

## COMMERCE

*(Three hours and a quarter)*

*(The first 15 minutes of the examination are for reading the paper only.*

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

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*Answer **Question 1** (compulsory) from Part I and any seven questions from Part II.*

*The intended marks for question are given in brackets. [ ].*

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### PART I

#### Question 1.

- (i) What is a company limited by guarantee? [2]
  - (ii) Give **TWO** points of distinction between Memorandum of Association and Articles of Association. [1+1]
  - (iii) Mention **TWO** circumstances under which a private company is deemed to be a public company. [1+1]
  - (iv) Explain **TWO** reasons for the growth of multinationals. [1+1]
  - (v) State any **TWO** provisions regarding qualification shares which do not apply to a director of the company. [1+1]
  - (vi) State any **TWO** conditions for nomination of directors. [2]
  - (vii) Give **TWO** differences between fixed and working capital. [1+1]
  - (viii) Distinguish between a bearer and a registered debenture. [1+1]
  - (ix) Explain **TWO** disadvantages of ploughing back of profits. [1+1]
  - (x) Define management as a system. [2]
  - (xi) What are the requisites of a good packaging? [2]
  - (xii) Give **TWO** distinctions between sales promotion and advertising. [1+1]
  - (xiii) Briefly describe the management Principle of 'Scalar Chain.' [1+1]
  - (xiv) What is involved in the process of motivation? [2]
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- (xv) Give **TWO** differences between verbal and written communication. [1]

**Part II**

*Answer any SEVEN questions*

**Question 2.**

- (a) What is Articles of incorporation? [1]
- (b) Explain any **SIX** clauses of the Articles of incorporation. [1.5 x 6 = 9]

**Question 3.**

- (a) Describe **FIVE** modes through which multinational companies can organize their activities. [5]
- (b) Mention any **FIVE** points of distinction between a private limited and a public limited company. [5]

**Question 4.**

- (a) What are the 'powers' of the director of a company? [8]
- (b) Explain the duties of the director of a company. [2]

**Question 5.**

- (a) Explain **FIVE** factors affecting the fixed capital requirement of a business. [5]
- (b) Explain **FIVE** drawbacks of 'debentures' as a source of financing. [5]

**Question 6.**

- (a) Discuss any **FIVE** principles of management as laid down by Henri Fayol. [5]
- (b) Explain any **FIVE** managerial functions entrusted to you as the manager of a company. [5]

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**Question 7.**

- (a) Discuss **FIVE** common barriers to a meaningful communication. [5]
- (b) Explain any **FIVE** salient principles of an effective communication. [5]

**Question 8.**

- (a) State **FIVE** differences between Marketing and Selling. [5]
- (b) Pema is a sales person. Mention any **FIVE** qualities he/ she should have to be an ideal sales person. [5]

**Question 9.**

- (a) Advertising is a social waste'. Give **FIVE** reasons to justify the above statement. [5]
- (b) Identify **FIVE** factors that influence the choice of an advertising media. [5]

**Question 10.**

Write short notes on.

- (a) Primary and Secondary functions of RICBL [5]
- (b) Types of preference shares. [5]