

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 (Compulsory)

- | Question 1. | [30 marks] |
|--|-------------------|
| 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 TWO 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 TWO reasons. | [2] |
| vii) Explain management as an activity. | [2] |
| viii) 'The companies use brand names for their products'. Write TWO 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 ONE do you think is more essential? | [2] |

- xii) Differentiate publicity from advertisement. [2]
- xiii) Pema has 1000 equity shares in a company. Describe **TWO** benefits to him for holding these equity shares. [2]
- xiv) Suggest **TWO** steps involved in the process of motivation. [2]
- xv) 'Public Deposit' is an unsecured deposit. Give **TWO** justifications. [2]

Part II

Answer any **SEVEN** questions

Question 2.

- a) Describe any **FOUR** merits of a government company. [4]
- b) Define working capital. Explain any **FIVE** factors determining the working capital requirements of a business. [6]

Question 3.

- a) Explain any **FOUR** principles of effective communication. [4]
- b) State any **SIX** differences between shares and debentures. [6]

Question 4.

- a) 'Marketing is important for a business concern'. Elaborate with **SIX** reasons. [6]
- a) 'You are appointed as the manager of a company'. Write any **FOUR** functions entrusted to you by the company as a part of management. [4]

Question 5.

- a) 'A government without good management is like a house built on sand'. Write **FIVE** 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. [6]
- b) Give **FOUR** differences between a private company and a public company. [4]

Question 7.

- a) Explain **SIX** 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 **FIVE** methods which can be used for consumers' sales promotion. [5]
- b) 'If you want to incorporate a new company, mention **FIVE** steps to be followed under companies Act, 2000. [5]

Question 9.

- a) Discuss any **FIVE** barriers to effective communication. [5]
- b) Write any **FIVE** principles of management laid down by Henry Fayol to improve the management of an enterprise. [5]

Question 10.

- a) Explain any **SIX** 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]