

COMMERCE

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.)

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

Section A consists of objective / very short answer 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 [].

SECTION A – 16 MARKS

Question 1

- (i) ABC Company is hiring a new marketing manager. After reviewing the applications and resumes, the HR department shortlists five candidates who possess the required qualifications and experience. What will be the next step in the Selection Procedure? [1]
- (a) Conducting a skill test of the shortlisted candidates
 - (b) Checking the references provided by the shortlisted candidates
 - (c) Conducting a background check on the shortlisted candidates
 - (d) Conducting a panel interview with the shortlisted candidates
- (ii) Which one of the following is an example of a 'fair weather friend'? [1]
- (a) Factoring
 - (b) Bank credit
 - (c) Trade credit
 - (d) Public deposits

- (iii) The Companies Act and SEBI guidelines must be observed while raising funds from the public. Identify the factor of capital structure being referred to in this case. [1]
- (a) Cost of financing
 - (b) Cash flow position
 - (c) Statutory requirements
 - (d) Capital market conditions
- (iv) Which one of the following statements is correct about IMPS? [1]
- (a) It allows instant money transfers only between bank accounts of the same bank.
 - (b) It supports both mobile and internet-based money transfers.
 - (c) It is exclusively available for international money transfers.
 - (d) Transactions can only be initiated during banking hours.
- (v) ‘Science not Rule of Thumb’ is a basic principle of F. W. Taylor’s theory, which states that: [1]
- (a) there should be healthy cooperation between employer and employees.
 - (b) there should be separation of planning from operational work.
 - (c) every job should be based on scientific study and analysis.
 - (d) working conditions must be standardised.
- (vi) How has the increasing concern for environment and sustainability affected the consumer behaviour and trends? [1]
- (a) It has led to a rise in demand for eco-friendly products.
 - (b) Consumers have become insensitive towards environment.
 - (c) It has led to a decrease in the popularity of organic products.
 - (d) It has reduced corporate social responsibility.

- (vii) State whether the following are True or False. [4]
- (a) A Threat Analysis is an unfavourable condition in the Macro environment.
 - (b) The purpose of Future market is to make profits out of fluctuations in prices of products.
 - (c) A Supervisor does not act as a link between management and workers.
 - (d) Branding facilitates price control.
- (viii) _____ is a principle where all the employees are encouraged to think out of box and execute the task in a better way. [1]
- (ix) _____ is a financial plan which states expected results of a given time period. [1]
- (x) Sometimes multinationals are forced to leave a country due to the stringent policy of the government. Which component of Macro Environment leads to the departure of the multinational companies? [1]
- (xi) A consumer did not check the Woolmark certification mark on woollen clothes and purchased a sweater. Mention the responsibility of the consumer which was overlooked by the consumer while purchasing the sweater. [1]
- (xii) Which function of management binds all other functions? [1]
- (xiii) **Assertion** : Publicity is a very powerful tool of communication as it can make or ruin the image of a product. [1]
- Reason** : Consumers perceive the medium carrying news about a product as credible.
- (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) Planning helps in achieving the objectives of the organisation by directing resources and efforts towards the common objectives. In the light of this statement, explain *any four* points on the importance of Planning.

OR

- (ii) Delegation is the means by which managers assign a part of their jobs to other employees and gives them the authority to perform the assigned task. Justify this statement by providing *any four* advantages of delegation of authority.

Question 3

[4]

The needs of Fixed capital for a service industry are different from that of the manufacturing industry. State *any four* reasons for this difference.

Question 4

[4]

A company has large undistributed profits which it wants to capitalise. Name and explain the security which should be issued by the company.

Question 5

[4]

To which level of management does the Board of Directors belong? State *any three* functions performed by it.

Question 6

[4]

Discuss the Unity of Command and Unity of Direction principles as given by Henry Fayol.

Question 7

[4]

Mr. Raj, the CEO of a company, ‘tried to control everything in his organisation but ended up controlling nothing’. Also, he did not focus on certain crucial areas like productivity.

Briefly explain the *two* aspects of Controlling that were overlooked by Mr. Raj as the CEO of the company.

Question 8

Mr. Akash purchased a car worth ₹ 55 lakhs. Just one month later, he met with an accident. The airbags in the car did not deploy, and he was badly injured. His family decided to seek redressal through the three-tier redressal machinery.

- (i) Which judicial authority should be approached by the family to file the complaint? [1]
- (ii) Suggest *two* remedies available to the aggrieved party. [2]
- (iii) Which other consumer court can be approached by the family of Mr. Akash if it is not satisfied with the judgement? [1]

Question 9

[4]

- (i) Discuss *any four* features of good packaging.

OR

- (ii) Differentiate between *marketing* and *selling*.

SECTION C – 32 MARKS

Question 10

- (i) Business Environment exercises tremendous influence on the working and success of business firms. Justify this statement by explaining *any five* benefits of Business Environment. [5]
- (ii) State *any three* components of the Economic Environment. [3]

Question 11

- (i) Equity shares constitute an important part of the share capital of the company. Yet they have some pros and cons in the business. Discuss *any five* disadvantages of issuing equity shares. [5]
- (ii) Electronic banking is banking over the internet and is a part of virtual banking. In the light of this statement, state *any three* forms of electronic banking. [3]

OR

- (i) Preference shares are called hybrid securities in the capital market. Justify the statement by giving *any three* types of Preference shares. [5]
- (ii) Both RTGS and NEFT are secure but contrasting methods of transferring money electronically. In the light of this statement, give *any three* points of differences between RTGS and NEFT. [3]

Question 12

- (i) Management is a human activity which directs and controls the organisation and operation of a business enterprise. In the light of this statement, explain *any five* objectives of Management. [5]
- (ii) A company with a diversified product line has four product divisions, each specialised with physical facilities and human talents. Identify the organisation's structure and state its *two* advantages. [3]

Question 13

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

Madhubala is planning to launch an online education portal for students. In order to understand the students' requirements, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. She has decided to conduct an entrance test and give up to 30% off on tuition fees to the students scoring 95 marks and above in the entrance test.

- (i) Give *any two* features of an online education portal as an intangible product. [2]
- (ii) Which element of the promotion mix is used by Madhubala? [1]
- (iii) Differentiate the element of promotion mix, identified in (ii), from Advertising. [3]
- (iv) State *any two* benefits of conducting an online survey with prospective buyers. [2]