# **COMMERCE**

### (Three hours and a quarter)

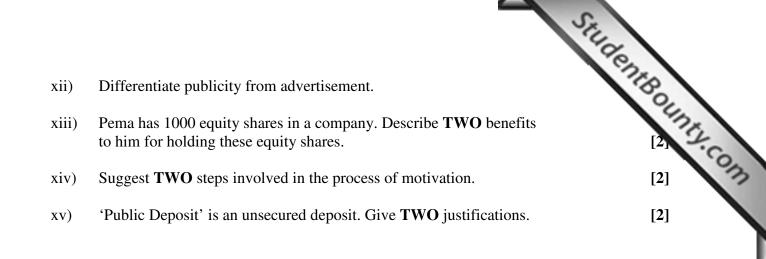
StudentBounty.com (The first 15 minutes of the examination are for reading the paper only. Candidates must NOT start writing during this time).

Answer Question 1 (compulsory) from Part I and any SEVEN questions from Part II. The intended marks for question are given in brackets. [].

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## PART I (Compulsory)

Question 1. [30 n				
	i)	What is meant by perpetual succession of a joint stock company?	[2]	
	ii)	Elaborate the meaning of 'Franchising'.	[2]	
	iii)	Explain the term 'Gearing of Capital'.	[2]	
	iv)	Mention the meaning of 'Grapevine' in communication.	[2]	
	v)	Identify <b>TWO</b> types of directors who cannot be removed by the shareholders at their general meeting.	[2]	
	vi)	Why is Royal Monetary Authority of Bhutan called Banker's Bank? Give <b>TWC</b> reasons.	[2]	
	vii)	Explain management as an activity.	[2]	
	viii)	'The companies use brand names for their products'. Write <b>TWO</b> reasons of using the brand names.	[2]	
	ix)	Distinguish between a company limited by shares and a company limited by guarantee.	[2]	
	x)	How are simple debentures different from mortgage debentures?	[2]	
	xi)	'A salesman should have physical as well as moral qualities'. Which <b>ONE</b> do you think is more essential?	[2]	



### Part II

### Answer any SEVEN questions

## Question 2.

a	) Describe any <b>FOUR</b> merits of a government company.	[4]
b	) Define working capital. Explain any <b>FIVE</b> factors determining the working capital requirements of a business.	[6]
Ques	tion 3.	
a	Explain any FOUR principles of effective communication.	[4]
b	) State any <b>SIX</b> differences between shares and debentures.	[6]
Ques	tion 4.	
a	'Marketing is important for a business concern'. Elaborate with <b>SIX</b> reasons.	[6]
a	'You are appointed as the manager of a company'. Write any <b>FOUR</b> functions entrusted to you by the company as a part of management.	[4]
Ques	tion 5.	
a	A government without good management is like a house built on sand'. Write <b>FIVE</b> importance of management.	[5]
b	) 'The promoters are said to be the father of the company'. Justify the statement with its meaning and stages in promotion.	[5]

Question 6.   a) Explain any SIX methods for the appointment of directors of a company.   b) Give FOUR differences between a private company and a public company.	100
Question 6.	oount
a) Explain any <b>SIX</b> methods for the appointment of directors of a company.	[6]
b) Give <b>FOUR</b> differences between a private company and a public company.	[4]
Question 7.	
a) Explain <b>SIX</b> qualities of a good salesman.	[6]
b) Discuss the rules to be followed in the appointment of Chief Executive Officer under Companies Act, 2000.	[4]
Question 8.	
a) Suggest <b>FIVE</b> methods which can be used for consumers' sales promotion.	[5]
b) 'If you want to incorporate a new company, mention <b>FIVE</b> steps to be followed under companies Act, 2000.	[5]
Question 9.	
a) Discuss any <b>FIVE</b> barriers to effective communication.	[5]
b) Write any <b>FIVE</b> principles of management laid down by Henry Fayol to improve the management of an enterprise.	[5]
Question 10.	
a) Explain any <b>SIX</b> disadvantages of public deposits.	[6]
b) What are the powers of the director of a company that are entrusted by means of passing a resolution?	[4]