

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 brackets [].
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PART I – (Compulsory)

Question 1.

[30 marks]

- i) State **TWO** significances of Management. [2]
- ii) Outline **TWO** effects of registration of the company with the registrar. [2]
- iii) Explain any **TWO** demerits of a Government Company. [2]
- iv) Explain how management is both a science and an art. [2]
- v) Mr. Wangchuk wants to contest for the post of a director in a public company. Mention **TWO** eligibility criteria of nomination for the post. [2]
- vi) If you are a banker, what are the **TWO** situations under which you would refuse to honour a customer’s cheque? [2]
- vii) Mention any **TWO** essential qualities of a successful manager according to Fayol. [2]
- viii) Write **TWO** differences between director appointed by government and director appointed by members. [2]
- ix) Why are multinational companies against the interest of producers in a developing country? [2]
- x) Bring out **TWO** distinctions between ‘Preference shares’ and ‘Equity shares’. [2]
- xi) Give **TWO** importance of written communication. [2]
- xii) Identify any **TWO** objectives of giving a distinctive name to a product. [2]

- xiii) 'Public deposits is considered as a better source of finance for a corporate organization'. Do you agree? Justify with **TWO** reasons. [1]
- xiv) 'Modern marketing starts with the consumers and ends with the consumers'. Give **TWO** comments. [2]
- xv) Suggest a way how producers of different brands of the same product make the products known to the consumers ? [2]

Part II

Answer any **SEVEN** questions

Question 2.

- a) Briefly explain any **FOUR** characteristics of a Joint Stock Company. [4]
- b) As an investor, mention any **SIX** areas you would check in the prospectus of a company. [6]

Question 3.

- a) Describe any **FIVE** statutory duties of a director according to the Companies Act of Kingdom of Bhutan, 2000. [5]
- b) What are the **FIVE** important qualifications that a person should possess to act as a director of a company? [5]

Question 4.

- a) A company proposes to devise a suitable capital structure. What are the factors you would take into consideration to determine such a plan? [5]
- b) BDFCL, the only financial institution with rural focus, faced a number of problems and challenges. Suggest **FIVE** measures to overcome these challenges. [5]

Question 5.

- a) Give **THREE** reasons why 'controlling' is considered as the essence of management. [3]
- b) Discuss **SEVEN** objectives of management. [7]

Question 6.

- a) 'The success of a business depends on its effective and efficient communication system'. Give **FOUR** reasons in support of the statement. [4]
- b) Discuss any **SIX** differences between written and verbal communication. [6]

Question 7.

- a) How does market research help in marketing the product? [4]
- b) Is advertising a necessary input for the growth of the business organization? Give **SIX** reasons to justify your answer. [6]

Question 8.

- a) List down any **FIVE** types of insurance services provided by RICBL and give a brief explanation for each. [5]
- b) Write any **FIVE** differences between advertising and salesmanship. [5]

Question 9.

- a) Define 'Management as a process'. [2]
- b) Why is good packaging considered as printed salesmanship? [2]
- c) Give any **THREE** advantages and disadvantages of a Joint Stock Company. [6]

Question 10.

- a) Explain how 'retained earning' is a better method of raising capital for a company. [3]
- b) What is the significance of the following clauses of Articles of Incorporation? [3]
 - i) Object clause
 - ii) Regulation clause
- c) As per section 79 of the Companies Act of the Kingdom of Bhutan, 2000, mention **FOUR** disqualifications of a director. [4]

