading and Marketing Act, 1937** ensures the supply of agricultural commodities at high quality.
- ✱ **The Trademark Act, 1999** prevents the use of fraudulent marks on the product.
- ✱ **The Competition Act, 2002** protects the consumers against unhealthy competition.
- ✱ **The Food Safety Standard Act, 2006** regulates the manufacture, storage, and distribution of food in safe and wholesome condition to consumers.

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Education is the manifestation of the
perfection already in man



CHAPTER - 17 CONSUMER PROTECTION

I. Choose the Correct Answers:

- The final aim of modern marketing is _____.
 - Maximum profit
 - Minimum profit
 - Consumer satisfaction
 - Service to the society
- is the king of modern marketing.
 - Consumer
 - Wholesaler
 - Producer
 - Retailer
- As the consumer is having the rights, they are also having _____.
 - Measures
 - Promotion
 - Responsibilities
 - Duties
- Which of the following is not a consumer right summed up by John F. Kennedy
 - Right to safety
 - Right to choose
 - Right to consume
 - Right to be informed
- It is the responsibility of a consumer that he must obtain----- as a proof for the purchase of goods.
 - Cash receipt
 - Warranty card
 - Invoice
 - All of these

II. Very Short Answer Questions:

- Write short notes on: "Right to be informed."
 - Consumers should be given all the relevant facts about the product so that they can take intelligent decisions on purchasing the product.
- What do you understand about "Right to Safety"?
 - The consumers are entitled to protection of their health and safety from the goods and services they buy.
 - They should not be supplied goods or services which are hazardous to their health and safety.
- What are the rights of consumer according to John F. Kennedy?

"The Right of Safety, the Right to be informed, the Right to choose and the Right to be heard."

- Mr. John F. Kennedy

4. Which is the supreme objective of business?

- ✱ Satisfaction of consumer needs/requirements is stated to be supreme objective of a business.

5. What are the important aspects to be kept in mind by consumer while purchasing goods related to the quality of goods?

- ✱ The consumer should enquire about the price from certain shops and if possible from government stores to get an idea of its price.

III. Short Answer Questions:**1. What do you understand by “Right to redressal”.**

- ✱ The complaints and protests are not just to be heard, but the aggrieved party to be granted compensation within a reasonable time period.
- ✱ There should be fair settlement of deserving claims in a definite timeframe.

2. What do you understand about” Right to protection of health and safety”.

- ❖ There may be few products that are more likely to cause physical danger to consumers’ health, lives and property.
- ❖ The consumers are entitled to protection of their health and safety from the goods and services they buy.

IV. Long Answer Questions:**1. What are the rights of consumers?****i). Right to protection of health and safety:**

- There may be few products that are more likely to cause physical danger to consumers’ health, lives and property.
- The consumers are entitled to protection of their health and safety from the goods and services they buy.

ii). Right to be informed:

- ✱ Consumers should be given all the relevant facts about the product so that they can take intelligent decisions on purchasing the product.

iii). Right to redressal:

- ✱ The complaints and protests are not just to be heard, but the aggrieved party to be granted compensation within a reasonable time period.
- ✱ There should be fair settlement of deserving claims in a definite timeframe.

iv). Right to Consumer Education:

- The consumer has a right to acquire knowledge and stay well-informed all through his life.
- He should be aware about his rights and the reliefs granted to him where a product or service falls short of his expectations.

v). Right to Basic Needs:

- ✱ Every consumer has a right to get basic necessities of life such as food, clothing and water, and right to pure and healthy environment.
- ✱ It is the latest addition to consumer bill of rights.

2. Explain the duties of consumers.**i). Ensure the Weights and Measurement before Making Purchases:**

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

ii). Reading the Label Carefully:

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

iii). Beware of False and Attractive Advertisements:

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

iv). Ensuring the Receipt of Cash Bill:

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

v). Buying from Reputed Shops:

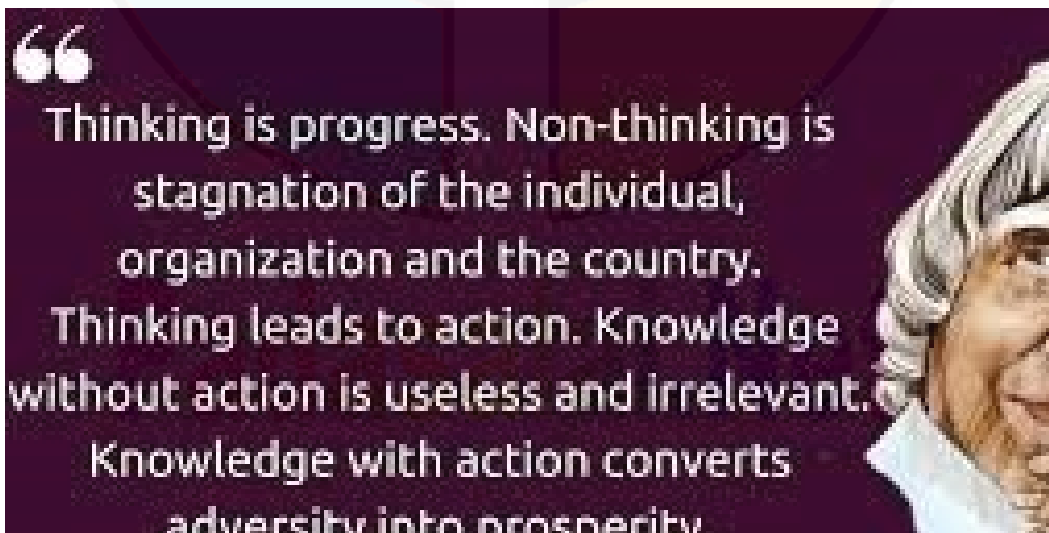
- ➞ It is advisable for the consumer to make purchase from the reputed shops or government shops like super bazaar, cooperative stores, and the like.

3. What are the responsibilities of consumers?

- ✱ The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
- ✱ The consumer is bound to pay any interest and special damages caused to the seller incase if there is delay in the payment.

- ★ The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
- ★ The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
- ★ The consumer must get cash receipt as a proof of goods purchased from the seller.
- ★ The consumer must file a complaint with the seller concerned about defects or short comings noticed in their products and services.

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CHAPTER - 18**GRIEVANCE REDRESSAL
MECHANISM****I. Choose the Correct Answers:**

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

10. A consumer has to be protected against

- a) Defects of product
- b) Deficiencies of product
- c) Unfair and restrictive trade practices
- d) All of the above

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

- It is a management and governance related process used commonly in India.
- While the term "**Grievance Redressal**" primarily covers the receipt and processing of complaints from citizens and consumers

2. What do you know about National Commission?

- It is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986.
- Its head office is in New Delhi.

3. State the meaning of the term State Commission.

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

4. What is a term District Forum?

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

5. How to register the complaints?

- Complaint can be registered within 2 years.
- Stamp paper is not required.
- Complaint can be registered, in person.
- Advocates are not necessary.

III. Short Answer Questions:**1. Is Consumer Protection necessary?**

- ✱ Yes, it is necessary for the following reasons..
- ✱ We need physical protection of the consumer, for example protection against products that are unsafe or dangerous to his health and welfare.
- ✱ Consumers want protection against unfair trade and market practices.

2. Who are the members of the National Commission?

- * The National Commission should have five members.
- * One should be from judiciary.

- * Four other members of ability, knowledge and experience from any other fields.
- * It should include a woman.

3. What is the Pecuniary Jurisdiction of the State Commission?

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

4. Who are the members of the state commission?

- * Judge of a high court appointed by the state government as its president.
- * Two other members who shall be person of ability, integrity and standing and have knowledge.
- * One shall be women.

5. Write a note on the Voluntary Consumer Organisation.

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

IV. Long Answer Questions:

1. What are the Functions of the National Commission?

- ∞ National Commission is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986.
- ∞ Its head office is in New Delhi.

Members:

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

Jurisdiction

- * Section 21 of The Consumer Protection Act, 1986 describes, the National Commission shall have jurisdiction
- * To entertain a complaint valued more than 1 Crore.
- * Revised the orders of State Commissions.

2. Explain the overall performance of State Commission.

Meaning:

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

Members:

- ★ Each State Commission shall consist of the following members.
- ★ A person who is or has been a Judge of a High Court appointed by the State Government as its President.
- ★ Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience.

Powers:

- ⊛ The State Commission also has the power to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.
- ⊛ To furnish such information that may be required for the purposes of the Act to any officer so specified.

4. What is Voluntary Consumer Organizations? Explain its Functions.

- Voluntary consumer organizations refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

Objectives:

- ⊛ The primary objective of the Consumer Welfare Fund is to strengthen the Consumer Advocacy Movement in India.
- ⊛ It is doing commendable work to raise awareness amongst consumers.

Functions:

- ↻ Collecting Data on Different Products and testing them
- ↻ Filing Suit on Behalf of Consumers
- ↻ Organizing Protests against Adulteration etc.
- ↻ Helping Educational Institutions
- ↻ Promoting Network of Consumer Association
- ↻ Extending Support to Government

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CHAPTER - 19**ENVIRONMENTAL FACTORS****I. Choose the Correct Answers:****1. VUCA stands for**

- a). Volatility, Uncertainty, Complexity, and Ambiguity
- b). Value, Unavoidable, Company and Authority
- c). Volatility, Uncontrollable, Company and Auction
- d). All of the above

2. GST stands for

- a). Goods and Social Tax
- b). Goods and Services Tax
- c). Goods and Sales Tax
- d). Goods and Salary Tax

3. Factors within an organisation constitutes _____ environment.

- a). Internal Thinker
- b). External Thinker
- c). Fellow human beings
- d). All of the above

4. Macro Environment of business is an _____ factor.

- a). Uncontrollable
- b). Controllable
- c). Manageable
- d). Immanageable

5. The two major types of business environment are _____ and _____

- a). Positive and Negative
- b). Internal and External
- c). Good and Bad
- d). Allowable and Unallowable

6. _____ environment includes weather and climatic conditions.

- a). Micro
- b). Macro
- c). Minimum
- d). Maximum

II. Very Short Answer Questions:**1. Define Business environment.**

“The total of all things external to firms and industries which affect their organisation and operations”.

- **Bayard O Wheeler**

2. What is internal environment?

Internal environment refers to those factors within an organisation e.g. Policies and programmes, organizational structure, etc., which are controllable factors.

3. Give the meaning of corporate governance.

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

4. What is GST?

- ✦ GST is the indirect tax levied on goods and services across the country.
- ✦ Types of taxes: CGST,SGST,IGST

5. Expand VUCA.

VUCA – Volatility, Uncertainty, Complexity and Ambiguity,

III. Short Answer Questions:

1. What are the political environment factors?

- ✦ The framework for running a business is given by the political and legal environment.
- ✦ The success of a business lies in its ability to adapt and sustain to political and legal changes.
- ✦ The legislative, executive and judiciary are the three political institutions which directs and influences a business

2. Write about any three internal environmental factors of business.

i). Vision and objectives:

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

ii). Management structure:

The structure of management/board and their style of functioning, which affects the decision making.

iii). Company image:

The image of an organisation plays an important role.

3. State the framework of Corporate Governance in India.

- To have at least one independent woman director,
- To disclose all deals and payments to related parties.
- To disclose details of managerial compensation

4. What are the functions of the GST council?

- ♣ The Goods and Services Tax Council shall make recommendations to the Union and the States on
- ♣ The goods and services that may be subjected to, or exempted from the goods and services tax.
- ♣ The rates including floor rates with bands of goods and services tax

7. What do you know about Technological environment?

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

IV. Long Answer Questions:

1. Discuss the role of macro environment of business.

i) Economic environment:

- The business is an integral part of the economic system prevalent in a nation.
- The nature of economy based on the stage of development.
- The Economic indices like GDP, GNP national income, etc..

ii) Socio-Cultural environment:

- ✱ Business is a part of the society.
- ✱ It refers to the sum total of factors of the society in which the business is located.
- ✱ Social and cultural environment of society affects the business.

iii) Political and Legal environment:

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

iv) Technological environment:

- ✱ The development in the IT and telecommunications has created a global market.
- ✱ Technology is widely used in conducting market research for understanding the special needs of the customer.

v) Global environment:

- ✓ With the rapid growth of technology the physical boundaries are fast disappearing and the new global market is emerging.
- ✓ The international environmental factors which affects a business

2. Describe the economic environment of business.

- ✱ The business is an integral part of the economic system prevalent in a nation.
- ✱ The nature of economy based on the stage of development.

- * The countries across the globe can be categorized on the basis of growth and per capita income as developed nations, developing nations and underdeveloped nations.
- * The nature of economic system can be classified as Capitalistic, Socialistic and Mixed economy.
- * The organisation and development of money market, capital market securities market and, the banking system has a greater impact.

3. Explain the micro environmental factors of business.

i) Suppliers:

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

ii) Customers:

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

iii) Competitors:

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

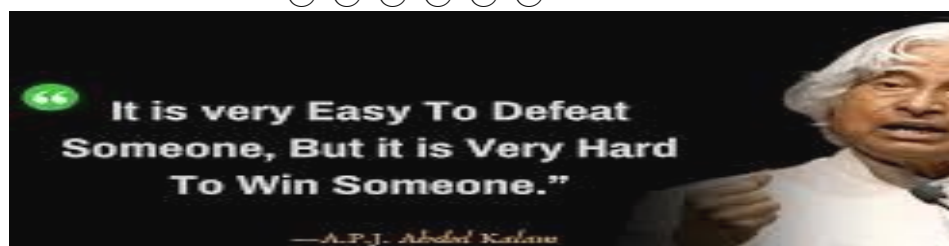
iv) Marketing Channel members:

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

v) Public:

- ➡ The public group has the ability to make or mar a business.
- ➡ Many companies had to face closure due to actions by local public.

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CHAPTER - 20**LIBERALIZATION, PRIVATIZATION AND GLOBALIZATION****I. Choose the Correct Answers:**

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

II. Very Short Answer Questions:

1. State the branches of New Economic Policy.

☞ Liberalization, ☞ Privatization, ☞ Globalization

2. What is Privatization?

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

3. Mention any Two disadvantages of Liberalization.

- Increase in unemployment
- Unbalanced development

4. Name the industries which are reserved for public sector.

- ✧ Currently only Atomic Energy, Defense and Railways are Government monopoly industries i.e.,
- ✧ Public sector industries in the country.

5. Give any Two advantages of Globalization.

- ✧ Expansion of market
- ✧ Technological development

III. Short Answer Questions:

1. What do you mean by Liberalization?

- ♣ It refers to laws or rules being liberalized, or relaxed, by a government.
- ♣ It relaxation of various government restrictions in the areas of social and economic policies in order to make economies free to enter in the market and establish their venture in the country.

2. What is meant by public sector units?

- ✿ Permitting the private sector to set up industries which were previously reserved for the public sector.
- ✿ Under this policy many public sector units were old to private sector.

3. State any three impacts on Globalization.

- ♣ Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
- ♣ It can manufacture, buy and sell goods worldwide.
- ♣ Globalization has led to a boom in consumer products market.

4. Write a short note on New Economic Policy.

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

IV. Long Answer Questions:

1. Explain the advantages and disadvantages of liberalization.

Advantages:

(a). Increase in foreign investment:

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

(b). Increase the foreign exchange reserve:

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

(c). Increase in consumption:

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

(d). Control over price:

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

Disadvantages:**(a). Increase in unemployment:**

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

(b). Loss to domestic units:

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

(c). Increased dependence on foreign nations:

Trade liberalization means firms will face greater competition from abroad.

(d). Unbalanced development:

Trade liberalization may be damaging for developing economies, The trade liberalization often benefits developed countries rather than developing economies.

2. Explain the impact of LPG on Indian Economy.**i). Impact of Liberalization:**

- ✱ Liberalization has opened up new business opportunities abroad and increased foreign direct investment.
- ✱ It became very easy to obtain loans from banks for business expansion.
- ✱ "Foreign Collaboration" is the latest outcome of liberalization.

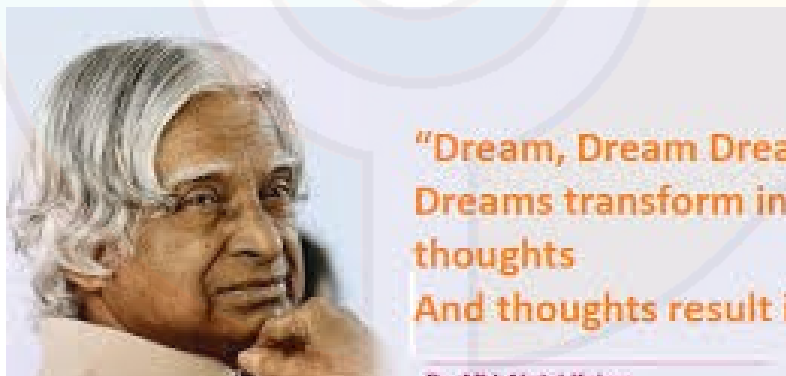
ii). Impact of Privatization

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

iii). Impact of Globalization

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

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CHAPTER - 21**THE SALE OF GOODS ACT 1930****I. Choose the Correct Answers:**

1. Sale of Goods Act was passed in the year

- a)1940 b)1997 c)1930 d)1960

2. Which of the below constitutes the essential element of contract of sale?

- a) Two parties b) Transfer of property c) Price d) All of the above

3. Which of the below is not a good?

- a) Stocks b) Dividend due c) Crops d) Water

4. In case of the sale, the ____ has the right to sell

- a) Buyer b) Seller c) Hirer d) Consignee

5. The property in the goods means the

- a) Possession of goods b) Custody of goods
c) Ownership of goods d) Both (a) and (b)

6. Specific goods denote goods identified upon the time of _____ of sale:

- a) Agreement b) Contract c) Order d) Obligation

7. In which of the following types, the ownership is immediately transferred to buyer?

- a). When goods are ascertained b). When goods are appropriate
c). Delivery to the carrier d). Sale or return basis

8. _____ is a stipulation which is collateral to main purpose of contract:

- a). Warranty b). Condition c) Right d) Agreement

9. Unpaid seller can exercise his right of lien over the goods, where he is in possession of the goods as

- a). Owner of goods b). Agent of buyer
c). Bailee for buyer d). All of these

10. The unpaid seller can exercise his right of stoppage of goods in transit where the buyer

- a). Becomes insolvent b). Refuses to pay price
c). Payment of price d). Both (b) and (c)

II. Very Short Answer Questions:

1. What is a contract of sale of goods?

It is a contract whereby the seller transfers or agrees to transfer the property of the goods to the buyer for a price.

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

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

3. What is meant by goods?

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

4. What is a Contingent Goods?

- ♣ Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency.
- ♣ Contingent goods are a part of future goods.

5. What do you understand by warranty?

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

III. Short Answer Questions:

1. Explain the meaning of Agreement to sell.

- ✿ The term contract of sale includes both sale and agreement to sell.
- ✿ If the property in goods is transferred immediately to the buyer it is called a sale.
- ✿ On the other hand, if the transfer of property takes place at a future date or on fulfillment of certain conditions, it is called '**an agreement to sell**'.

2. Discuss in detail about existing goods.

- ✧ Existing goods are those owned or possessed by the seller at the time of contract of sale.

- ✧ Goods possessed even refer to sale by agents or by pledges.
- ✧ Existing goods may be either:
 - ✧ **Specific Goods-**
 - ✧ **Ascertained Goods-**
 - ✧ **Unascertained Goods-**

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

- ➔ In every contract of sale, there are certain expressed and implied conditions and warranties.

Following are the implied conditions:

- ✧ Conditions as to Title
- ✧ Conditions as to Description
- ✧ Sale by Sample

Implied Warranties:

- Quiet Possession
- Free from Any Encumbrances
- Warranty in the case of Dangerous Goods

IV. Long Answer Questions:

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

i). Two Parties:

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

ii). Transfer of Property:

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

iii). Goods:

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

iv). Price:

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

v). Includes both 'Sale' and 'Agreement to Sell':

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

2. Distinguish between sale and agreement to sell

| S.No | Particulars | Sale | Agreement to Sell |
|-------------|---|--|--|
| 01 | Ownership Transference | The property in the goods passes from the seller to the buyer immediately so that the seller is no more owner. | The property in the goods has to pass at a future time or after the fulfillment of certain conditions specified in the contract. |
| 02 | Nature of contract | It is an executed contract. | It is an executory contract. |
| 03 | Risk of Loss | Where the goods sold under the contract of sale are destroyed, the loss falls squarely on the buyer. | Where the goods under the agreement to sell are destroyed, the loss falls squarely on the seller. |
| 04 | Consequences of violating the contract | Where the buyer fails to pay the price, the seller cannot seize the goods. | Where the buyer violates the contract, the seller can repossess the goods from the buyer. |
| 05 | Insolvency of the Seller | If the seller becomes insolvent before delivering the goods to the buyer, the buyer can claim the delivery of the goods from assignee. | The buyer cannot do so. |

3. Classify goods under the Sale of Goods Act.**i). Existing Goods:**

Existing goods are those owned or possessed by the seller at the time of contract of sale.

Existing goods may be either

- ✧ Specific Goods
- ✧ Ascertained Goods
- ✧ Unascertained Goods

ii). Future Goods:

These are goods which a seller does not possess at the time of contract of sale but which will be produced by him after entering into the contract of sale agreement.

iii). Contingent Goods

- ❖ Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency.
- ❖ Contingent goods are a part of future goods.

4. Distinguish between Conditions and Warranty.

| S.No | Particulars | Conditions | Warranty |
|------|------------------------------|--|---|
| 01 | Meaning | It is a stipulation which is essential to the main purpose of the contract of sale. | It is a stipulation which is collateral to the main purpose of contract. |
| 02 | Significance | Condition is so essential to the contract that the breaking of which cancels out the contract. | It is of subsidiary or inferior character. |
| 03 | Transfer of ownership | Ownership on goods cannot be transferred. | Ownership on goods can be transferred. |
| 04 | Remedy | In case of breach of contract, the affected party can cancel the contract and claim damages. | In the case of breach of warranty, the affected party cannot cancel the contract. |
| 05 | Treatment | Breach of condition may be treated as breach of warranty | Breach of warranty cannot be treated as breach of condition |

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ஏளனம், எதிர்ப்பு, அங்கிகாரம்
ஆகியவை.

CHAPTER - 22**THE NEGOTIABLE INSTRUMENTS
ACT 1881****I. Choose the Correct Answers:**

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

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

A negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer.

- Negotiable instruments Act 1881

2. Define Bill of Exchange.

“A bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument”.

- **Section 5 of the Negotiable Instruments Act**

3. List three characteristics of a Promissory Note.

- ✧ A promissory note must be in writing.
- ✧ The promise to pay must be unconditional
- ✧ It must be signed by the maker.

4. Define Cheque?

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

- **Section 6 of the Negotiable Instruments Act, 1881**

5. Define Endorsement

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

- **Section 15 of the Negotiable instruments Act 1881**

III. Short Answer Questions:

1. Explain the characteristics of a Negotiable Instrument.

i). Transferability:

- ♣ It is transferable from one person to another without any formality, such as affixing stamp, registration etc.,

ii). Title of the holder free from all defects:

- ✧ Even though the right of the person who transferred the instrument to holder in due course is defective.
- ✧ He/ she need not return the bill to true owner.

iii). Right of the transferee to sue

- ☞ The transferee is entitled to sue on the instrument in his own name in case of dishonour, without giving notice to the debtor that he has become its holder.

2. Distinguish between Negotiability and Assignability.

| S.No | Particulars | Negotiability | Assignability |
|------|------------------------|--|---|
| 1 | Transfer notice | Not required | Must be served by assignee on his debtor. |
| 2 | Title | Transferee gets the right of holder in due course. | Assignee's title is subject to the title of Assignor. |
| 3 | Consideration | It is presumed | It is proved |

3. What are the characteristics of a bill of exchange?

- ✧ A bill of exchange is a document in writing.
- ✧ The document must contain an order to pay.
- ✧ The order must be unconditional.

4. Distinguish between Bill of Exchange & Promissory Note.

| S.No | Particulars | Bill of Exchange | Promissory Note |
|------|-------------------|---|--|
| 01 | No. of Parties | drawer, drawee and payee. | maker and the payee. |
| 02 | Bearer Instrument | A bill of exchange can be drawn payable to bearer | A promissory note cannot be drawn payable to bearer. |
| 03 | Conditionality | A bill may be accepted conditionally. | A note cannot be made conditional |

5. Discuss the two different types of crossing.

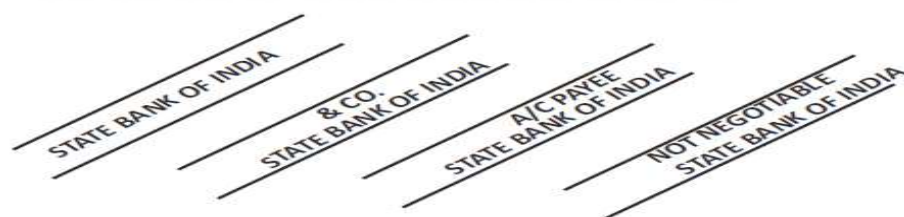
i). General Cheque Crossing:

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

Specimens of General Crossing



Specimens of Special or Restrictive Crossing



ii). Special Cheque Crossing:

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

IV. Long Answer Questions:

1. Mention the presumptions of Negotiable Instruments.

- Every negotiable instrument is presumed to have been drawn, accepted etc. for consideration.
- A negotiable instrument is presumed to have been accepted.
- Its bearing, a date is presumed to have been made or drawn on such a date.
- It is presumed to have been accepted within a reasonable time after the date.
- It is presumed to have been made before maturity.
- It has been lost, it is presumed to have been duly stamped.

2. Distinguish a cheque and a bill of exchange.

| S.No | Particulars | Cheque | Bill of exchange |
|------|--------------------|--|--|
| 01 | Drawn | It can be drawn on any person including a banker | It can be drawn only on a particular banker. |
| 02 | Pay ability | It is payable on demand or on the expiry of a certain period | It is payable on demand only. |
| 03 | Notice | When a bill is dishonored, notice of dishonor is necessary. | Notice is not necessary for a cheque. |
| 04 | Sets | Foreign bills of exchange are drawn in sets of three. | It is not so in case of cheque. |
| 05 | Discounting | A bill can be discounted with a bank. | A cheque cannot be discounted |
| 06 | Stamping | Bills are to be sufficiently stamped | Cheques need not be stamped |

3. Discuss in detail the features of a cheque.

(i) Instrument in Writings:

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

(ii) Unconditional Orders:

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

(iii) Drawn on a Specified Banker Only:

- The cheque is always drawn on a specified banker.
- The customer of a banker can draw the cheque only on the particular branch of the bank where he has an account.

(iv). A Certain Sum of Money Only:

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

(v) Payee to be Certain:

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

4. What are the requisites for a valid endorsement?

- ✧ Endorsement is to be made on the face of the instrument or on its back.
- ✧ It is usually made on the back of a negotiable instrument.
- ✧ When there is no space for making further endorsements a piece of paper can be attached to the negotiable instrument for this purpose.
- ✧ This piece of paper is called 'Allonge'.
- ✧ Endorsement for only a part of the amount of the instrument is invalid.
- ✧ It is presumed that the endorsements appearing on a negotiable instrument were made in the order in which they appear thereon.
- ✧ Signing in block letters does not constitute regular endorsement.

5. Explain the different kinds of endorsements**i). Endorsement in Blank / General:**

- ➔ An endorsement is said to be blank or general when the endorser puts his signature only on the instrument and does not write the name of anyone to whom or to whose order the payment is to be made.
- ➔ *Example: "Pallavan"*

ii). Endorsement in full or special endorsement:

- ✧ Where the endorser, in addition to his signature, specifies the person to whom or to whose order the instrument is payable, the endorsement is called endorsement in full.
- ✧ *Example: Pay to Paari "Pallavan"*

iii). Conditional or qualified endorsement:

- Where the endorser of a negotiable instrument makes his liability dependent upon the happening of an event which may or may not happen, it is called conditional endorsement.
- *Example: Pay Paari, if he returns from delhi within three months "Pallavan"*

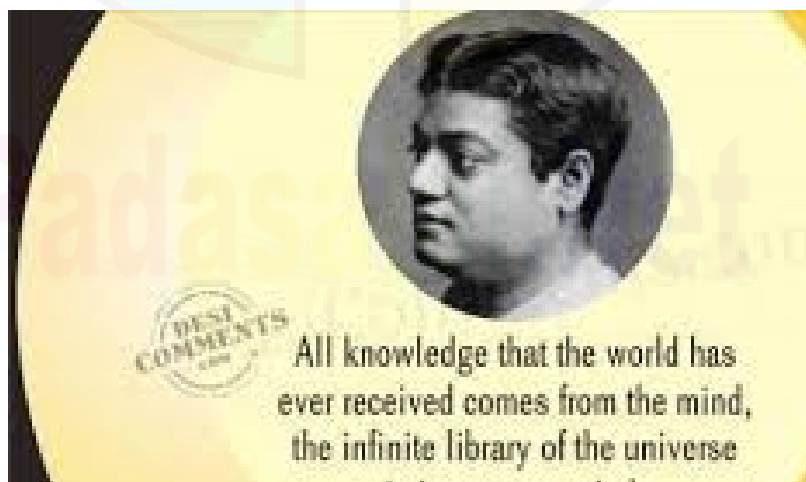
iv). Restrictive endorsement:

- ♣ When an endorsement restricts or prohibits further negotiability of the instrument, it is called Restrictive Endorsement.
- ♣ *Example: Pay Sundar only "Pallavan"*

v). Facultative Endorsement:

- ✪ To make an endorser liable on the instrument, notice of dishonour must be given to him. But if the endorser waives this right by a writing "Notice of dishonour waived" at the time of endorsing, it is called Facultative Endorsement.
- ✪ *Example: Pay to Aruvi or order, Notice of dishonour waived "Radha"*

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CHAPTER - 23**ELEMENTS OF ENTREPRENEURSHIP****I. Choose the Correct Answers:**

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

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

2. Entrepreneur is not classified as

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

3. What are the characteristics of an entrepreneur?

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

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

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

5. Which of the below is a commercial function?

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

II. Very Short Answer Questions:

1. Mention any two characteristics of entrepreneurs.

- Entrepreneur as a Risk Bearer
- Entrepreneur as an Organizer

2. List down the managerial functions of entrepreneurs.

- Planning
- Organizing
- Directing
- Controlling
- Co ordination

3. List down the promotional functions of entrepreneurs.

- * Discovery of Idea
- * Detailed Investigation
- * Choice of form of enterprise
- * Mobilization of funds

4. Define Intrapreneur

Intrapreneur as "dreamers who do. Those who take hands-on responsibility for creating innovation of any kind, within a business".

5. List the challenges faced by the women entrepreneurs:

- * Problem of Finance
- * Limited Mobility
- * Lack of Education
- * Lack of Information

III. Short Answer Questions:

1. Define Entrepreneur.

An entrepreneur is someone who conceives an idea, creates a path to success, does whatever it takes to succeed and tries to dominate their market!"

- **Matthew Toren**

2. Distinguish between entrepreneur and Manager.

| S.N | Basis | Entrepreneur | Manager |
|-----|---------------------|--|---|
| 1 | Motive | It is to start a venture by setting of an entity. | The very motive is to render service in an entity |
| 2 | Status | He/ She is an owner of the entity | salaried employee in the entity |
| 3 | Risk Bearing | bears the risk and uncertainty in operating the enterprise | doesn't bear any risk in the venture |

3. List down the commercial functions of Entrepreneur and explain them shortly.

(i) Production or Manufacturing:

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

(ii) Finance:

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

(iii) Human Resource Management:

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

4. Explain the promotional functions of entrepreneur.

(i) Discovery of Idea:

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

(ii) Detailed Investigation:

Entrepreneur has to analyze in detail the product proposes to produce.

(iii) Choice of form of enterprise:

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

IV. Long Answer Questions:

1. How do you Classify entrepreneurs.

(i) Entrepreneur as a Risk Bearer:

- ❖ The entrepreneur to be a person who assumes risk inherent in the venture started by him.
- ❖ Entrepreneur acts as an agent combining all factors of production to produce a product or service.

(ii). Entrepreneur as Organizer:

- Entrepreneur is one who brings together various factors of production and creates an entity to produce product or service.
- He further elaborates that an entrepreneur faces a great deal of obstacles and misfortunes.

(iii) Entrepreneur as an Innovator:

- ✧ Entrepreneur is one who
- ✧ Introduces a brand new product in the market
- ✧ Institutes new technology to produce a product

2. What are the characteristics of an entrepreneur?

i). Spirit of Enterprise

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

ii). Flexibility

- ♣ Entrepreneur should not single-mindedly stick to decisions in a rigid fashion.

- ♣ Entrepreneur should change the decisions made already in the light of ever-changing business environment.

iii). Innovation

- ★ Entrepreneur should contribute something new or something unique to meet the changing requirements of customers.

iv). Analytical Ability

- ⊗ Entrepreneurs should not make decisions on the basis of personal likes and dislikes.
- ⊗ It should be able to objectively analyze the situation and act accordingly.

v). Foresight

Entrepreneur should have a foresight to visualize future business environment

3. Distinguish between an Entrepreneur and an Intrapreneur.

| S. No | Basis | Entrepreneur | Intrapreneur |
|-------|--------------------------|---|--|
| 1 | Thinking | He is a free thinker | He is forced to think independently. |
| 2 | Dependency | He is an independent person | He is an employee. |
| 3 | Fund Mobilization | He has to mobilize funds to finance the venture. | He does not engage in fund mobilization. |
| 4 | Reward | He is rewarded by profit for the risk bearing exercise. | He gets perquisites, salary, incentives etc., for the service. |
| 5 | Operation | He operates mostly outside the enterprise. | He operates within the enterprise. |

4. Discuss the problems faced by Women Entrepreneurs.

i). Problem of Finance:

- ⊗ The access of women to external sources of funds is limited as they do not generally own properties in their own name.
- ⊗ Financial institutions they impose stringent condition which discourages women to avail themselves of loan assistance from banks.

ii). Limited Mobility:

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

iii). Lack of Education

- ❖ Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey.
- ❖ This reduces the efficiency of operating the business successfully.

iv). Stiff Competition

- Women entrepreneurs have to face serious competition for their goods from organized sector and from their male counterparts.
- Since they are not able to spend freely due to financial restrictions.

v). Lack of Information

- ♣ Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels.

5. Explain in detail the various functions of an entrepreneur.**A). PROMOTIONAL FUNCTIONS:****(i) Determining the business objectives:**

Entrepreneur has to develop business objectives in the backdrop of nature of business and type of business activity.

(ii) Detailed Investigation:

Entrepreneur has to analyze in detail the product proposes to produce.

(iii) Choice of form of enterprise:

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

(iv) Fulfillment of the formalities**(v) Preparation of Business Plan****(vi) Mobilization of funds****B). MANAGERIAL FUNCTIONS:****(i) Planning**

Entrepreneur has to lay down the objectives, goals, vision, mission, policies, procedures, programmes, budget, schedules etc., for enabling the venture to proceed towards established destinations.

(ii) Organizing

Entrepreneur puts in place suitable organizational structure to perform various managerial functions namely defining and delegating authority, distributing responsibility and creating accountability for efficient performance of activities.

(iii) Directing

Entrepreneur has to motivate, lead, guide and communicate with subordinates on an ongoing basis in order to accomplish pre-set goals.

(iv) Controlling

Entrepreneur has to put in mechanism to evaluate the performance of employees across the organisation.

(v) Coordination

Entrepreneur has to evolve mechanism to pull together the diverse functions performed by various departments or teams and direct them towards the established goals of the organisation for accomplishment.

C). COMMERCIAL FUNCTIONS:**(i) Production:**

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

(ii) Marketing:

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

(iii) Accounting:

Entrepreneur has to arrange to prepare trading and profit and loss account in order to know the profit or loss incurred out of operation of the business and prepare balance sheet to know the financial status of business at a particular day.

(iv) Finance:

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

(v) Human Resource Management:

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

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CHAPTER - 24**TYPES OF ENTREPRENEURS****I. Choose the Correct Answers:**

1. Choose the type of entrepreneur that isn't based on function:

- a. Innovative b. Classical c. Fabian d. Drone

2. Choose the type of Entrepreneur that is not based on Motivation:

- a. Pure b. Corporate c. Spontaneous d. Induced

3. Which of the following is the Activity of a Business Entrepreneur?

- a. Production b. Marketing c. Operation d. All of the above

4. Find the odd one out in context of Trading Entrepreneur.

- a. Selling b. Commission c. Buying d. Manufacturing

5. Corporate Entrepreneur is also called as _____

- a. Intrapreneur b. Promoter c. Manager d. Shareholder

6. Poultry, Flowers, Fruits etc are called allied Products of _____ entrepreneur.

- a. Corporate b. Retail c. Trading d. Agricultural

7. _____ Entrepreneur Supply Services Unlike.

- a. Hoteliers b. Banking c. Airlines d. Livestock

8. Motive of a Pure Entrepreneur is

- a. Rendering service b. Earning profit c. Attaining status d. Both b & c

9. Which of these is based on Technology?

- a. Modern b. Professional c. Corporate d. Industrial

10. Which of the below is not a Characteristic of a Fabian Entrepreneur?

- a. Conservative b. Risk averse c. Sceptical d. Adaptive

II. Very Short Answer Questions:

1. What is the other name of business entrepreneur?

Business entrepreneur is called solo entrepreneur.

2. Mention the other name for corporate entrepreneur.

Corporate entrepreneur is called promoter

3. Who are agricultural entrepreneur?

Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flowers, silk, fruits, prawn etc., are called agricultural entrepreneur.

4. State the name of the following ventures:

i). Started by individuals for profit motive

ii). Started by Government

iii). Started by individuals and Government together

iv). Started as a family business

- ⊙ i). Motivated Entrepreneur
- ⊙ ii). State Entrepreneur
- ⊙ iii). Joint Entrepreneur
- ⊙ iv). Classical Entrepreneur

5. Give some examples of pure entrepreneurs.

- ♣ Dhirubai Ambani,
- ♣ Jamshadji Tata,
- ♣ T.V. SundaramIyengar,
- ♣ Seshadriji, Birla,
- ♣ Narayanamurthi,

III. Short Answer Questions:

1. Who is a private entrepreneur?

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

2. How does a professional entrepreneur operate?

- These entrepreneurs have got professional expertise in starting the venture and exiting it after the establishment.
- He/she simply sells out the venture started by him to someone else after its successful take-off.

3. Explain about the imitative Entrepreneur?

- ❖ Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.
- ❖ For example, many electronic products invented in advanced countries are simply reengineered in developing countries.

4. Write about Fabian Entrepreneur.

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

IV. Long Answer Questions:

1. Explain in detail on classification according to the type of business

(i) Business Entrepreneur:

- ✱ Business entrepreneur is called solo entrepreneur.
- ✱ He/she may establish small or large enterprise to commercially exploit his /her idea.
- ✱ He/she takes up production, operations and pursues marketing activities.

(ii) Trading Entrepreneur:

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

(iii) Industrial Entrepreneur:

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

(iv) Corporate Entrepreneur:

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

(v) Agricultural Entrepreneur:

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

2. Discuss the nature of functional entrepreneurs.

(i) Innovating Entrepreneur:

- ✦ Innovative entrepreneur is who is always focused on introducing a new product or introducing something new in the venture already started.
- ✦ They constantly observe the environment around them; collect information and analyze them in order to contribute something a new in the venture.

(ii) Imitative Entrepreneur:

- ❖ Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.
- ❖ For example, many electronic products invented in advanced countries are simply reengineered in developing countries.

(iii) Fabian Entrepreneur:

- ✱ These entrepreneurs are said to be conservations and sceptial about plasticizing any change in their organization.
- ✱ They are of risk-averse type.
- ✱ They do not simply change to the changes happening in the environment.

(iv) Drone Entrepreneur:

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

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CHAPTER - 25**GOVERNMENT SCHEMES FOR
ENTREPRENEURIAL DEVELOPMENT****I. Choose the Correct Answers:**

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

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

- ✱ Startup India
- ✱ Make in India
- ✱ Support to Training and Employment Programme for Women (STEP)
- ✱ Trade related Entrepreneurship Assistance and Development (TREAD)

2. Give a note on 'Digital India'.

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

3. List down the two types of finance.

- ✱ Debt Finance
- ✱ Equity Finance

III. Short Answer Questions:

1. What is 'Startup India'?

- ✱ Startup India is an initiative of the Government of India.
- ✱ The campaign was first announced by Indian Prime Minister, Mr.Narendra Modi.
- ✱ Through the Startup India initiative Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- ✱ A 'Fund of Funds' has been created to help startups gain access to funding.

2. Expand the following: STEP, JAM, TREAD, M-SIPS, SEED and New Gen IEDC.

- ✱ **STEP** - Support to Training and Employment Programme for Women
- ✱ **JAM** – Jan Dhan - Aadhaar - Mobile
- ✱ **TREAD** – Tread related Entrepreneurship Assistance and Development
- ✱ **M-SIPS** - Modified Special Incentive Package Scheme
- ✱ **SEED** - Science for Equity Empowerment and Development
- ✱ **New Gen IEDC** – New Gen Innovation and Entrepreneurship Development Centre

3. Write a short note on the following

- a) Dairy Entrepreneurship development scheme. b) Project report.

a). Dairy Entrepreneurship development scheme:

- It aims at helping entrepreneurs in the field of Agriculture, pets and animals, and social impact to set up small dairy farms.
- It helps to provide incentives are provided to cover the cost of the required equipment or establishment of the facility.

b). Project Report:

- Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions.
- An entrepreneur can get the report prepared either by or by auditors.
- This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability.

IV. Long Answer Questions:

1. Explain any five Government Entrepreneurial schemes.

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

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

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

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

iii). Trade related Entrepreneurship Assistance and Development (TREAD):

- ♣ This schemes envisages to address the critical issues of access to credit among India's underprivileged women.
- ♣ The TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs).

iv). Modified Special Incentive Package Scheme (M-SIPS):

- ✱ The M-SIPS scheme provides capital subsidy of 20% in SEZ and 25% subsidy in non-SEZ for business units engaged in manufacturing of electronics.

v). Science for equity Empowerment and Development (SEED):

- ✱ SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socio-economic gain, particularly in rural areas.
- ✱ SEED emphasizes equity in development, so that the benefits of technology accrue to a vast section of the population, particularly the disadvantaged.

2. Describe the steps promoting Entrepreneurial venture.

i). Selection of the product:

- ◆ An entrepreneur may select a product according to his aspiration, capacity and motivation after a through scrutiny of micro and macro environment of business.
- ◆ An entrepreneur has to conduct economic viability of the project.

ii). Selection of form of ownership:

- ✓ Entrepreneur has to choose the form of organization suitable and appropriate for his venture namely family ownership, partnership and private limited company.
- ✓ Family ownership and partnership forms of organization are suited for exercising unified control over the venture.

iii). Selection of Site:

- * Entrepreneur has to choose suitable plot for accommodating his venture.
- * He has four options open to him for housing his venture.
- * These have been mentioned below.

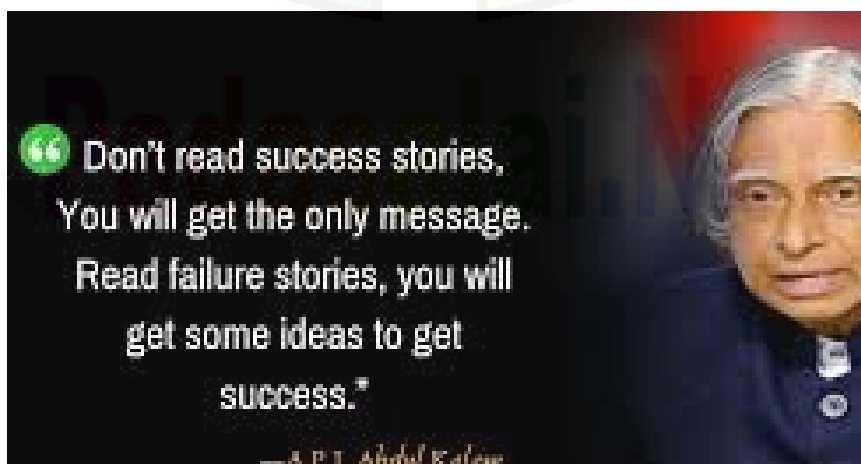
iv). Designing Capital Structure:

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

v). Acquisition of Manufacturing Know-how:

- Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants.
- Besides, manufacturing know-how can be obtained by foreign technical collaboration.

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CHAPTER - 26**COMPANIES ACT 2013****I. Choose the Correct Answers:**

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

10. The Companies Act 2013 prohibits the issue of shares at _____ to the public.

- (a) Premium (b) Par (c) Discount (d) Both at par and Premium

II. Very Short Answer Questions:

1. What are four stages of formation of a company?

- Promotion
- Registration
- Capital Subscription and
- Commencement of Business

2. What is Share?

The fraction or portion of total capital of the company which have equal denomination is known as share.

3 What is Bonus Shares?

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

4. What is Right Shares?

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

5. What is Debentures?

- ❖ When a company needs fund it can borrow from general public by issuing certificate for a fixed period of time and at a fixed rate of interest.
- ❖ This loan certificate is known as debenture.

III. Short Answer Questions:

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

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

2. Explain different Kinds of Preference shares.

(i) Cumulative Preference Shares:

All dividends are carried forward until specified, and paid out only at the end of the specified period.

(ii) Non-cumulative Preference Shares:

- The opposite of cumulative, obviously. Dividends are paid out of profits for every year.
- There are no arrears carried over a time period to be paid at the end of the term.

(iii) Redeemable Preference Shares:

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

IV. Long Answer Questions:

1. Write the difference between Debentures and Shares:

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

2. Brief different stages in Formation of a Company.

‘Formation of a company’ has been divided into four stages:

- ✱ Promotion
- ✱ Registration
- ✱ Capital subscription
- ✱ Commencement of business

i). Promotion: First Stage

- ♠ Promotion stage begins when the idea to form a company comes in the minds of a company comes in the mind of a person.
- ♠ The people who envisage the idea is called a promoter.

ii). Registration or Incorporation: Second stage:

- In this stage the promoter does the following:
 - ♣ *Application for availability of name of company*
 - ♣ *Declaration from the professional*
 - ♣ *Furnishing verification of registered office*
 - ♣ *Power of attorney*

iii). Capital subscription: Third Stage

- ✳ Both private company and public company not having share capital can commence its business after the completion of the above stages.
- ✳ But a public limited company having its share capital has to pass through two more stages.

iv). Commencement of Business: Fourth stage:

- Every subscriber to the memorandum has paid the value of shares agreed to be taken by him
- It has filed the registrar the verification of the registered office.

3. What are the various kinds of Debentures?**I. On the basis of convertibility:**

Debentures may be classified into following categories:

- Non Convertible Debentures (NCD)
- Partly Convertible Debentures (PCD)
- Fully convertible Debentures (FCD)
- Optionally Convertible Debentures (OCD)

II. On the basis of Security:**a). Secured Debentures:**

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

b). Unsecured Debentures:

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

III. On the basis of Redeemability,

Debentures are classified into:

a). Redeemable Debentures:

- It refers to the debentures which are issued with a condition that the debentures will be redeemed at a fixed date.
- Debentures are generally redeemable and on redemption these can be reissued or cancelled.

b). Irredeemable Debentures:

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

IV. On the basis of Registration,

Debentures may be classified as:

a). A Registered Debentures:

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

b). Bearer debentures:

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

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CHAPTER - 27 COMPANY MANAGEMENT

I. Choose the Correct Answer:

1. A person Shall hold office as a director in _____ companies as per the Companies Act, 2013.
(a) 5 companies (b) 10 companies (c) 20 companies (d) 15 companies
2. Which _____ Director is appointed by a Financial institution.
(a) Nominee (b) Additional (c) Women (d) Shadow
3. A Private Company shall have a minimum of _____.
(a) Seven directors (b) Five directors (c) Three directors (d) Two directors
4. A Public Company shall have a minimum of _____ Directors.
(a) Twelve (b) Seven (c) Three (d) Two
5. A Public Company having a paid up Share Capital of Rs. _____ or more may have a Director, elected by such small shareholders.
(a) One crore (b) Three crore (c) Five crore (d) Seven crore
6. Under the companies Act, which one of the following powers can be exercised by the Board of Directors?
(a) Power to sell the company's undertakings.
(b) Power to make call.
(c) Power to borrow money in excess of the paid up capital.
(d) Power to reappoint an auditor.
7. Which director need not hold qualifying shares?
(a) Directors appointed to Central Government
(b) Directors appointed to Shareholders.
(c) Directors appointed to Managing Director
(d) Directors appointed to Board of Directors
8. What is the statue of Directors who regulate money of the company?
(a) Banker (b) Holder (c) Agent (d) Trustees

9. According to Companies Act, the Directors must be appointed by the.

- | | |
|--------------------------------|--------------------------|
| (a) Central Government | (b) Company Law Tribunal |
| (c) Company in General Meeting | (d) Board of Directors. |

10. The Board of Directors can exercise the power to appoint directors in the case of.

- | | |
|--------------------------|-----------------------------------|
| (a) Additional Directors | (b) Filling up the Casual vacancy |
| (c) Alternate Directors | (d) All the above. |

II. Very Short Answer Questions:

1. Define Director.

A director appointed to the board of a Company is “A person who is appointed or elected member of the board of Directors of a company and has the responsibility of determining and implementing policies along with others in board.

- Companies act 2013 section 2 (34)

2. Name the companies required to appoint KMP.

- * Every listed company
- * Every public company (Having paid up share capital of Rs. 10 crore or more)

3. Who is whole time Director?

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

4. Who is called as Managing Director?

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

5. Who can be Executive Director?

Chief Executive Officer (CEO) or managing director of an organization, company, or corporation, who is responsible for making decisions to complete the mission and for the success of the organization.

III. Short Answer Questions:

1. When are alternative directors appointed?

- * Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months.

- ★ The appointment must be authorized either by the Articles of association of the company or general Meeting.
- ★ The alternative director is not a representative or agent of Original Director.

2. Who is a shadow director?

A person who is not the member of Board but has some power to run it can be appointed as the directors but according to his/her wish.

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

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

IV. Long Answer Questions:

1. Who are the KMP?

Key-Managerial Personnel of a Company

- ♣ Companies Act, 2013 (Act) has introduced many new concepts and Key Managerial Personnel (KMP) is one of them.
- ♣ KMP covers the traditional roles of managing director and whole time director and also includes some functional heads like Chief Financial Officer and Chief Executive Officer and Company Secretary.

Who are the key managerial personnel:

- ★ the Chief Executive Officer
- ★ the Company Secretary
- ★ the Whole-time Director;
- ★ the Chief financial Officer; and

Following companies are required to appoint KMP:

Requirement to Appoint "KMP"

- ⊗ Every listed company
- ⊗ Every public company (Having paid up share capital of Rs. 10 crore or more)

2. Brief different types of Directors.

i). Residential Director:

Every company should appoint a director who has stayed in India for a total period of not less than 182 days in the previous calendar year.

- Section 149(3) of Companies Act 2013,

ii). Independent Director:

An independent director is an alternate director other than a managing director who is known as Whole Time director or Nominee Director.

- Section 149(6)

iii). Small shareholders directors:

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

iv). Nominee director:

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

v). Additional directors:

Any individual can be appointed as Additional directors by a company.

3. State the qualification of Directors.

- In general, a director shall possess appropriate skills, experience and knowledge in one or more fields to the company's business.
- *According to the different provisions relating to the directors; the following qualifications may be mentioned:*
 - ♣ A director must be a person of sound mind.
 - ♣ A director must hold share qualification, if the article of association provides such.
 - ♣ A director must be an individual.
 - ♣ A director should be a solvent person.
 - ♣ A director should not be convicted by the Court for any offence, etc.

4. State the Criminal liabilities of Directors.

- * There is mis-statement in prospectus
- * There is failure to file return on allotment with the registrar
- * There is failure to give notice to the registrar for conversion of share into stock
- * There is failure to issue share certificate and debenture certificate
- * There is default in holding annual general meeting.
- * There is failure to provide financial statements.

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CHAPTER - 28**COMPANY SECRETARY****I. Choose the Correct Answer:****1. Mention the status of a Company Secretary in a company.**

- a) A member
- b) A director
- c) An independent
- d) An employee contractor

2. Who can become a secretary for a company?

- a) Individual person
- b) Partnership firm
- c) Co-operative societies
- d) Trade unions

3. Which meeting will be held only once in the life time of the company?

- a) Statutory
- b) Annual General
- c) Extra – ordinary
- d) Class General

4. Board Meetings to be conducted minimum _____ times in a year.

- a) 2
- b) 3
- c) 4
- d) 5

5. Who is not entitled to speak at the annual general meeting of the company.

- a) Auditor
- b) Shareholder
- c) Proxy
- d) Directors

6. Mention the company which need not convene the Statutory Meeting.

- a) Widely held public
- b) Private Limited
- c) Public Limited
- d) Guarantee having a share capital

7. From the date of its incorporation the First Annual General Meeting is to be conducted within _____ months.

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

8. What percentage of shareholders is needed to pass special resolution?

- a) It must be unanimous
- b) Not less than 90%.
- c) Not less than 75%.
- d) More than 50%.

9. A special resolution must be filed with the Registrar within

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

10. A special resolution is required to

- a) Redeem the debentures
- b) Declare dividend
- c) Appoint directors
- d) Appoint auditor

II. Very Short Answer Questions:

1. Who is a Secretary?

It means any individual possessing the prescribed qualifications, appointed to perform the duties which may be performed by a secretary under this companies act 2013.

2. What is meant by Meeting?

A meeting is a gathering of two or more people that has been convened for the purpose of achieving a common goal through verbal interaction such as sharing information or reaching agreement.

3. What is Resolution?

A motion, with or without the amendments which is put to vote at a meeting and passed with the required quorum becomes resolution.

4. Write short note on 'Proxy'?

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.

5. What is Voting?

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

III. Short Answer Questions:

1. What is Special Resolution?

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

2. What do you mean by Statutory Meeting?

- According to companies act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from date of commencement of business of the company.
- The first general meeting of the public company is called statutory meeting.

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

- ★ To change or rectify the name of the company.
- ★ To alter the share capital of the company.
- ★ To increase or decrease the number of directors within the limits prescribed.

5. What resolution is requires special notice?

- ⊛ There are certain matters specified in the Companies Act, 2013 which may be discussed at a general meeting only if a special notice is given at least 14 days before the meeting.
- ⊛ The intention to propose any resolution must be notified to the company.

IV. Long Answer Questions:

1. Elaborate the functions of the Company Secretary

- ⊛ Statutory functions or duties and
- ⊛ Non- statutory functions or duties.

(i) Statutory functions:

- ★ As the principal officer of the company, the secretary must observe all the legal formalities in respect of the provisions of the companies act and other laws.
- ★ To sign document and proceedings requiring authentication by the company
- ★ To maintaining share registers and register of directors and contracts
- ★ To give notice to register for increase in the share capital
- ★ To sign and send annual return
- ★ To make statutory books
- ★ To file a resolution with the registrar.
- ★ To assist in preparing the statement of affairs in a winding up.

(ii) Non – Statutory Function

- ⊛ Secretary has to discharge non – statutory functions in relation to directors, shareholders and office and staff.
- ⊛ These functions are briefly mentioned.
 - ❖ Functions as agent of directors;
 - ❖ Functions towards shareholders;
 - ❖ Functions towards office and staff.

2. Briefly state different types of company meetings.

a) Statutory meeting:

- ★ The first general meeting of the public company is called the statutory meetings.

- ✱ This meetings is conducted only once in the lifetime of the company.
- ✱ A private or a public company having no share capital need not conduct a statutory meeting.
- ✱ The company gives the circular to shareholders before 21 days of the meeting.

b) Annual general meeting (AGM):

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

(c) Special meeting:

i) Class meeting:

- ♣ Meetings, which are held by a particular class of share or debenture holders is known as meeting.
- ♣ The debenture holders of a particular class conduct these meetings.

ii) Meetings of the creditors:

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

5. Explain different types of open and secret types of voting.

i) Open procedure:

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

a) By voice:

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

b) By show of hands:

- ⊗ Under this method the chairman, requests the members to raise their hands of those who are in favour of the proposal or candidate and the then request those are against.

- ❖ Then the chairman counts the number of hands raised for yes and no respectively can announce the result on the basis of hands counted.

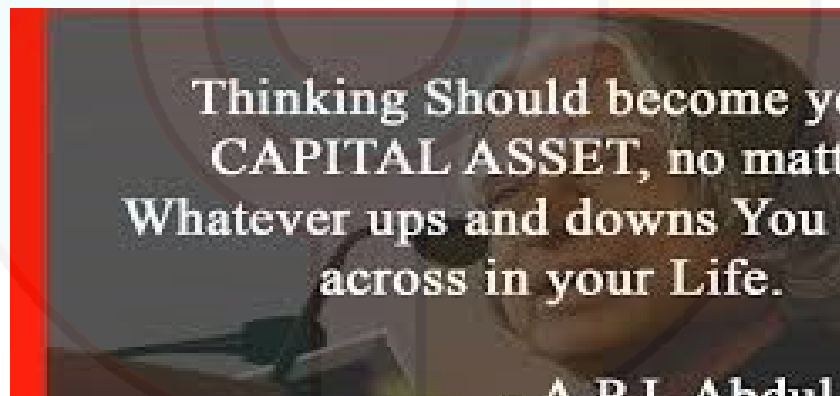
ii) Secret procedure:

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

c) By Ballot:

- ♣ Ballot paper bearing serial number is given to the members to record their opinion by marketing with the symbol and put the ballot paper into the ballot box.
- ♣ The chairman opens the ballot box in the presence of tellers and counts the votes.
- ♣ The votes are counted and the results are announced.

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