

# COMMERCE

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**Maximum Marks: 80**

**Time Allowed: Three hours**

*(Candidates are allowed **additional 15 minutes** for **only** reading the paper.*

*They must **NOT** start writing during this time).*

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*Answer all questions in **Section A**, **Section B** and **Section C**.*

***Section A** consists of **objective / very short answer** type questions.*

***Section B** consists of **short answer** questions.*

***Section C** consists of **long answer** questions.*

*The intended marks for questions or parts of questions are given in brackets [ ].*

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## SECTION A – 16 MARKS

### Question 1

- (i) At Support.com, there is no reward or appreciation for a good suggestion. Thus, the subordinates do not want to offer any useful suggestions to their superiors. Which type of barrier to communication has been created in the firm? [1]
- (a) Semantic barrier
  - (b) Personal barrier
  - (c) Organisational barrier
  - (d) Psychological barrier
- (ii) Capital structure shows: [1]
- (a) debtor-creditor ratio.
  - (b) fixed assets-current assets ratio.
  - (c) debt-equity ratio.
  - (d) interest coverage ratio.

- (iii) Which one of the following is **NOT** counted as a Current Asset? [1]
- (a) Inventory
  - (b) Cash
  - (c) Account receivable
  - (d) Equipment
- (iv) A trader wants to transfer funds electronically through NEFT, but he does not have a bank account. What is the maximum amount that he can transfer? [1]
- (a) 65,000
  - (b) 50,000
  - (c) 49,000
  - (d) 45,000
- (v) Esprit de corps means \_\_\_\_\_. [1]
- (a) buyer beware
  - (b) product is our strength
  - (c) service is our motto
  - (d) union is strength
- (vi) Select and write the odd one out of the following: [1]
- (a) Different elements of business environment are closely interrelated.
  - (b) Business environment is rigid in nature.
  - (c) Business environment is difficult to predict.
  - (d) Social and cultural forces exercise significant influence on business.
- (vii) State whether the following statements are True or False. [4]
- (a) The minimum amount of funds that can be transferred through RTGS is ₹ 2,00,000.
  - (b) Micro environment refers to an environment which is in direct contact with a specific business organisation.
  - (c) Warranty is not a part of place and promotion elements of marketing mix.
  - (d) Packaging is an innovative function.

- (viii) \_\_\_\_\_ function of management is related to placing the right person in the right job. [1]
- (ix) \_\_\_\_\_ is the hidden force that links all the functions of management. [1]
- (x) When the photostat machines were introduced in the market, the carbon paper industry was adversely affected. Which component of macro environment is responsible for it? [1]
- (xi) Sushant went to a shop to buy detergent. The shopkeeper forced him to buy a particular brand of detergent out of the various available brands, irrespective of the willingness of Sushant. Which right of Sushant, as a consumer, has been violated? [1]
- (xii) Business environment differs from country to country and region to region. Which feature of business environment is being referred to here? [1]
- (xiii) Assertion : Advertising costs are extracted from the consumers in the form of higher prices. [1]

Reason : Advertising helps in increasing sales and thereby in reducing cost.

- (a) Both Assertion and Reason are true, and Reason is the correct explanation of Assertion.
- (b) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
- (c) Assertion is true but Reason is False.
- (d) Assertion is False but Reason is true.

## SECTION B – 32 MARKS

### Question 2 [4]

- (i) Sometimes effective plans fail to achieve the desired result. In the light of this statement, explain *any four* limitations of planning.

OR

- (ii) Organisation is an important tool to achieve objectives of the enterprise. In the light of this statement, explain *any four* points on the importance of organisation.

**Question 3** [4]

The management of Raj Ltd. has asked their finance manager to design the capital structure for the organisation. Explain *any four* factors that the finance manager will consider while planning the capital structure.

**Question 4** [4]

Explain *trade credit* and *factoring* as sources of finance for a business enterprise.

**Question 5** [4]

Why is management considered an art?

**Question 6** [4]

Explain the need for principles of management.

**Question 7** [4]

Explain *any four* functions of a supervisor.

**Question 8** [4]

Manu bought an electric iron of a reputed brand for ₹ 500, but it caused an electric shock while in use. Manu wants to exercise his right as an aggrieved consumer.

Identify and explain the Right under which he can protect himself. Explain *any two* remedies available to him as an aggrieved consumer.

**Question 9** [4]

(i) Branding adds to the cost of the product, yet it has several benefits. State *any four* advantages of branding.

**OR**

(ii) A number of factors affect the fixation of the price of a product. Explain *any four* such factors.

## SECTION C – 32 MARKS

### Question 10

- (i) Explain *any five* features of business environment. [5]
- (ii) What is meant by *social environment*? Explain *any two* components of social environment. [3]

### Question 11

- (i) What are *debentures*? Explain *any four* advantages of raising funds through the issue of debentures. [5]
- (ii) State *any three* features of a credit card. [3]

**OR**

- (i) State *any five* differences between shares and debentures. [5]
- (ii) Explain *any three* advantages of raising finance through financial institutions. [3]

### Question 12

- (i) State *any three* differences between the principles of Taylor and Fayol? [5]
- (ii) Organising involves a series of steps that need to be taken to achieve the desired goals. Explain these steps. [3]

### Question 13

**Read the case given below and answer the questions that follow.**

After pursuing a course in gemology from Australia, Raj started a workshop in Surat to support his father's jewellery business in Delhi. He was used to speaking in English, but the local skilled workers could understand only Hindi and Gujarati. As a result, Raj started facing problems in the work due to miscommunications between him and the workers. He was not able to get the jewellery designs made in the desired manner.

- (i) Define the term *communication*. [2]
- (ii) Identify the type of communication barrier between Raj and his workers. [1]
- (iii) Suggest *any three* measures by which Raj can make his communication effective. [3]
- (iv) With reference to planning as a function of management, explain the term *programme* as a type of a plan. [2]