

## 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 questions are given in bracket [ ].*

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### PART I (Compulsory)

#### Question 1.

[30 marks]

- i) What is meant by 'common seal' of a company? [2]
- ii) Identify **TWO** types of directors who cannot be removed by the shareholders at their general meeting. [2]
- iii) Explain management as an activity. [2]
- iv) What is semantic barrier to communication? [2]
- v) If you were a promoter, mention all the stages that you need to go through to promote your company. [2]
- vi) A director of a company was declared insolvent. How can this vacant post be filled up? [2]
- vii) Pema has 1000 equity shares in a company. Describe **TWO** benefits to him for holding these equity shares. [2]
- viii) You are a member of the management board of a company. Write **TWO** functions of management. [2]
- ix) Differentiate between 'Government Company' and 'Government Controlled Company'. [2]
- x) Point out **TWO** preferential rights given to preference shares over equity shares. [2]
- xi) 'Oral Communication does not provide any record and it is time consuming'. Support the above statement with **TWO** reasons. [2]

- xii) How is packing different from packaging?
- xiii) 'Public Deposit' is an unsecured deposit. Give **TWO** justifications.
- xiv) "Marketing is the focal point of all business activities". Do you agree?  
Give **TWO** reasons. [2]
- xv) 'A salesman should have physical as well as moral qualities'.  
Which **ONE** do you think is more essential? [2]

## Part II

Answer any **SEVEN** questions

### Question 2

- a) Describe **FIVE** objectives of communication. [5]
- b) "Management is both a science and an art". Do you agree?  
Justify your answer. [5]

### Question 3

- a) Briefly explain **SIX** disadvantages of Advertisement. [6]
- b) 'Proper exchange of information is essential for smooth management of an organization'. In the light of the above statement, write **FOUR** importance of communication. [4]

### Question 4

- a) 'Capital is the back bone and ensures the success of the firm'. How does retained earning promote the capital needs of the business?  
Write **FIVE** ways. [5]
- b) Write **FIVE** distinctions between a manager and managing director. [5]

### Question 5

- (a) State any **SIX** principles of management put forward by Henry Fayol. [6]
- (b) 'Debentures constitute the loan capital of a company'. Describe the types of debentures issued by a company. [4]

**Question 6**

- a) What is incorporation of a company? Briefly explain the various documents that a company needs to file for incorporation. [1]
- b) Explain any **SIX** disadvantages of public deposits. [6]

**Question 7**

- a) Explain the procedures of appointment of directors by the Promoters, the Shareholders and the Royal government. [6]
- b) Why do you think most of the developing countries do not allow multinational companies to operate in their countries? Give **FOUR** reasons. [4]

**Question 8**

- a) How can a director be disqualified? Explain the appropriate section of the Companies Act of the kingdom of Bhutan, 2000. [5]
- b) Write **FIVE** differences between Marketing and Selling. [5]

**Question 9**

Explain **FIVE** privileges enjoyed by a private limited company over a public company. [10]

**Question 10**

- a) Explain **FIVE** general powers enjoyed by the Board of Directors of a company. [5]
- b) 'Consumer is the king and determines the amount of profit earned in a business'. Suggest **FIVE** different techniques of consumers' sales promotion to stimulate consumers to purchase more. [5]