

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)

[30 marks]

Question 1.

- i) What do you understand by the retirement of directors by rotation? [2]
- ii) Explain the term ‘minimum subscription’. [2]
- iii) Write any **TWO** duties of a director of a company. [2]
- iv) Explain the term ‘capital gearing’. [2]
- v) Informal organization has no structure’. Why? Give **TWO** reasons. [2]
- vi) As the general manager of a company, which channel of communication would you prefer to use with your subordinates in times of emergency? Why? Give **TWO** reasons. [2]
- vii) If you are a manufacturer of tooth paste in Bhutan, which media you would choose to advertise your product? Why? Give **TWO** reasons. [2]
- viii) Distinguish between transfer of shares and transmission of shares. [2]
- ix) Mention any **TWO** differences between registered debenture and bearer debenture. [2]
- x) Differentiate between management and administration. [2]
- xi) ‘Marketing begins before production starts’. Write **TWO** comments. [2]

- xii) Why do you think investment in preference shares of a company treated as a substitute for a fixed deposit in a commercial bank? Give **TWO** reasons. [2]
- xiii) 'The result of good communication is increased efficiency as well as good morale'. Write **TWO** views. [2]
- xiv) 'Red tapism' exists in Joint Stock Companies. Explain whether it is good or bad for the company. [2]
- xv) 'Bhutanese shopkeepers lack salesmanship'. Write **TWO** justifications. [2]

Part II

Answer any **SEVEN** questions

Question 2.

- a) Explain any **FOUR** importance of marketing. [4]
- b) Give any **THREE** advantages and disadvantages of multinational companies. [6]

Question 3.

- a) Explain the term 'Board of Directors'. [2]
- b) Write any **FOUR** distinctions between partnership and joint stock company. [8]

Question 4.

- a) State any **FIVE** circumstances where a director has to vacate the office. [5]
- b) Give **THREE** differences between a private company and a public company. [3]
- c) Write any **TWO** similarities between a unity of command and unity of direction. [2]

Question 5.

- a) When can a government appoint directors to a company?
Write **TWO** situations. [2]
- b) Communication between people normally fails due to certain barriers.
If you were appointed as the head of communication department in an organization, what **FOUR** measures would you adopt to remove these barriers? [8]

Question 6.

Imagine you are a promoter of a company. Explain **FIVE** likely sources of capital for your company. [10]

Question 7.

- a) Explain any **FOUR** needs of management principles. [4]
- b) Imagine you are appointed as a director of a company. Mention and justify **THREE** powers you will be entrusted with. [6]

Question 8.

- a) State any **FOUR** methods of accepting deposits by a commercial bank. [4]
- b) Functions of management is 'to manage the worker and his output'.
Do you agree? Which of the **TWO** is more important? [6]

Question 9.

- a) What is a holding company? [2]
- b) 'Salesman should be civil to all, social to many, familiar to few, friendly to one and all and enemy to none'. Explain the statement. [8]

Question 10.

- a) What do you understand by informal communication? [1]
- b) BDFCL has brought about a lot of development activities for rural farmers and small scale entrepreneurs but it faces many challenges.
Mention **THREE** challenges you think BDFCL is facing. [6]
- c) Is grading an important function of marketing? Give your views. [3]

