

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 question are given in brackets. [].

PART I

Question 1.

[30 marks]

- i Explain briefly the concept of “Separate legal entity” of a joint stock company. [2]
- ii Compare the Articles of incorporation with memorandum of Association and Articles of Association. [2]
- iii Distinguish between Government Company and government-controlled company with an example each. [2]
- iv Identify any **TWO** powers of directors, which can be exercised through a resolution at meetings of the board. [2]
- v Give **TWO** differences between ‘Equity shares’ and ‘Preference shares’. [2]
- vi In what **TWO** different ways do you think that financial institutions in Bhutan can contribute toward the private sector development? [2]
- vii Mention **TWO** privileges of public deposits from the company’s point of view. [2]
- viii If you are appointed the manager of a business organization with declining business, mention **TWO** objectives of communication you will use to check the decline in business. [2]
- ix Explain **TWO** ways to remove the Director as per section 85 of the Company’s Act of the Kingdom of Bhutan 2000. [2]
- x “Management is the development of people and not the direction”. Give **TWO** views to support the above statement. [2]

- xi. Is management morally liable? State **TWO** reasons to support your answer. [2]
- xii. What do you mean by 'GRAPEVINE' in communication strategy? [2]
- xiii. The marketing concept followed in our country is said to be modern marketing approach. Mention **TWO** such approaches followed in Bhutan. [2]
- xiv. Identify **TWO** advantages and disadvantages of salesmanship. [2]
- xv. "Money spent on advertising is an investment and not waste". Mention **TWO** reasons to support the above statement. [2]

Part II

Answer any SEVEN questions

Question 2

If you are a promoter of a proposed company, explain the steps you would take to:

- a) Promote the company. [5]
- b) Explain the registration formalities as per the Company's Act of the Kingdom of Bhutan, 2000. [5]

Question 3

- a. 'A private limited company is a compromise between partnership and public company.' In the light of this statement, describe **FIVE** merits of a private limited company. [5]
- b. Explain **FIVE** roles of multinationals with particular focus on the benefits to our country. [5]

Question 4

- a. 'Dorji is a highly qualified person but insane, insolvent and convicted by a court'. Is he eligible to be a Director? Give **THREE** reasons to justify your answer. [1+3]
- b. Explain any **SIX** powers of Directors of a company. [6]

Question 5

“The Royal Monetary Authority (RMA) is often referred to as the ‘Captain’ of the Financial Institutions in Bhutan. It supervises the functioning of the different Financial Institutions in Bhutan”.

- (a) Discuss any **FOUR** functions of RMA. [4]
- (b) Explain **THREE** consequences that may affect the working of the Financial Institutions in absence of RMA as a regulating body. [6]

Question 6

- a) ‘Government without good management is like a house built on sand.’ In the light of the above statement, explain **FIVE** functions management. [5]
- b. Discuss any **FIVE** factors to be considered while determining the amount of working capital of an organization. [5]

Question 7

- a. Define ‘Management principles’? Explain any four needs of management principles. [5]
- b. Explain briefly any **FIVE** advantages of obtaining funds from specialized Financial Institutions. [5]

Question 8

- a. ‘Communication is a number one problem of a management’. Discuss **SIX** points to support the statement. [6]
- b. Explain **TWO** distinctions between written and verbal communication. [4]

Question 9

- a. What is meant by advertising? Explain **TWO** importance of advertising to: [5]
- (i) Manufacturers
 - (ii) Consumers.
- b. Discuss at least **FIVE** strategies you would apply for an effective sale promotion campaign for your company's new product which has been recently launched in the market. [5]

Question 10

- a. State **TWO** advantages of market research. [2]
- b. How are the remuneration of Directors of the government companies different from other companies according to the Companies Act of Kingdom of Bhutan, 2000? [3]
- c. 'An advertising is a printed salesmanship'. Explain **FIVE** points how advertising is distinct from salesmanship. [5]