

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).*

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

The intended marks for questions are given in brackets. [].

PART I - COMPULSORY

Question 1

Answer briefly each of the items (i) to (xv) in this question. [2 x 15]

- (i) What is a certificate of incorporation? [2]
- (ii) State **two** differences between Memorandum of Association and Articles of Association. [1+1]
- (iii) Mention **two** circumstances under which a director can be removed before the expiry of his term? [1+1]
- (iv) Distinguish between the principles of authority from responsibility. [2]
- (v) Explain the difference between an alternate director and a casual director. [2]
- (vi) Give any **two** purposes of scales promotion. [1+1]
- (vii) Explain staffing as the function of management. [2]
- (viii) Mention any **two** circumstances under which you deem a private company as a public company. [1+1]
- (ix) Define Salesmanship. [2]
- (x) Give **two** differences between Advertising and Publicity. [1+1]
- (xi) List **two** differences between informal and formal communication. [1+1]

This booklet contains 3 pages.

- (xii) How is a trade mark different from a brand? Explain with the help of an example. [1/2]
- (xiii) What do you mean by the principle of equity in management?
- (xiv) Write down **two** qualities of an ideal salesman. [1+1]
- (xv) Explain the term 'Chief Executive Officer'. [2]

Part II

Answer any SEVEN questions

Question 2.

- (a) What is a holding company? [2]
- (b) Explain at least **eight** reasons for the growth of multinational companies. [1x 8]

Question 3.

- (a) If you were interested in the incorporation of a company, describe any **five** documents required to be submitted for incorporation of a company. [1x 5]
- (b) Highlight any **five** differences between a private company and a public company. [1x 5]

Question 4.

- (a) Define a Director. [1]
- (b) Discuss any **six** modes of appointing Directors of a Company. [1½ x 6]

Question 5.

- (a) Elaborate any **seven** factors taken into consideration for delivering a suitable capital structure for an industry. [1x 7]
- (b) Give **three** merits of retained earning. [1x 3]

Question 6.

- (a) Explain any **six** differences between shares and debenture. [1x 6]
- (b) Discuss any **four** principles of Management. [1x 4]

Question 7.

- (a) 'Business without good management is like a house built on sand.' In the light of the above statement, explain any *five* importance of management in modern times. [1x 5]
- (b) If you are a banker, outline a few situations under which you may refuse to honour a customer's cheque. [1x 5]

Question 8.

- (a) State any *five* barriers to effective communication. [1x 5]
- (b) Identify any *five* conditions when written communication is more important. [1x 5]

Question 9.

- (a) Imagine you are a manufacturer and producing a new product. How are you going to launch this newly produced product in the market? Mention any *five* factors taken into consideration. [1x 5]
- (b) "Advertisement is a social waste." Give *five* justifications. [1x 5]

Question 10.

- (a) Elaborate *six* steps in personal selling process. [1x6=6]
- (b) What are the loans and advances issued by commercial banks? Explain each in brief. [$\frac{1}{2}$ x 8]