

## 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 question are given in brackets [ ].*

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### **PART I – (Compulsory)**

**[30 marks]**

#### **Question 1.**

- i) What is a government company? [2]
- ii) When can a private company become a public company? [2]
- iii) Identify **TWO** directors who cannot be removed by the shareholders at their annual general meeting. [2]
- iv) “Discounting Bills of Exchange is a very popular type of lending to the business community in the modern economy”. Explain. [2]
- v) State **TWO** important aspects of the management. [2]
- vi) Which channel of communication would a departmental manager practice in order to communicate with another departmental manager? [2]
- vii) Mr. Tashi is the producer of Coca Cola at Pasakha. How would he capture the market in order to launch his product in the market? [2]
- viii) Deki is a sales person in one of the departmental stores. What qualities should she have in order to attract more customers? [2]
- ix) Give **ONE** difference between company limited by shares and company limited by guarantee. [2]
- x) Bring out **TWO** similarities between casual director and an alternate director. [2]

- xi) Write the advantage of participating preference shares over other preference shares [2]
- xii) Identify **TWO** most important functions of the management. [2]
- xiii) Propose a suitable source of capital to establish a new company. [2]
- xiv) How would you reduce the telephone tariff in Bhutan? [2]
- xv) Mention **ONE** marketing skill a Bhutanese shopkeeper lacks. [2]

## Part II

Answer any **SEVEN** questions

### Question 2.

- a) Give **FIVE** differences between a private company and a public company. [5]
- b) If you are a managing director of a company, mention **FIVE** powers you would practice in the company. [5]

### Question 3.

- a) “A joint stock company is an artificial person, created by law having a separate legal entity with a perpetual succession and a common seal”. Explain. [5]
- b) What factors would you keep in mind while designing a suitable capital structure of a company? [5]

### Question 4.

- a) List the required criteria for the appointment of directors in the government company as per the Companies Act of the Kingdom of Bhutan, 2000. [2]
- b) Why minimum subscription must be obtained by the public company before starting the business? [3]
- c) Explain **TWO** most suitable advertising media in order to promote the sale of fruit products in Bhutan. [5]

**Question 5.**

Mention **FIVE** challenges faced by BDFCL. [10]

**Question 6.**

Explain any **FIVE** principles of management as laid down by Henry Fayol. [10]

**Question 7.**

a) Discuss **FIVE** principles of effective communication. [5]

b) Mention **FIVE** differences between formal and informal communication. [5]

**Question 8.**

a) Mention **FOUR** objectives of Scientific Management. [4]

b) “Assembling, grading and branding are integral part of marketing”.  
Identify any **THREE** products in Bhutan involving the above functions of marketing and give reasons. [6]

**Question 9.**

a) Describe **FIVE** objectives of advertising a firm’s product. [5]

b) Give **FIVE** differences between Memorandum of Association and Articles of Association. [5]

**Question 10.**

a) State **TWO** essential features of salesmanship. [2]

b) Explain how retained earning strengthens the financial position of an organization. [3]

c) Explain **FIVE** qualifications of a Director. [5]