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XII COMMERCE

2 Marks Material for slow learners

D. Chithambararaj MBA, M.Com, B.Ed.
XII COMMERCE

Chapter 1-28

Slow learner’s material (2 Marks)

1. What is Management?
   - Management is goal oriented and it is an art of getting things done with and through others.

2. List out the management tools.
   - Accounting, business law, psychology, statistics, econometrics, data processing, etc.

3. Who is a manager?
   - Manager has to balance and integrate three major jobs of a business enterprise as below
   - (i) Managing a business; (ii) Managing manager; and (iii) Managing workers and work.

4. State the meaning of Authority.
   - Authority means the right of a superior to give the order to his subordinates

5. What do you mean by Span of management?
   - The Span of Management refers to the number of subordinates who can be managed efficiently by a superior.

6. Write a short note about Planning.
   - Nothing can be performed without planning; Planning refers to deciding in advance

7. What is meant by Motivation?
   - It is the process of stimulating people to actions to accomplish the goal.

8. What is meant by Controlling?
   - It is the control function which facilitates management of actual performance with predetermined standards.

9. What is meant by Innovation?
   - Innovation refers to the preparation of personnel and organisation to face the changes made in the business world.

10. What are the objectives of MBO?
    - To measure and judge performance
    - To relate individual performance to organisational goals

11. Bring out the meaning of MBE.
    - Management by exception is a style of business management that focuses on identifying and handling cases that deviate from the norm.

12. Mention any two advantages of MBO?
    - MBO process helps the managers to understand their role in the total organisation.
    - Manager recognises the need for planning and appreciates the planning.

13. Write any two importance of MBE.
    - It saves the time of managers because they deal only with exceptional matters.
    - It focuses managerial attention on major problems.

14. What is known as KRA?
    - Key result areas are fixed on the basis of organisational objectives premises.
    - Key Result Areas (KRA) are arranged on a priority basis.
    - KRA indicates the strength of an organisation.

15. What are the components of organized sectors?

16. Write a note on financial market.
    - A market wherein financial instruments such as financial claims, assets and securities are traded.

17. What is equity market?
    - It is the financial market for trading in Equity Shares of Companies

18. What is debt market?
    - It is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities etc..)

19. How is prize decided in a secondary market?
    - Prices in the secondary market are determined by the basic forces of supply and demand.
20. **What is Capital Market?**
- It is a market where buyers and sellers engage in trade of financial securities like bonds, and stocks.

21. **Write a note on OTCEI.**
- The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.

22. **What is Mutual Fund?**
- Financial institutions that provide facilities for channeling savings of small investors into avenues of productive investments are called ‘Mutual Funds’.

23. **Who are the participants in a Capital Market?**
- The participants of the capital market include individuals, corporate sectors, Govt., banks and other financial institutions.

24. **How is price determined in a Capital Market?**
- Its price is determined by supply and demand for its shares in the market.

25. **Define the term “Money Market.”**
- According to Crother, “the money market is the collective name given to the various firms and institutions that deal in the various grades of near money”.

26. **What is commercial bill market?**
- A bill of exchange issued by a commercial organization to raise money for short-term needs.

27. **What is a CD market?**
- Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money.

28. **What is Government Securities Market?**
- A market whereby the Government or gilt-edged securities can be bought and sold is called ‘Government Securities Market’.

29. **What are the Instruments of Money Market?**
- Treasury Bills, Commercial Bills, Certificate of Deposits

30. **What do you meant by Auctioning?**
- A method of trading whereby merchants bid against one another and where the securities are sold to the highest bidder is known as ‘auctioning’.

31. **What do you meant by Switching?**
- The purchase of one security against the sale of another security carried out by the RBI in the secondary market as part of its open market operations is described as ‘Switching’.

32. **What is meant Stock Exchange?**
- Stock Exchange is an organized market for the purchase and sale of industrial and financial security.

33. **Define Stock Exchange.**
- According to Husband and Dockerary, "Stock exchanges are privately organized markets which are used to facilitate trading in securities."

34. **Write any 5 Stock Exchanges in India.**

35. **What is meant by Remisier?**
- He acts as an agent of a member of a stock exchange. He obtains business for his principal ie., the member and gets a commission for that service.

36. **Who is called a Broker?**
- Brokers are commission agents, who act as intermediaries between buyers and sellers of securities.

37. **What are the types of Speculator?**
- Bull, Bear, Stag, Lame Duck

38. **What is meant by Commodity Exchange?**
- A commodity exchange is an exchange where commodities are traded. Ex Metals, Energy

39. **What is the stock trading time in India?**
- The normal trading time for equity market is between 09:15 a.m to 03:30 p.m, Monday to Friday.
40. Write a short notes on SEBI.
Securities and exchange board of India (SEBI) is an apex body that maintains and regulates our capital market.

41. Write any two objectives of SEBI.
1. Regulation of Stock Exchanges  2. Protection to the Investors

42. What is Demat account?
- A demat account holds all the shares that are purchased in electronic or dematerialized form.

43. Mention the headquarters of SEBI.
SEBI has its headquarters at the business district of BandraKurla Complex in Mumbai.

44. What are the various ID proofs?
PAN card, voter's ID, passport, driver's license, bank attestation, IT returns etc..

45. Give the meaning of Human Resource.
Those individuals who have competencies and capabilities in the accomplishment of both individual and organisational objectives.

46. What is Human Resource Management?
Human Resource Management is a function of management concerned with hiring, motivating and maintaining people in an organisation.

47. State two features of HRM.
i. Universally relevant : ii. Goal oriented :

- Human resource is the only factor of production that lives
- Human resource created all other resources

49. List the functions of HRM
I. Managerial function - Planning, Organising, Directing, Controlling.
II. Operative function – Procurement, Development, Compensation, Retention, Integration, Maintenance.

50. Give the meaning of Recruitment.
Recruitment is the process of finding suitable candidates and it is a process of attracting potential people to apply for a job in an organisation.

51. What is promotion?
It’s based on seniority and merits of the employees they are given opportunity to move up in the organisational order.

52. State two benefits of internal source of recruitment.
1. Reduce time to hire  2. Cost less  3. Continuity of operations
4. Increased morale and retention

53. Mention any two features of campus recruitment.
- We can identify new talents
- It’s a costless method of recruitment

54. List the benefits of external source of recruitment.
- External recruitment helps you to find the best employees for the job.
- External recruitment provides an opportunity for a fresh outlook in organization.

55. What is selection?
- Selection is the process of choosing the most suitable person for the vacant position in the organization.

56. What is an interview?
- An interview is a purpose full exchange of ideas, the answering of questions and communication between two or more persons.

57. What is intelligence test?
- Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate.

58. What do you mean by test?
Several tests are conducted in the selection process to ensure whether the candidate possesses the necessary qualification to fit into various positions in the organization.
59. What do you understand about bio data?
It contains the information about the job seeker date of birth, gender, religion, nationality, residence, marital status, etc..

60. What do you mean by placement?
- Placement is a process of assigning a specific job to each and every candidate selected.
- The process of placing the right man on the right job is called ‘Placement’.

61. What is meant by training?
- Training is the act of increasing the skill of problem solving activity and technical knowledge of an employee for doing the jobs they self.

62. What is Mentoring training method?
- Mentoring is the process of sharing knowledge and experience of an employee.
- Mentoring is always done by senior person, it is also one-to-one interaction, like coaching.

63. What is Role play?
- Under this method trainees are explained the situation and assigned roles.
- Thus they have to assume role and play the role without any preparation.

64. State e-learning method?
- E learning is also often referred to us online learning or web based training.
- E learning training courses can save money to an organizations.

65. What is Market?
- It is a medium or place to interact and exchange goods and services.
- the meeting place of buyers and sellers in an area is called Market.

66. What is mean by Regulated Market?
- These are types of markets which are organised, controlled and regulated by statutory measures.

67. Mention any four differences between Wholesale Market and Retail market?

<table>
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<th>Basis</th>
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<th>Retail</th>
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<td>Link between</td>
<td>Manufacturer and retailer</td>
<td>Wholesaler and customer</td>
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<tr>
<td>Volume of transaction</td>
<td>Large</td>
<td>Small</td>
</tr>
<tr>
<td>Deals in</td>
<td>Limited products</td>
<td>Huge products</td>
</tr>
</tbody>
</table>

68. What is meant by Commodity Market?
A commodity market is a place where produced goods or consumption goods are bought and sold.

69. Define Marketing Mix.
“Marketing mix is a pack of four sets of variables namely product variable, price variable, promotion variable, and place variable”. - Mr. Jerome

70. Give any two internal factors affecting the price of product / service.
*Marketing Objectives  *Marketing Mix Strategy  *Organizational considerations

71. Define Product.
“A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”, - Philip Kotler.

72. What is E business?
- If all the business transaction carried out through internet and other online tools is called E-business.

73. What is Green Marketing?
Green marketing involves developing and promoting products and services which satisfy customers’ wants and needs without affecting environment.

74. What is Service Marketing?
A service is any activity or benefit that one party can offer to another which is essentially intangible and which does not result in the ownership of anything.

75. What is E-Tailing?
- E-tailing refers to selling of goods and services through a shopping website (internet) or through virtual store to the ultimate consumer.

76. What is Social Marketing?
- It is a marketing philosophy and techniques to achieve specific behavioural goals which ensure social good. Example, Asking people not to smoke in public areas.

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Send Your Questions and Answers to Our Email Id - padasalai.net@gmail.com
77. Who is a consumer?
   - A consumer is one who consumes goods manufactured and sold by others.
   - One, who avails services such as banking, transport, insurance, etc.,

78. Define Consumerism.
   “Consumerism is an attempt to enhance the rights and powers by buyers in relation to sellers” - L. Massie

79. Give two examples of adulteration.
   - Mixing of stones with grains
   - Papayas seed is added to black pepper

80. What is Caveat Emptor?
   - ‘Caveat emptor’ means "let the buyer beware."
   - Buyer has to purchase the quality product, if the product does not meet their expectations they can’t blame the seller.

81. What is Caveat Venditor?
   - caveat venditor means "let the seller beware,
   - Sellers has to sell the quality products to the consumer, if anything wrong buyer will file a case against seller or producer.

82. Write a short notes on Consumer Protection Act, 1986.
   - The Act is referred in short as ‘COPRA’.
   - Its protect and promote consumers from unfair trade practices, defective goods, false advertisement etc..

83. Write short notes on: “Right to be informed.”
   - Consumers should be given all the relevant facts about the product eg, price, expiry date, weight etc

84. What do you understand about “Right to Safety”?
   - The consumers are entitled to protection of their health and safety from the goods and services they buy.

85. What are the rights of consumer according to John F. Kennedy?
   - “The Right of Safety, the Right to be informed, the Right to choose and the Right to be heard.”

86. Which is the supreme objective of business?
   - Satisfaction of consumer needs/requirements is stated to be supreme objective of a business.

87. What are the important aspects to be kept in mind by consumer while purchasing goods related to the quality of goods?
   - The consumer should enquire about the price from certain shops and if possible from government stores to get an idea of its price.

88. What do you meant by Redressal Mechanism?
   - It primarily covers the receipt and processing of complaints from citizens and consumers, actions taken on any issue raised by them to avail services more effectively.

89. What do you know about National Commission?
   - National Commission is in India, Delhi which was set up in 1988
   - The main aim of this commission is a consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices.

90. State the meaning of the term State Commission.
   - A consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices.
   - The State Consumer Protection Council is also called State Commission.

91. What is a term District Forum?
   - As per the Consumer Protection Act of 1986 the establishment of a District Forum by the State Government in each district is necessary today to protect the interest of aggrieved consumers in that district.
92. How to register the complaints?
   1. Complaint can be registered within 2 years.
   2. Stamp paper is not required
   3. Complaint can be registered, in person.
   4. Advocates are not necessary.

93. Define Business environment
   According to Bayard O ‘Wheeler “the total of all things external to firms and industries which affect their organisation and operations”.

94. What is internal environment?
   - Internal environment refers to those factors within an organisation e.g Policies and programmes, organisational structure, etc., which are controllable factors.

95. Give the meaning of corporate governance.
   - Corporate governance is a set of rules and policies which governs a company.

96. What is GST?
   - GST is the indirect tax levied on goods and services across the country.
   - Types of taxes: CGST, SGST, IGST

97. Expand VUCA.
   - VUCA – Volatility, Uncertainty, Complexity and Ambiguity,

98. What is mixed economy?
   - Mixed economy is a combination of both state owned and private sector ownership.

99. State the branches of New Economic Policy.
   - Liberalization, Privatisation, And Globalization

100. What is Privatisation?
   - Privatization is the process of transferring ownership of a business enterprise, agency or public service from the government to the private sector.

101. Mention any three disadvantages of Liberalisation.
   - (a) Increase in unemployment
   - (b) Loss to domestic units
   - (c) Unbalanced development

102. Name the industries which are reserved for public sector.
   - Atomic Energy, Defence and Railways.

103. Give any three advantages of Globalisation.
   - (a) Increase in foreign collaboration
   - (b) Expansion of market
   - (c) Technological development

104. What is a contract of sale of goods?
   - Contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property (ownership) of the goods to the buyer for a price.

105. List down the essential elements of a contract of sale.
   - (1) Two Parties
   - (2) Transfer of Property
   - (3) Goods
   - (4) Price
   - (5) Includes both ‘Sale’ and ‘Agreement to Sell’

106. What is meant by goods?
   - The term ‘goods’ includes every kind of movable property, stocks and shares, growing crops etc.
   - Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.

107. What is a Contingent Goods?
   - Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency (an event which may or may not happen).

108. What do you understand by warranty?
   - Warranty represents a requirement which is collateral to the main purpose of the contract. It is of secondary importance to the contract.
109. What is meant by Negotiable Instrument?
According to Negotiable instruments Act 1881, a negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer.

110. List three characteristics of a Promissory Note.
✓ A promissory note must be in writing.
✓ It must be signed by the maker.
✓ A promissory note must be sufficiently stamped.

111. What is meant by a cheque?
“A bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand”.

112. Mention any two features of entrepreneurs.
- Self confidence
- Hard work

113. List down the managerial functions of entrepreneurs.
- Planning
- Organising
- Directing
- Controlling
- Co ordination

114. List down the promotional functions of entrepreneurs.
- Discovery of Idea
- Determining the business objectives
- Detailed Investigation
- Choice of form of enterprise
- Fulfilment of the formalities
- Preparation of Business Plan
- Mobilisation of funds
- Procurement of Machines and Materials

115. Define Intrapreneur
Intrapreneurs as "dreamers who do. Those who take hands-on responsibility for creating innovation of any kind, within a business". – Pinchot

116. List the problems faced by the women entrepreneurs
- Problem of Finance
- Limited Mobility
- Lack of Education
- Lack of Network Support

117. What is the other name of business entrepreneur?
Business entrepreneur is called solo entrepreneur.

118. Mention the other name for corporate entrepreneur.
Corporate entrepreneur is called promoter.

119. Who are agricultural entrepreneur?
Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.

120. State the name of the following ventures:
a. Started by individuals for profit motive : Motivated Entrepreneur
b. Started by Government : State Entrepreneur
c. Started by individuals and Government together : Joint Entrepreneur
d. Started as a family business : Classical Entrepreneur

121. Give some examples of pure entrepreneurs
- Pure entrepreneurs are individuals who are pushed to enter into venture by psychological and economic motives.
- Example Dhirubai Ambani, Tata, T.V.S,Birla etc.
122. Name any four Governmental Entrepreneurial schemes.
   1. Startup India  
   2. Make in India  
   3. Stand-Up India  
   4. Dairy Entrepreneur Development Scheme  

123. Give a note on ‘Digital India’.
   - The Digital India initiative has been launched to modernize the Indian economy to make all government services available electronically.  

124. State any three entrepreneurial development schemes of Government of Tamil Nadu.
   - New entrepreneur - cum - enterprise development scheme (needs)  
   - AMMA Skill Training and Employment Scheme.  
   - Dairy Entrepreneurship Development Scheme  

125. List down the two types of finance.
   - Entrepreneur requires two types of finance namely long term and short term.  

126. Mention the time period of Provision Registration Certificate.
   - It will be issued to entrepreneur after the fulfillment of certain conditions for a period of one year subject to renewal of two periods of six months duration.  

127. Who is called as Promoters?
   Promotion stage begins when the idea to form a company comes in the mind of a person. The person who envisages the idea is called a ‘promoter’.  

128. What is Share?
   - The total capital of the company is shared by many persons and each share is having equal value.  

129. What do you mean by Equity Share?
   - Those shares which are not called as preference share are known as Equity share.  

130. What do you understand by Preference Share?
   - The term ‘preference shares’ mean that part of the share capital the holders of which have a preferential right over payment of dividend (fixed amount or rate) and repayment of share capital in the event of winding up of the company.  

131. What is Sweat Equity Shares?
   - Sweat Equity Shares can be issued at Discount.  
   - Sweat Equity Shares means issue of shares to employees or directors at a lower price for cash or other than Cash  

132. What is Bonus Shares?
   - Bonus share means to utilize the company’s reserves and surpluses, issue of shares to existing shareholders without taking any consideration is known as Bonus Shares.  

133. What is Right Shares?
   - Right shares are the shares which are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue.  

134. What is Private placement?
   - Private placement means offer of securities or invitation to subscribe to securities to a select group of persons through private placement offer letter.  

135. Define Share Warrant.
   - A Share Warrant is a document issued by the company under its common seal, stating that its bearer is entitled to the shares or stock specified therein.  

136. What is Debentures?
   - When a company needs funds for extension and development purpose without increasing its share capital, it can borrow from the general public by issuing certificates for a fixed period of time and at a fixed rate of interest.  

137. Name the companies required to appoint KMP.
   - Every Listed Company  
   - Every Public Company  

Having paid up share capital of Rs 10 Crores or More  

138. Who is whole time Director?
   - A Director is one who devotes whole of his time of working hours to the company and has a significant personal interest in the company as the source of his income.
139. Who is called as Managing Director?
A Director is one who is employed by the company and has substantial powers of management over the affairs of the company subject to direction and control of the board.

140. Who can be Executive Director?
- Chief Executive Officer (CEO) or Managing Director of an organization, who is responsible for making decisions to complete the mission and for the success of the organisation.

141. Who is a Secretary?
- The person who is responsible for the general performance of an organization is called company secretary.

142. Define Meeting?
A company meeting must be organized and held in perfect compliance with the various provisions of the Act and the rules framed thereunder.

143. What is Resolution?
- Taking any decision, the consent of the shareholders, the Board of Directors and other specified is required. **The decisions taken at a meeting are called resolutions.**

144. Write short note on ‘Proxy’?
- A proxy is a person who is designated by another to represent that individual at a meeting or before a public body.

145. What is Vote?
- The word ‘Vote’ originated in Latin word ‘Votum’ indicating one’s wishes or desire.
- By casting his vote one formally declaring his opinion or wish in favour of or against a proposal or a candidate to be elected for an office.
XII COMMERCE

3 Marks - Slow learners Material

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1. Define the term management.

“Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.” — Peter F. Drucker

“To manage is to forecast, to plan, to organise, to command, to co-ordinate and to control.” —Henry Fayol.

2. Is management an Art or Science?

- Management is neither a science nor an art.
- But a combination of both requiring people holding managerial positions to apply the scientific management principles and displaying popular managerial skills.

3. Differentiate management from Administration.

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<tr>
<th>BASIS</th>
<th>MANAGEMENT</th>
<th>ADMINISTRATION</th>
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<tr>
<td>Authority</td>
<td>Middle and Lower Level</td>
<td>Top Level</td>
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<tr>
<td>Role</td>
<td>Executive</td>
<td>Decisive</td>
</tr>
<tr>
<td>Concerned with</td>
<td>Policy implementation</td>
<td>Policy formulation</td>
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4. What are the principles of Taylor?

1. Science, Not Rule of Thumb
2. Harmony, Not Discord
3. Mental Revolution
4. Cooperation, Not Individualism

5. What determines the span of management?

1. Influences the complexities of the individual manager’s job
2. Determine the shape or configuration of the Organization

6. List out the main functions of management?

- Planning
- Organizing
- Staffing
- Directing
- Motivating
- Controlling
- Coordination

7. State the importance of staffing.

- Staffing refers to placement of right persons in the right jobs.
- Staffing helps to ensure better utilization of human resources.
- It ensures the continuity and growth of the organization, through development managers.

8. Bring out the subsidiary functions of management.

- Innovation: preparation of personnel to face the changes made in the business world.
- Representation: A manager has to act as representative of a company. Every manager to have good relation with others.
- Decision making: Decision making helps in the smooth functioning of an organisation.
- Communication: Communication is the transmission of human thoughts, views or opinions.

9. State the importance of Motivation.

- Mainly because it allows management to meet the company’s goals.
- Motivated employees can lead to increased productivity.
- Motivation is an important factor which brings employees satisfaction.

10. What are the main duties of a manager?

- Manager is to ensure the daily functioning of a department or group of employees.
- Most employers expect their managers to interview, hire, and train new employees.
- A manager articulates both short and long-term goals to ensure a company’s longevity.

11. Write the features of MBO.

- MBO tries to combine the long run goals of organisation with short run goals.
- Management tries to relate the organisation goals with society goals.
- MBO’s emphasis is not only on goals but also on effective performance.

12. What are the process involved in MBO?

- Defining Organisational Objectives
- Fixing Key Result Areas
- Matching Resources with Objective
- Appraisal of Activities
- Goals of Each Section
- Setting Subordinate Objectives or Targets
- Periodical Review Meetings
- Reappraisal of Objectives

13. What are the Process of MBE?

- Primarily, it is necessary to set objectives or estimated results.
- Next, the deviation gets analysed. If no deviation, no action is required.
- If actual performances deviates, the issue needs to be passed to the senior managers.
- Finally, the aim is to solve this “exception” immediately.

14. List out any Four process of MBO.

1. Defining Organisational Objectives
2. Goals of Each Section
3. Fixing Key Result Areas
4. Setting Subordinate Objectives or Targets

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Send Your Questions and Answers to Our Email Id - padasalai.net@gmail.com
15. Give the meaning and definition of financial market.

Meaning:
- A market wherein financial instruments such as financial claims, assets and securities are traded.

According to Brigham, Eugene F, “The place where people and organizations wanting to borrow money are brought together with those having surplus funds is called a financial market.”

16. Differentiate spot market from futures market.
(i) **Cash/Spot Market** is a market where the delivery of the financial instrument and payment of cash occurs immediately.
(ii) **Forward or Futures Market** is a market where the delivery of asset and payment of cash takes place at a pre-determined time frame in future.

17. Write a note on Secondary Market.
- The place where formerly issued securities are traded is known as Secondary Market (Resale Market).
- Stock Exchange is an important institution in the secondary market.
- It does not provide funding to companies.

18. What are the various kinds of Capital Market? Explain.

**I. Primary Market:**
Primary market is a market for new issues or new financial claims. Hence, it is also called New Issue Market.

**II. Secondary Market:**
Secondary Market may be defined as the market for securities which are previously issued in the primary market are traded here.


(i) **Savings and Capital Formation:**
In capital market, various types of securities help to mobilize savings from various sectors of population.

(ii) **Reliable Guide to Performance:**
The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency.

20. Write a note on National Clearance and Depository System (NCDS).
- It arranges to provide for the transfer of ownership of securities in exchange on payment by book entry on electronic ledgers without any physical movement of transfer deed.


(i) **Factoring Institutions:**
The factoring institutions collect the book debts for and on behalf of its clients.

(ii) **Venture Fund Institutions:**
Venture capital funds bring into force the hi-technology projects which are converted into commercial production.

22. What are the features of Treasury Bills?

1. Issuer  2. Finance Bill  3. Liquidity

2. Who are the participants of Money Market?

1. Government of different countries  2. Central Banks of different countries
3. Private and Public Banks  4. Mutual Funds Institutions
5. Insurance Companies  6. Non-Banking Financial Institutions

23. Explain the types of Treasury Bills?

- **91 days Treasury Bills**: Its issued at a fixed discount rate of 4 per cent as well as through auctions.
- **182 days Treasury Bills**: The RBI holds 91 days and 182 Treasury Bills and they are issued on tap basis throughout the week.
- **364 days Treasury Bills**: 364 days Treasury Bills do not carry any fixed rate.

24. What are the features of Certificate of Deposit?
- Document of title to time deposit
- It is unsecured negotiable instruments.
- It is repayable on a fixed date without grace days.

25. What are the types of Commercial Bill?
- Demand and Usance Bills
- Inland bills and Foreign Bills
- Accommodation and supply Bills
- Clean bills and documentary Bills
- Indigenous Bills

26. What are the limitations of Stock exchange?

i. Lack of uniformity and control of stock exchanges.
ii. Failure to control unhealthy speculation.
iii. Allowing more than one charge in the place.

27. Explain Bull and Bear.

**Bull:**
- A Bull or Tejiwala
- He is an optimistic speculator.
✓ In anticipation of price rise he makes purchases of shares at present and other securities with the intention to sell at higher prices in future

Bear:
✓ A bear or Mandiwalla speculator expects prices to fall in future and sells securities at present with a view to purchase them at lower prices in future.
✓ A bear is a pessimistic speculator.

28. Explain Stag and Lame Duck.

Stag:
❖ A stag is a cautious speculator in the stock exchange. He applies for shares in new companies and expects to sell them at a premium, if he gets an allotment.
❖ He is also called a premium hunter.

Lame Duck:
✓ A bear speculator contracts to sell securities at a later date. On the appointed time he is not able to get the securities as the holders are not willing to part with them.

29. Explain National Stock Exchange. (NSE)
❖ NSE was incorporated in November, 1992. It is a country wide, screen based, online and order driven trading system.
❖ It uses satellite link to spread trading throughout the country thereby connecting members scattered all over the India.

30. What is meant by Dematerialization?
✓ Dematerialization is the process by which physical share certificates of an investor are taken back by the company.
✓ Then an equivalent number of securities in the electronic form are credited to the investors account.

31. What are the documents required for a Demat account?
proof of identity and address along with a passport size photograph and the account opening form. Only photocopies of the documents are required for submission, but originals are also required for verification.

32. What is the power of SEBI under Securities Contract Act?
✓ SEBI is also empowered by the Finance Ministry to nominate three members on the Governing Body of every stock exchange.

33. What is meant by Insiders trading?
❖ Insider trading means the buying and selling of securities by directors Promoters, etc.
❖ Who have access to some confidential information about the company and who wish to take advantage of this confidential information.

34. Draw the organization structure of SEBI.

![Organization Structure of SEBI](image)

35. Define the term Human Resource Management.
According to Dale Yoder “the effective process of planning and directing the application, development and utilisation of human resources in employment”.

36. What are the features of Human resources?
❖ Human resource is the only factor of production that lives
❖ Human resource created all other resources
❖ Human resource exhibits innovation and creativity

37. Give two points of differences between HR and HRM.

<table>
<thead>
<tr>
<th>BASIS</th>
<th>HRM</th>
<th>HR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Function</td>
<td>Its concerned with hiring, motivating and maintaining people in an organisation.</td>
<td>The sustainable growth of an organisation depends on the human resource</td>
</tr>
<tr>
<td>Objective</td>
<td>To improve the performance of the employees</td>
<td>Human resource exhibits innovation and creativity</td>
</tr>
</tbody>
</table>
38. What is the importance of Human resource?
- It is only through human resource all other resources are effectively used
- Industrial relations depend on human resource
- Human relations is possible only through human resource
- Human resource manages all other factors of production

I. Managerial function - Planning, Organising, Directing, Controlling.
II. Operative function – Procurement, Development, Compensation, Retention, Integration, Maintenance.

40. Define the term Recruitment.
“It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” - Edwin B. Flippo

41. What are the features of internal source of recruitment?
- Increased morale and retention.
- Continuity of operations.
- Less paperwork.

42. Give two points of differences between advertisement and unsolicited application.

   i. Advertisements
   The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organization.

   ii. Unsolicited applicants
   These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations.

43. What is the importance of job portals?
- It’s bridging the gap between the recruiters and the job seekers.
- Job Portals help to reach out to a wider audience.
- Job search portals make job searching time-efficient, easy and convenient.

44. State the steps in Recruitment process
i. Planning recruitment
ii. Determining vacancies
iii. Identifying the sources
iv. Drafting information for advertisement
v. Selecting the suitable mode of advertisement
vi. Facilitating selection process
vii. Evaluation and control

45. What is stress interview?
- This type of interview is conducted to test the temperament and emotional balance of the candidate
- Interviewer purposefully creates stressful situation by directing the candidate to do irrational and irritating activities.

46. What is structured interview?
- Under this method, a series of question to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview.
- Interviewees are ranked on the basis of score earned by the candidate in the interview.

47. Name the types of selection test?

   i. Ability Tests
   ✓ Aptitude Test ✓ Achievement Test ✓ Intelligence Test ✓ Judgment Test

   ii. Personality Tests
   ✓ Interest Test ✓ Personality Test ✓ Projective Test ✓ Attitude Test

48. What do you mean by achievement test?
- This test measures a candidate’s capacity to achieve in a particular field.
- This test measures a candidate’s level of skill in certain areas, accomplishment and knowledge in a particular subject. It is also called proficiency test.
Example: A driver may be asked to drive a vehicle to test his driving efficiency

49. Why do you think the medical examination of a candidate is necessary?
Yes, because a person of poor health cannot work competently and any investment on him may go waste, if he/she is unable to discharge duties efficiently on medical grounds.

50. What is aptitude test?
- Aptitude test is a test to measure suitability of the candidates for the post/role.
- It actually measures whether the candidate possess a set of skills required to perform a given job.
- It helps in predicting the ability and future performance of the candidate.

51. How is panel interview conducted?
- Where a group of people interview the candidate, it is called panel interview.
- All panel members ask different types of questions on general areas of specialization of the candidate.
- At the end, the marks awarded by all the members are aggregated and the candidates are ranked accordingly.

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52. List out the various selection interviews.
   - Preliminary Interview
   - Structure Interview
   - Unstructured Interview
   - Stress Interview
   - Telephone Interview
   - Online Interview

53. List out the significance of placement.
   i) It improves employee morale
   ii) It helps in reducing employee turnover
   iii) It helps in reducing conflict rates or accidents
   iv) It avoids misfit between the candidates and the job.

54. What is vestibule training?
   - Vestibule training is training of employees in an environment similar to actual work environment
     artificially created for training purpose.
   - This type of training is given to avoid any damage or loss to machinery in the actual place by trainees.

55. What do you mean by on the job Training?
   - On the job training refers to the training which is given to the employee at the work place by his
     immediate supervisor.
   - It is based on the principle of “Learning by Doing and Learning While Earning”.

56. Write down various steps in a training programme.
   Whom to Train?
   Who is the Trainee?
   Who are Trainers?
   What Method will be used for Training?
   What should be Level the Training?
   Where to Conduct the Training Programme?

57. Write short note on trainer and trainee.
   Trainer:
   - Trainer is a person who teaches skills to employee and prepare them for a job activity.
   - Trainers may be supervisor, coworkers, HR staffs, etc.
   Trainee:
   - A person who is learning and practising the skills of particular job is called trainee.

58. What can be marketed in the Market?
   1. Goods
   2. Services
   3. Experiences
   4. Events
   5. Persons
   6. Places
   7. Properties
   8. Organization
   9. Information
   10. Ideas

59. Mention any three Role of Marketer?
   i. Instigator: marketer keenly watches the developments taking place in the market and identifies marketing
      opportunities.
   ii. Innovator: He differentiates his products/services by adding additional features to the existing product.
   iii. Implementer: Marketer plays a role of implementer when he/she actually converts marketing
      opportunities into marketable product.

60. Marketer is an innovator? Do you agree?
   Yes I Agree, Marketer seeks to distinguish his products/services by adding additional features, modifying the
   pricing structure, introducing new delivery pattern, etc.

61. Why Customer support is needed to Market?
   ✓ It helps your company to ensure greater customer satisfaction
   ✓ It increase its long-term goal of repeat business.
   ✓ It’s also an effective way to increase sales and profits.

62. Explain the types of market on the basis of time.
   i. Very Short Period Market:
      ➢ Markets which deal in perishable goods like, fruits, milk, vegetables etc.,
   ii. Short Period Market:
      ➢ In certain goods, supply is adjusted to meet the demand. The demand is greater than supply.
   iii. Long Period Market:
      ➢ This deals in durable goods, where the goods and services are dealt for longer period usages.

63. List down the functions of Marketer?
   ✓ Market planning
   ✓ Product Designing and development
   ✓ Packaging and Labelling
   ✓ Branding
   ✓ Customer Support Services
64. What are the objectives of marketing?
✓ To develop the marketing field.
✓ To develop guiding policies and their implementation for a good result.
✓ To suggest solutions by studying the problems relating to marketing.
✓ To take appropriate actions in the course of action.

65. What is need for market and explain the concept of marketing?
Need for Market:
✓ To exchange (barter) goods and services.
✓ To adjust demand and supply by price mechanism.
✓ To improve the quality of life of the society.
✓ To introduce new modes of life.

Concept of marketing:
✓ First Create A Customer, Then Create Products
✓ Love your customers and not the products
✓ Customer is supreme or king

66. What are the factors affecting Price of Product?

a. Internal Factors:
   1. Marketing Objectives
   2. Marketing Mix Strategy
   3. Organizational considerations
   4. Costs
   5. Organization Objectives

b. External Factors:
   1. The market and demand
   2. Competition
   3. Customers
   4. Suppliers
   5. Legal factors & Regulatory factors

67. What do you mean by marketing mix? Describe any two elements.
✓ Marketing programme is a mixture of four ingredients, namely Product mix, Price mix, Place (Distribution) mix and Promotion mix.

Two elements:

i. Product: It is the main element of marketing. Without a product, there can be no marketing.

ii. Price: It is the value of a product expressed in monetary terms. It is the amount charged for the product.

68. What is B2B and B2C type of E-Commerce?
B2B (Business to Business):
✓ B2B e-Commerce is an online business model that facilitates online sales transactions between two businesses.

B2C (Business to Customer):
✓ B2C e-Commerce refers to the process of selling to individual customers directly.

69. Explain the importance of social marketing.
✓ The primary aim of social marketing is ‘social good’ such as anti-tobacco, anti-drug, anti-pollution, anti- dowry, road safety, protection of girl child, etc..
✓ It helps to eradicate social evils that affect the society and quality of life

70. Discuss the objectives E-Marketing
1. Expansion of market share
2. Reduction of distribution and promotional expenses.
3. Achieving higher brand awareness.

71. Elucidate how E-Commerce differs from E-Business.
✓ E-commerce simply refers to the buying and selling of products and services through online
✓ But E-business goes a way beyond the simple buying and selling, of goods and service and much wider range of business processes.

72. Explain in detail about Niche marketing.
✓ Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population.
✓ The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts.

73. Which are the three constituent elements of business?
✓ The producer, the consumer and the government are the three constituent elements of business. The consumer is the most exploited constituent in the business world.

74. What are the important legislations related to consumerism in India?
✓ The Indian Contract Act, 1982 was passed to bind the people on the promise made in the contract.
✓ The Trademark Act, 1999 prevents the use of fraudulent marks on the product.
✓ The Competition Act, 2002 protects the consumers against unhealthy competition.

75. What is meant by artificial scarcity?
✓ There are certain situations where the shop-keepers put up the board “No Stock” in front of their shops, even though there is plenty of stock in the store.
✓ In such situations consumers who are desperate to buy such goods have to pay high price to buy those goods and thus earning more profit unconscientiously.

D.Chithambararaj  MBA, M.Com, B.Ed  9994154393
Send Your Questions and Answers to Our Email Id - padasalai.net@gmail.com
76. Write the importance of consumerism.
✓ Awakening and uniting consumers.
✓ Discouraging unfair trade practices.
✓ Protecting against exploitation.
✓ Awakening the government.
✓ Providing complete and latest information.

77. What is the role of Government in consumer protection?
✓ Since most of consumers including academically educated are illiterate about their rights and hence inactive.
✓ Government both the central and the state have brought out a number of legislations to protect the interest of consumers across the country.

78. What do you understand by “Right to redressal”.
✓ The complaints and protests are not just to be heard: but the aggrieved party is to be granted compensation within a reasonable time period.
✓ There should be fair settlement of deserving claims in a definite timeframe.

79. Define “Consumer Rights”.
“The right to have information about the quality, potency, quantity, purity, price, and standard of goods or services”.

80. What do you understand about “Right to protection of health and safety”.
✓ The consumers are entitled to protection of their health and safety from the goods and services they buy. They should not be supplied goods or services which are hazardous to their health and safety.

81. Is Consumer Protection necessary?
Yes, it’s necessary for the following reasons.
➢ We need physical protection of the consumer, for example protection against products that are unsafe or dangerous to his health and welfare.
➢ Consumers want protection against deceptive and unfair trade and market practices.

82. Who are the members of the National Commission?
1. The National Commission should have five members.
2. One should be from judiciary.
3. Four other members of ability, knowledge, and experience from any other fields.
4. It should include a woman.

83. What is the Pecuniary Jurisdiction of the State Commission?
1. The State Commission can entertain complaints of entire state and where the value of the goods or services exceed Rs. 20 lakhs and below Rupees One Crore.
2. The State Commission entertain appeals against the orders of any District Forum within the State.

84. Does District Forum exceeds the claim limit of Rs 20 lakhs. Explain the condition.
✓ No, If the value of the complaint exceeds this limit of Rs 20 Lakhs the complaint should be made direct to the State Commission.

85. Write a note on the Voluntary Consumer Organisation.
Voluntary consumer organisations refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

86. Explain the natural environment of business.
✓ Natural factors such as climate, soil, forests, minerals, rivers and ocean have tremendous influence on the functioning and growth of commerce and industry.

87. What are the political environment factors?
✓ The success of a business lies in its ability to adapt and sustain to political and legal changes.
✓ The legislative, executive, and judiciary are the three political institutions which directs and influences a business

88. Write about any three internal environmental factors of business.

Vision and objectives:
✓ The vision and objectives of a business guides its operations and strategic decisions.

Management structure:
✓ The structure of management/board and their style of functioning which affects the decision making.

Company image:
✓ The image of an organisation plays an important role.

89. State the framework of Corporate Governance in India.
i) To have independent directors on the board; at least one third of the directors have to be independent directors.
ii) To have at least one independent woman director,
iii) To disclose all deals and payments to related parties.

90. What are the functions of the GST council?
✓ Goods & Services Tax Council is a constitutional body for making recommendations to the Union and State Government on issues related to Goods and Service Tax.
✓ The Goods and Services Tax Council shall make recommendations to the Union and the States.
91. Write a note on future environment of business.
- The future environment of business is VUCA – volatility, uncertainty, complexity and ambiguity
- In a VUCA environment a firm has to be forward looking anticipating the change, adaptability will remain essential for the success of any business in an ambiguous, uncertain environment.

92. What do you know about Technological environment?
- Technology is widely used in conducting market research for understanding the special needs of the customer.
- Digital and social media are used as a platform for advertising and promoting the products/services.

93. What do you mean by Liberalisation?
- Liberalization refers to laws or rules being liberalized, or relaxed, by a government.
- It’s done in order to make economies free to enter in the market and establish their venture in the country.

94. Explain the concept of Privatisation.
- Privatisation means permitting the private sector to set up industries which were previously reserved for the public sector.
- The main reason for privatisation was that PSUs were running in losses due to mismanagement and political interference.

95. What are advantages of disinvestment?
- The government can focus more on core activities
- Brings about greater efficiencies for the economy
- Greater opportunities for employment generation

96. State any three impacts on Globalisation.
(a) lower operating costs, and access to new raw materials and additional markets.
(b) Multinational corporations (MNCs) can manufacture, buy and sell goods worldwide.
(c) Globalisation has led to a boom in consumer products market.

97. Write a short note on New Economic Policy.
Liberalisation refers to laws or rules being liberalized, or relaxed, by a government.
Privatisation means permitting the private sector to set up industries which were previously reserved for the public sector.
Globalisation means the interaction and integration of the domestic economy with the rest of the world.

98. Explain the meaning of Agreement to sell.
- If the transfer of property takes place at a future date or on fulfilment of certain conditions, it is called ‘an agreement to sell’.

99. Discuss in detail about existing goods.
Existing goods are those owned or possessed by the seller at the time of contract of sale. Goods possessed even refer to sale by agents or by pledgers.
Existing goods may be either
(i) Specific Goods
(ii) Ascertain Goods
(iii) Generic or Unascertain Goods

100. Discuss the implied conditions and warranties in sale of goods contract.
The term implied conditions and warranties means which can be indirect from or guessed from the context of the contract. Following are the implied conditions:
1. Conditions as to Title
2. Conditions as to Description
3. Sale by Sample
4. Conditions as to Quality or Fitness

Implied Warranties:
(i) Quiet Possession
(ii) Free from Any Encumbrances
(iii) Warranty in the case of Dangerous Goods

102. Discuss in detail the rights of an unpaid seller against the buyer personally.
(i) Suit for price:
- Where the ownership in the goods has passed to the buyer and the buyer refuses to pay for the goods, the seller can file case against the buyer for the price

(ii) Suit for Damages for Non-acceptance:
- Where the buyer wrongfully refuses to accept the goods, the seller can sue him for damages for non-acceptance of the goods.

(iii) Suit for Interest:
- Seller can recover interest from the buyer from the due date of contract till the date of payment of purchase price.

103. Explain the nature of a Negotiable Instrument.
Transferability:
- It is transferable from one person to another without any formality, such as affixing stamp, registration etc.,
ii. Title of the holder free from all defects:
Even though the right of the person who transferred the instrument to holder in due course is defective i.e. the title of the holder in due course is superior.

iii. Right of the transferee to sue
The transferee is entitled to sue on the instrument in his own name in case of dishonour, without giving notice to the debtor that he has become its holder.

104. Distinguish between Negotiability and Assignability.

<table>
<thead>
<tr>
<th>BASIS</th>
<th>NEGOTIABILITY</th>
<th>ASSIGNABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer notice</td>
<td>Not Required</td>
<td>Must be served by assignee on his debtor.</td>
</tr>
<tr>
<td>Title</td>
<td>Transferee gets the right of holder in due course.</td>
<td>Assignee's title is subject to the title of Assignor.</td>
</tr>
<tr>
<td>Consideration</td>
<td>It is presumed</td>
<td>It is proved</td>
</tr>
</tbody>
</table>

105. What are the characteristics of a bill of exchange?
1. A bill of exchange is a document in writing.
2. The document must contain an order to pay.
3. The order must be unconditional.
4. The instrument must be signed by the person who draws it.

106. Distinguish between Bill of Exchange & Promissory Note.

<table>
<thead>
<tr>
<th>BASIS</th>
<th>Bill of Exchange</th>
<th>Promissory Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Parties</td>
<td>drawer, drawee and payee</td>
<td>maker and the payee.</td>
</tr>
<tr>
<td>Bearer Instrument</td>
<td>A bill of exchange can be drawn payable to bearer</td>
<td>A promissory note cannot be drawn payable to bearer.</td>
</tr>
<tr>
<td>Conditionality</td>
<td>A bill may be accepted conditionally.</td>
<td>A note cannot be made conditional</td>
</tr>
</tbody>
</table>

107. Discuss the two different types of crossing.

General Cheque Crossing:

- The holder of the cheque or the payee will receive the payment only through a bank account and not over the counter.

Special Cheque Crossing:

- However, in special crossing two parallel transverse lines are not essential but the name of the banker is most important.

108. Define Entrepreneur

“An entrepreneur is someone who conceives an idea, creates a path to success, does whatever it takes to succeed and tries to dominate their market!”

- Matthew Toren

“A person who has so much passion for an idea that they're willing to risk almost everything to make their dream a reality.”

- Jared Tanner

109. Distinguish between entrepreneur and Manager.

<table>
<thead>
<tr>
<th>Basis of difference</th>
<th>Entrepreneur</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motive</td>
<td>Start a venture by setting of an entity.</td>
<td>render service in an entity</td>
</tr>
<tr>
<td>Status</td>
<td>He/ She is an owner of the entity</td>
<td>salaried employee in the entity</td>
</tr>
<tr>
<td>Rewards</td>
<td>profit</td>
<td>salary, bonus, allowance..</td>
</tr>
</tbody>
</table>

110. List down the commercial functions of Entrepreneur and explain them shortly.
(i) Production or Manufacturing
(ii) Marketing
(iii) Accounting
(iv) Finance
(v) Human Resource Management
111. Explain the promotional functions of entrepreneur.
   (1) Discovery of idea
   (2) Determining the business objectives
   (3) Detailed investigation
   (4) Choice of form of enterprise
   (5) Fulfilment of formalities
   (6) Preparation of business plan
   (7) Mobilisation of funds
   (8) Procurement of machines and materials

112. Who is a private entrepreneur?
Ventures started by individual either singly or collectively at their own risk after mobilising various
resources in order to earn profit are called private entrepreneur.

113. What is political environment?
   ➢ Government actions which affects the operations of a company or business.
   ➢ Business owners and managers pay close attention to the political environment to know how
government actions will affect their company.

114. List down few examples of pure entrepreneurship
   ➢ Pure entrepreneurs are individuals who are pushed to enter into venture by psychological and
economic motives.
   ➢ Example Dhirubai Ambani, Jamshedji Tata, T.V. Sundaram Iyengar, Seshadriji, Birla, Narayanamurthi,
   Aziz Premji and so on.

115. How does a professional entrepreneur operate?
   ➢ Professional entrepreneur is one who is having a rich expertise in starting a venture but lack interest
   in continuing the venture as a manager or as a owner.
   ➢ He/she simply sells out the venture started by him to someone else after its successful take-off.

116. Explain about the agricultural entrepreneur.
   ➢ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
   ➢ Those who raise products like poultry, meat, fish, honey, skin, agricultural implements, flower, silk,
fruits, prawn etc., are called agricultural entrepreneur.

117. What is 'Startup India'?
   ➢ Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring,
nurturing and facilitating startups throughout their life cycle.

118. Expand the following: STEP, JAM, TREAD, M-SIPS, SEED and New Gen IEDC
   STEP : Support to Training and Employment Programme for Women
   JAM : Jan Dhan-Aadhaar – Mobile
   TREAD : Trade related Entrepreneurship Assistance and Development
   M-SIPS : Modified Special Incentive Package Scheme
   SEED : Science for Equity Empowerment and Development
   New Gen IEDC : New Gen Innovation and Entrepreneurship Development Centre

119. Write a short note on the following
   a) Dairy Entrepreneurship development scheme.
      ➢ Dairy Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of
Agriculture, pets and animals, to set up small dairy farms
   b) Project report.
      ➢ Project reports needs to be prepared according to the format prescribed in the loan application form
of term lending institutions.

120. What is the procedure for getting power connection for an Entrepreneurial venture.
Entrepreneur has to make application to Assistant Divisional Engineer of State Electricity Board for
power connection after paying Security Deposit and fulfilling the official formalities prescribed.

121. Distinguish between shares and stocks.

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>BASIS</th>
<th>STOCKS</th>
<th>SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>Stocks are the ownership of the company and companies</td>
<td>Shares are the owner of one particular company.</td>
</tr>
<tr>
<td>2</td>
<td>Denomination</td>
<td>Two different stocks of a company may or may not be having equal value.</td>
<td>Two different shares of a company can have the equal or same value.</td>
</tr>
<tr>
<td>3</td>
<td>Nominal Value</td>
<td>no nominal value associated</td>
<td>some nominal value associated</td>
</tr>
</tbody>
</table>

122. What do you understand by Issue of Securities at Premium?
   ➢ When shares are issued at a price above the face or nominal value, they are said to be issued at a
premium.
   ➢ For example, a share having the face value of Rs.10 is issued at Rs.12. Here, Rs.2 is the premium.
123. What is issue of shares at discount? What conditions should be fulfilled?
   - When the shares are issued at a price below the face value they are said to be issued at a discount.
   - For example, a share having the face value of Rs 10 is issued at Rs 8.
   **Conditions should be fulfilled:**
   - The issue at a discount is authorized by a resolution passed by the company.
   - The maximum rate of discount must not exceed 10%.

124. State condition stipulated for capital subscription at the time of promotion.
   a. The fulfilling formalities to raise necessary capital
   b. Adhering to SEBI guidelines in this regard
   c. Observing guidelines for Disclosure and investor protection issued by SEBI
   d. Issuing prospectus
   e. Appointing official banker of the company for receiving application from the investors
   f. Fulfilling the condition for valid allotment by director
   g. Passing resolution for making allotment by director
   h. Despatch allotment letters to allottees
   i. Filing allotment return with the Registrar
   j. Issuing share certificates in exchange for their allotment letter
   k. Ensuring collection of minimum subscription

125. Explain different Kinds of Preference shares.
   **Redeemable Preference shares:**
   - Such preference shares can be claimed after a fixed period.
   **Non-Redeemable Preference shares:**
   - Such shares cannot be redeemed during the lifetime of the company.
   **Convertible Preference shares:**
   - The shares can be converted into equity shares.
   **Non-convertible Preference shares:**
   - Non-convertible preference shares cannot be converted into equity shares.
   **Cumulative Preference shares:**
   - All dividends are carried forward paid out only at the end of the specified period.

126. Differentiate Executive and Non-Executive Directors.
   - An Executive Director can be either a whole-time Director of the Company or a Managing Director. He will involve in day to day business activities.
   - But a Non-Executive Director is a Director who is neither a Whole-time Director nor a Managing Director. He won’t involve in day to day business activities.

127. When are alternative directors appointed?
   - Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months.

128. Who is a shadow director?
   - A person who is not the member of Board but has some power to run it can be appointed as the director but according to his/her wish.

129. What is causal Vacancy?
   - It means a vacancy caused due to death, disqualification and resignation of an auditor.
   - Act gives power to the board of directors to appoint during a case of casual vacancy of a public company.

130. State the minimum number of Directors for a Private company.
   a) Public Company: Every Public company shall have a minimum number of 3 directors and
   b) Private company:
      - In case of One Person Company: The requirement of directors is one.
      - Other Private Companies: The minimum requirement of Directors is two.

131. What is Special Resolution?
   - A special resolution is the one which is passed by a not less than 75% of majority.
   - The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

132. What do you mean by Statutory Meeting?
   - Every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.
   - This is the first general meeting of the public company is called the Statutory Meeting.
   - This meeting is conducted only once in the lifetime of the company.
   - The company gives the circular to shareholders before 21 days of the meeting.

133. What do you understand by ‘Poll’?
   - Poll means tendering or offering vote by ballot to a specially appointed officer, called the polling officer.
Under the Companies Act, a poll means exercising voting right in proportion to shareholder’s contribution to the paid-up capital of a limited company having a share capital.

134. Give any three cases in which an ordinary resolution need to be passed.
- To change or rectify the name of the company
- To alter the share capital of the company
- To declare the dividends
- To appoint the directors

135. What resolution is requires special notice?
The following matters require special notice before they are discussed in the meeting:

a. To appoint an auditor, a person other than a retiring auditor
b. To provide expressly that a retiring Auditor shall not be reappointed
c. To remove a director before the expiry of his period of office
d. To appoint a director in the place of a director so removed
XII- COMMERCE

5 Marks slow learner Notes

(Q & A)

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9994154393
CHAPTER 1: PRINCIPLES OF MANAGEMENT

1. Explain the principles of modern management. OR Hendry Fayols principles
   I. Division of Work:
      ➢ According to this principle the whole work is divided into small tasks.
      ➢ It leads to specialization which increases the efficiency of labour.

II. Authority and Responsibility:
    ➢ Authority means the right of a superior to give the order to his subordinates
    ➢ whereas responsibility means obligation for performance.

III. Discipline:
    ➢ It is obedience, proper conduct in relation to others, respect of authority, etc.
    ➢ It is essential for the smooth functioning of all organizations.

IV. Remuneration:
    ➢ Workers must be paid sufficiently as this is a chief motivation of employees.

V. Equity:
    ➢ Employees must be treated kindly. Managers should give equal attention towards all employees.

Chapter 2: FUNCTIONS OF MANAGEMENT:

2. Explain the various functions of management.

Main Functions:

I. Planning:
   ➢ Planning is the primary function of management.
   ➢ Planning refers to deciding in advance.

II. Organising:
    ➢ Organising is the process of establishing harmonious relationship among the members of an organisation

III. Staffing:
    ➢ Staffing refers to placement of right persons in the right jobs.

IV. Directing:
    ➢ Directing denotes motivating, leading with subordinates to accomplish pre-set goals.

V. Motivating:
    ➢ It is the process of stimulating people to actions to accomplish the goal.

VI. Controlling

VII. Co-ordination:

Subsidiary Functions:

I. Innovation:
   ➢ Innovation refers to the preparation of personnel and organisation to face the changes made in the business world.

II. Representation:
    ➢ A manager has to act as representative of a company. It is the duty of every manager to have good relation with others.

III. Decision-making:
    ➢ Every employee of an organisation has to take a number of decisions every day. Decision making helps in the smooth functioning of an organization.

IV. Communication:

Chapter 3: MANAGEMENT PROCESS:

3. What are the major advantages of MBO?
   ➢ MBO process helps the managers to understand their role in the total organisation.
   ➢ Manager recognises the need for planning and appreciates the planning.
   ➢ Systematic evaluation of performance is made with the help of MBO.
   ➢ MBO gives the criteria of performance. It helps to take corrective action.
   ➢ Delegation of authority is easily done with the help of MBO.
   ➢ MBO motivates the workers by job enrichment and makes the jobs meaningful.
   ➢ The responsibility of a worker is fixed through MBO.

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4. What are the advantages of MBE?
   i. It saves the time of managers because they deal only with exceptional matters.
   ii. It focuses managerial attention on major problems.
   iii. It facilitates delegation of authority.
   iv. It is a technique of separating important information from unimportant one.
   v. MBE keeps management alert to opportunities and threats by identifying critical problems.
   vi. Management by exception provides better yardsticks for judging results.

Chapter 4: FINANCIAL MARKETS:
5. Distinguish between new issue market and secondary market.

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>NEW ISSUE MARKET</th>
<th>SECONDARY MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>The market place for new issue of shares.</td>
<td>The place where formerly issued securities are traded.</td>
</tr>
<tr>
<td>Buying</td>
<td>Direct</td>
<td>Indirect</td>
</tr>
<tr>
<td>Gained person</td>
<td>Company</td>
<td>Investors</td>
</tr>
<tr>
<td>Intermediary</td>
<td>Underwriters</td>
<td>Brokers</td>
</tr>
<tr>
<td>Buying and Selling between</td>
<td>Company and Investors</td>
<td>Investors</td>
</tr>
<tr>
<td>How can securities be sold?</td>
<td>Only Once</td>
<td>Multiple times</td>
</tr>
</tbody>
</table>

6. Enumerate the different kinds of financial markets or discuss the various types of financial markets
   (i) Debt Market:
       – It is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities etc)
   (ii) Equity Market:
       – It is the financial market for trading in Equity Shares of Companies.
   (iii) Money Market:
       – It is the market for short term financial claim (usually one year) E.g. Treasury Bills, Commercial Paper, etc
   (iv) Capital Market:
       – It is the market for long term financial claim more than a year E.g. Shares, Debentures
   (v) Primary Market:
       – The market place for new issue of shares
   (vi) Secondary Market:
       – The place where formerly issued securities are traded
   (vii) Cash/Spot Market:
       – It is a market where the delivery of the financial instrument and payment of cash occurs immediately.
   (viii) Forward or Futures Market:
       – It is a market where the delivery of asset and payment of cash takes place in future.

Chapter 5: CAPITAL MARKET
7. Discuss the characters of a Capital Market.
   (i) Securities Market:
       – The dealings in a capital market are done through the securities like shares, debentures, etc.
   (ii) Price:
       – The price of the securities is determined based on the demand and supply.
   (iii) Participants:
       – The participants of the capital market include individuals, corporate sectors, Govt., etc
   (iv) Location:
       – Capital market is not confined to certain specific locations.
   (v) Market for Financial Assets:
       – Capital market provides a transaction platform for long term financial assets

8. Briefly explain the functions of capital market.
   (i) Savings and Capital Formation:
       – In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.)
(ii) Permanent Capital:
- The existence of a capital market/stock exchange enables companies to raise permanent capital.

(iii) Industrial Growth:
- The stock exchange is a central market through which resources are transferred to the industrial sector of the economy.

(iv) Ready and Continuous Market:
- The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities.

(v) Reliable Guide to Performance:
- The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency.

Chapter 6: MONEY MARKET


<table>
<thead>
<tr>
<th>SL.NO</th>
<th>FEATURES</th>
<th>MONEY MARKET</th>
<th>CAPITAL MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Duration of Funds</td>
<td>It is a market for short-term loanable funds( not exceeding one year)</td>
<td>It is a market for long-term funds exceeding period of one year.</td>
</tr>
<tr>
<td>2</td>
<td>Deals with Instruments</td>
<td>commercial bills (bill of exchange, treasury bill, commercial papers etc.).</td>
<td>shares, debentures, Government bonds, etc.,</td>
</tr>
<tr>
<td>3</td>
<td>Role of Major Institution</td>
<td>The central bank and commercial banks</td>
<td>Development banks and Insurance companies</td>
</tr>
<tr>
<td>4</td>
<td>Risk</td>
<td>Low credit and market risk.</td>
<td>High credit and market risk</td>
</tr>
<tr>
<td>5</td>
<td>Liquidity</td>
<td>High liquidity in Money Market</td>
<td>Low liquidity in Capital Market</td>
</tr>
</tbody>
</table>

10. What are the features of Government Securities?
   i. RBI Special Role
   - RBI takes a special and an active role in the purchase and sale of these securities
   ii. Issue Mechanism
   - The Public Debt Office (PDO) of the RBI undertakes to issue government securities.
   iii. Issue opening
   - A notification for the issue of the securities is made a few days before the public subscription is open.
   iv. Switching
   - The purchase of one security against the sale of another security carried out by the RBI in the secondary market as part of its open market operations is described as ‘Switching’.
   v. Auctioning
   - A method of trading whereby merchants bid against one another and where the securities are sold to the highest bidder is known as ‘auctioning’.

Chapter 7: STOCK EXCHANGE

11. Explain the functions of Stock Exchange. (Any 5)
   i. Ready and Continuous Market
   - It is a market for existing securities.
   - If an investor wants to sell his securities, he can easily and quickly dispose them off on a stock exchange.
   ii. Protection to Investors
   - All dealings in a stock exchange are in accordance with well-defined rules and regulations.
   - Any malpractice will be severely punished.
   iii. Aid to Capital Formation
   - Stock exchanges thus ensure a steady flow of capital into industry and assists industrial development.
iv. Correct Evaluation of Securities
   - The prices at which securities are bought and sold are recorded and made public.
   - These prices are called “market quotations”.

v. Facilities for Speculation
   - Speculation is an integral part of stock exchange operations.
   - As a result of speculation, demand for and supply of securities are equalized.

12. Explain the features of Stock Exchange. (Any 5)

1. Market for Securities
   - Stock exchange is a market, where securities of corporate bodies, government and semi-government bodies are bought and sold.

2. Deals in Second Hand Securities
   - It deals with shares, debentures bonds and such securities already issued by the companies.

3. Association of Persons
   - A stock exchange is an association of persons or body of individuals which may be registered or unregistered.

4. Recognition from Central Government
   - Stock exchange is an organised market. It requires recognition from the Central Government.

5. Working as per Rules
   - Buying and selling transactions in securities at the stock exchange are governed by the rules and regulations of stock exchange as well as SEBI Guidelines.


<table>
<thead>
<tr>
<th>SL.NO</th>
<th>FEATURE</th>
<th>STOCK EXCHANGE</th>
<th>COMMODITY EXCHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>Stock Exchange is an organized market for the purchase and sale of industrial and financial security.</td>
<td>A commodity exchange is an exchange where commodities are traded.</td>
</tr>
<tr>
<td>2</td>
<td>Function</td>
<td>Providing easy marketability</td>
<td>Offering hedging or price insurance services and liquidity to securities.</td>
</tr>
<tr>
<td>3</td>
<td>Participants</td>
<td>Investors and Speculators</td>
<td>Producers, dealers, traders and a body of speculators.</td>
</tr>
<tr>
<td>4</td>
<td>Articles Traded</td>
<td>Industrial securities such as stocks and bonds and government securities.</td>
<td>Only durable, graded and goods having large volume of trade, price uncertainty and uncontrolled supply</td>
</tr>
<tr>
<td>5</td>
<td>Period of dealings</td>
<td>Cash, ready delivery and dealings for account for a fortnight</td>
<td>Instant cash dealings and a settlement period of 2 or 3 months for Future Market dealings</td>
</tr>
</tbody>
</table>

Chapter 8: SECURITIES EXCHANGE BOARD OF INDIA(SEBI)

14. What are the functions of SEBI?
   a) Safeguarding the interests of investors by means of adequate education and guidance.
   b) Regulating and controlling the business on stock markets.
   c) Barring insider trading in securities.
   d) Registering and controlling the functioning of stock brokers, sub-brokers, share transfer agents, bankers
   e) SEBI regulates mergers and acquisitions as a way to protect the interest of investors.
   f) Provide appropriate training to financial intermediaries.
   g) Levying fee or any other type of charges to carry out the purpose of the Act
   h) Performing functions that may be assigned to it by the Central Government of India.
15. Explain the powers of SEBI.
   1. Powers Relating to Stock Exchanges & Intermediaries
      It can ask information from the stock exchanges and intermediaries regarding their business transactions for inspection or scrutiny and other purpose.
   2. Power to Impose Monetary Penalties
      SEBI has been empowered to impose monetary penalties on capital market intermediaries and other participants for a range of violations.
   3. Power to Initiate Actions in Functions Assigned
      It can issue guidelines to different intermediaries or can introduce specific rules for the protection of interests of investors.
   4. Power to Regulate Insider Trading
      SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.
   5. Power to Regulate Business of Stock Exchanges
      SEBI is also empowered to regulate the business of stock exchanges, intermediaries associated with the securities market

16. What are the benefits of Dematerialisation?
   i. The risks pertaining to physical certificates like loss, theft and damage are eliminated.
   ii. Quicker transactions and higher efficiency in trading.
   iii. Trading has become more convenient as one can trade through computers at any location.
   iv. Transactions occur through the DP, a trader no need to communicate each and every company.
   v. There is no need for stamp duty for transfer of securities;
   vi. Certain banks also permit holding of both equity and debt securities in a single account.
   vii. Banks also provide dedicated and trained customer care officers to assist through all the procedures.
   viii. A DEMAT account holder can buy or sell any amount of shares.
   ix. One can also choose to take a loan against securities which are held in a DEMAT account.

Chapter 9: FUNDAMENTALS OF HUMAN RESOURCE MANAGEMENT

17. Explain the unique features of Human Resource.
   ➢ Human resource is the only factor of production that lives
   ➢ Human resource created all other resources
   ➢ Human resource exhibits innovation and creativity
   ➢ Human resource alone can think, act, analyze and interpret
   ➢ Human resources are emotional beings
   ➢ Human resources can be motivated either financially or non-financially
   ➢ The behavior of human resources are unpredictable
   ➢ Human resources are movable
   ➢ Human resource can work as a team

18. Describe the significance of Human Resource Management.
   i. To identify manpower needs :
      ➢ The number of men required are to be identified accurately to optimise the cost.
   ii. To incorporate change :
      ➢ Change is constant in any organisation human resource management acts as an agent to make the change effective.
   iii. To ensure the correct requirement of manpower:
      ➢ At any time the organisation should not suffer from shortage or surplus manpower which is made possible through human resource management.
   iv. To select right man for right job:
      ➢ Human resource management ensures the right talent available for the right job, so that no employee is either under qualified or over qualified.
v. To provide incentives and bonus to best performers:
   - It is the role of human resource management to recognise the best performers and to provide
     them with bonus and incentives as a form of appreciation for their work.

   i. Planning:
      Planning is deciding in advance what to do, how to do and who is to do it. It bridges the gap between
      where we are and where we want to go. It helps in the systematic operation of business.
   ii. Organising:
      It includes division of work among employees by assigning each employee their duties, delegation of
      authority as required and creation of accountability to make employees responsible.
   iii. Directing:
      It involves issue of orders and instructions along with supervision, guidance and motivation to get the
      best out of employees. This reduces waste of time energy and money and early attainment of organisational
      objectives.
   iv. Controlling:
      It is comparing the actuals with the standards and to check whether activities are going on as per plan
      and rectify deviations.

20. Differentiate HR from HRM.

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>HRM</th>
<th>HR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Human Resource Management refers to the application of principles of management to manage the people working in the organization</td>
<td>In an organisation the human resource are the employees who are inevitable for the survival and success of the enterprise.</td>
</tr>
<tr>
<td>What is it?</td>
<td>In order to achieve the personal and organisational objectives human resources are to be trained up and managed</td>
<td>Human resource is the only factor of production that lives</td>
</tr>
<tr>
<td>Function</td>
<td>Its concerned with hiring, motivating and maintaining people in an organisation. It focuses on people in an organisation.</td>
<td>The sustainable growth of an organisation depends on the important resource human resource</td>
</tr>
<tr>
<td>Objective</td>
<td>To improve the performance of the employees</td>
<td>Human resource exhibits innovation and creativity</td>
</tr>
<tr>
<td>Characteristics</td>
<td>Human resource management ensures the right talent available for the right job.</td>
<td>Human resources can be motivated either financially or non financially</td>
</tr>
</tbody>
</table>

Chapter 10: RECRUITMENT METHODS

21. Explain the different methods of recruitment.

   Internal Sources:
   1. Transfer - Transfer of employee from one department with surplus staff to that of another with deficit staff.
   2. Promotion - Based on seniority and merits of the employees they are given opportunity to move up
   3. Demotion - Movement of employee from a higher position to a lower position because of poor performance
   4. Job rotation - One single employee managing to learn how to perform in more than one job on rotation
   5. Retired employees - The employees who have already retired can be called to fill the vacancy.

   External Sources:
   i. Direct:
      1. Advertisements - The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation
      2. Walk ins - Walk-in applicants with suitable qualification and requirement can be another source of requirement.

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3. Campus Recruitment - The organisations visit the educational institutions to identify and recruit suitable candidates.

4. E Recruitment - The organisations which carry out recruitment online methods is said to follow e recruitment

   ii. Indirect:

1. Employee referral - The existing employees of the organisation may recommend some of their relatives

2. Employment Consultancies - These types of firms facilitate recruitment on behalf of client companies at cost

3. Labour Contractors - Organisations recruit unskilled and manual labourers through these contractors.

4. Job Portals - Using internet job portals organisations can screen for the prospective candidates and fill up their vacancies.

22. Differentiate Recruitment and Selection.

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>Basis of Comparison</th>
<th>Recruitment</th>
<th>Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>Recruitment is an activity of searching candidates and encouraging them to apply for it</td>
<td>Selection refers to the process of selecting the suitable candidates and offering them job.</td>
</tr>
<tr>
<td>2</td>
<td>Approach</td>
<td>Approach under recruitment is positive one.</td>
<td>Approach under selection is negative one</td>
</tr>
<tr>
<td>3</td>
<td>Sequence</td>
<td>First</td>
<td>Second</td>
</tr>
<tr>
<td>4</td>
<td>Method</td>
<td>It is an economical method</td>
<td>It is an expensive method</td>
</tr>
<tr>
<td>5</td>
<td>Process</td>
<td>Recruitment process is very simple</td>
<td>Selection process is very complex and complicated</td>
</tr>
</tbody>
</table>

Chapter 11: EMPLOYEE SELECTION PROCESS

23. Briefly explain the various types of tests.

A) Ability Test

A test designed to measure an individual’s thinking function in a specific area, such as variety of skills, mental aptitude, problem solving, knowledge of particular field, reasoning ability, intelligence etc.

1. Aptitude test

   Aptitude test is a test to measure suitability of the candidates for the post/role. It actually measures whether the candidate possess a set of skills required to perform a given job. It can be measured by the following ways:
   i) Numerical Reasoning Test
   ii) Verbal Reasoning Test
   iii) Inductive Reasoning Test
   iv) Mechanical Reasoning Test
   v) Diagrammatic Reasoning Test

2. Achievement Test

   This test measures a candidate’s capacity to achieve in a particular field. The regular examination conducted in educational institution represents achievement test. It is also called proficiency test.

   Example,
   a) A driver may be asked to drive a vehicle to test his driving efficiency

3. Intelligence Tests

   Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate.

4. Judgment Test

   This test is conducted to test the presence of mind and reasoning capacity of the candidates

B. Personality test

   Personality test refers to the test conducted to find out the non-intellectual traits of a candidate namely temperament, emotional response, capability and stability. There is no right or wrong answer in the test. It comprises of following tests:

   1. Interest Test
   2. Personality Inventory Test
   3. Projective Test / Thematic Appreciation Test
   4. Attitude Test
24. Explain the important methods of interview.

i) Structure/Guided/Planned Interview
   ✓ A series of questions to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview.

ii) Unstructured Interview
    ✓ There is no pre-prepared question. Interviewers determine the suitability of the candidate based on their response to the random questions raised in the interview.

iii) In depth Interview
     ✓ Interview helps the interviewers to learn about the candidate’s expertise and practical exposure with respect to his/her area of specialization.

iv) Telephone Interview
     Where the candidates live far away from organization and find it difficult to attend preliminary interview for various reasons, telephone interview is conducted by some organization to eliminate unfit and unsuitable candidate at the preliminary stage itself.

v) Video Conferencing Interview
   ✓ Video conferences interview is similar to face to face interview.
   ✓ Video conferencing interview is a kind of conference call that connects the candidate with companies located across various geographies. Interview can be conducted from a desktop at work, a home computer or smart phone or a tablet.

25. Explain the principles of placement.

1. Job First, Man Next:
   ✓ Man should be placed on the job according to the requirements of the job.
   ✓ There is no compromise on the requirements or qualifications of the man with respect to job.
   ✓ “Job first Man next” should be principles of Placement.

2. Job Offer:
   ✓ The job should be offered to the man based on his qualification.

3. Terms and conditions:
   ✓ The employee should be made conversant with the conditions and culture prevailing in the organization and all those things relating to the job.

4. Aware about the Penalties:
   ✓ The employee should also be made aware of the penalties if he / she commits a wrong or lapse.

5. Loyalty and Co-operation:
   ✓ When placing new recruit on the job, an effort should be made to develop a sense of loyalty and cooperation in him, so that he/ she may realise his/her responsibilities better towards the job and the organization.

Chapter 12: EMPLOYEE TRAINING METHOD

26. Define training. Discuss various types of training.

    According to Edwin B. Flippo “Training is the act of increasing the Knowledge and skills of an employee for doing particular jobs”.

(I) On the Job Training:

i) Coaching Method:
   ➢ The superior teaches or guides the new employee about the knowledge and skills relevant to a given job.

ii) Mentoring method:
    ➢ Mentoring is always done by senior person; it is also one-to-one interaction, like coaching.

iii) Job Rotation Method:
     ➢ Under this method a trainee is periodically shifted from one work to another work and from one department / division to another department / division for a particular period of time.

iv) Job Instruction Techniques (JIT) Method:
    ➢ In this method, a trainer at the supervisory level gives some instructions to an employees to how to perform his job and its purpose.
v) Apprenticeship Training Method:
- The apprentice or trainee learns the job knowledge and skills from the trainer or superior or senior worker.

(II) Off the Job Training
i) Lecture Method:
- Under this method trainees are educated about concepts, theories, principles and application of knowledge in any particular area.
- Trainer may be generally drawn from Colleges, Universities, Consultancies, etc.,

ii) Group Discussion Method:
- Participants are divided into various groups; they were provided a particular issue for deliberation.
- Each group has to prepare solution after deep discussion with their group members.

iii) Role Play Method:
- Under this method trainees are explained the situation and assigned roles.
- They have to act out the roles assigned to them without any rehearsal, there are no pre-prepared dialogues.

iv) Field Trip Method:
- Trainees are taken to actual workplace/ site/facility to gain exposure and knowledge.
- They are explained the process of work by supervisor/ manager of the facility visited by the participants.

v) Vestibule Training Method:
- Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose.

27. What are the differences between on the job training and off the job training?

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>BASIS</th>
<th>On the Job Training</th>
<th>Off the Job Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>The employee learns the job in the actual work environment.</td>
<td>the training of employees outside the actual work location.</td>
</tr>
<tr>
<td>2</td>
<td>Cost</td>
<td>It is cheapest to carry out</td>
<td>It requires expenses more.</td>
</tr>
<tr>
<td>3</td>
<td>Location</td>
<td>At the work place</td>
<td>Away from the work place</td>
</tr>
<tr>
<td>4</td>
<td>Approach</td>
<td>Practical approach</td>
<td>Theoretical approach</td>
</tr>
<tr>
<td>5</td>
<td>Principle</td>
<td>Learning by performing</td>
<td>Learning by acquiring knowledge</td>
</tr>
</tbody>
</table>

28. Explain the benefits of training.

(i) Benefits to the Organization
- It reduces wastages of materials and idle time
- It exposes employees to latest trends.
- It minimizes the time for supervision.
- It reduces labour turnover of employee
- It improves union and management relation.

(ii) Benefits to the Employees
- It adds to the knowledge skill and competency of employee
- It improves the employees productivity
- It enhances the morale of the employee.
- Employees get higher earnings through incentives and rewards.

(iii) Benefits of Customer
- Customers get better quality of product/ service.
- Customers get innovative products or value added or feature rich products.
Chapter 13: CONCEPT OF MARKETING AND MARKETER

29. How the market can be classified?

a. Family Market:
   When exchanges of goods or services are confined within a family or close members of the family, it’s called as family market.

b. National Market:
   Certain type of commodities has demand throughout the country. Hence it is called as a national market.

c. International Market or World Market:
   World or international market is one where the buyers and sellers of goods are from different countries.

d. Commodity Market:
   A commodity market is a place where produced goods or consumption goods are bought and sold.

e. Capital Markets:
   New or going concerns need finance at every stage. Their financial needs are met by capital markets.

f. Spot Market:
   In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

g. Future Market:
   In such markets, contracts are made over the price for future delivery. The dealing and settlement take place on different dates.

h. Regulated Market:
   These are types of markets which are organised, controlled and regulated by statutory measures.

i. Unregulated Market:
   A market which is not regulated by statutory measures is called unregulated market. This is a free market, Demand and supply determine the price of goods.

30. How the market can be classified on the basis of Economics?

a. Perfect Market: A market is said to be a perfect market, if it satisfies the following conditions:
   i. Large number of buyers and sellers are there.
   ii. Prices should be uniform throughout the market.
   iii. Buyers and sellers have a perfect knowledge of market.
   iv. Goods can be moved from one place to another without restrictions.
   v. The goods are identical or homogenous.

   It should be remembered that such types of markets are rarely found.

b. Imperfect Market: A market is said to be imperfect when
   i. Products are similar but not identical.
   ii. Prices are not uniform.
   iii. There is lack of communication.
   iv. There are restrictions on the movement of goods.

Chapter 14: MARKETING AND MARKETING MIX

31. Why the marketing is important to the society and individual firm? Explain.

a) To the Society
   ✓ Marketing is a connecting link between the consumer and the producer.
   ✓ Marketing helps in increasing the living standard of people.
   ✓ Marketing helps to increase the nation’s income.
   ✓ Marketing process increases employment opportunities.
   ✓ A reduction in the cost of marketing is a direct benefit to society.

b) To the Individual Firms
   ✓ Marketing generates revenue to firms.
   ✓ Marketing section of a firm is the source of information to the top management for taking overall decisions on production.
   ✓ Marketing and innovation are the two basic functions of all businesses. The world is dynamic.
   ✓ Marketing facilities the development of business and creates employment opportunities for people.
32. Narrate the Elements of Marketing mix.

i. Product

✓ Product is the main element of marketing.
✓ Without a product, there can be no marketing.
✓ “A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need” - Philip Kotler.

ii. Price

✓ Price is the value of a product expressed in monetary terms.
✓ It is the amount charged for the product.
✓ Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service”. Philip Kotler

iii. Place (Physical Distribution)

✓ The fourth element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.

iv. Promotion

✓ An excellent product with competitive price cannot achieve a desired success and acceptance in market, unless and until its special features and benefits are conveyed effectively to the potential consumers.

CHAPTER 15: RECENT TRENDS IN MARKETING

33. Explain in detail how traditional marketing differ from E-marketing

<table>
<thead>
<tr>
<th>E-Marketing</th>
<th>Traditional Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is very economical and faster way to promote the products.</td>
<td>It is very expensive and takes more time to promote product.</td>
</tr>
<tr>
<td>It is quiet easier for promoting product globally in the short time.</td>
<td>It is very expensive and time consuming to promote product/service under traditional marketing.</td>
</tr>
<tr>
<td>E-Business enterprises can expand their operation with minimum manpower.</td>
<td>It needs more man power.</td>
</tr>
<tr>
<td>In this marketing product can be sold or bought 24 x 7, round the year with minimum manpower</td>
<td>That is not possible in traditional marketing.</td>
</tr>
</tbody>
</table>

CHAPTER 16: CONSUMERISM

34. How consumers are exploited?

1. Selling at Higher Price

The price charged by the seller for a product service may not be matching with the quality but at times it is more than the fair price.

2. Adulteration

It refers to mixing or substituting undesirable material in food. This causes heavy loss to the consumers. This will lead to monetary loss and spoil the health.

3. Duplicate or Spurious goods

Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, clothes and even for currency notes.

4. Warranty and Services

Warranty service may not be extended to many parts/components of the product sold. Thus consumers may be charged exorbitant charges in the name of repair costs.

5. False Advertisements

Advertisements convey very little information about the product. Many times it makes false representation about the quality, price, grade, composition, utility guaranteed, performance etc.
CHAPTER 17: CONSUMER PROTECTION

35. What are the rights of consumers?
Right to protection of health and safety:
- The consumers are entitled to protection of their health and safety from the goods and services they buy.
- They should not be supplied goods or services which are hazardous to their health and safety.

Right to be informed:
- Consumers should be given all the relevant facts about the product so that they can take intelligent decisions on purchasing the product.
- The package should contain the full details about the name of the product, composition, dosage, date of manufacturing, date of expiry, batch number, warnings, antidote etc.

Right to redressal:
- The complaints and protests are not just to be heard: but the aggrieved party is to be granted compensation within a reasonable time period.

Right to Consumer Education:
- The consumer has a right to acquire knowledge and stay well-informed all through his life.

Right to Basic Needs:
- Every consumer has a right to get basic necessities of life such as food, clothing and water, and right to pure and healthy environment. It is the latest addition to consumer bill of rights.

36. Explain the duties of consumers.

Buying Quality Products at Reasonable Price:
- It is the responsibility of a consumer to purchase a product after gaining a thorough knowledge of its price, quality and other terms and conditions.

Ensure the Weights and Measurement before Making Purchases:
- The consumer should ensure that he/she is getting the product of exact weight and measure. Consumer should check the weights and balance of the product.

Reading the Label Carefully:
- It is the duty of the consumer to thoroughly read the label of the product. It should have correct, complete and true information about the product.

Beware of False and Attractive Advertisements:
- Often the products are not as attractive as shown in the advertisement by the sellers. Hence, it is the prime duty of consumer not to get misled by such fraudulent advertisements.

Ensuring the Receipt of Cash Bill:
- It is a legitimate duty of consumers to collect cash receipt and warranty card supplied along with bills. This will help them in seeking redressal for their grievances.

37. What are the responsibilities of consumers?
1. The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
2. The consumer has got a responsibility to apply to the seller for the delivery of the goods. He/she has to take delivery of the goods in time.
3. The consumer has to bear any loss, which may arise to the seller when the consumer delays taking delivery of the goods as per the terms of contract.
4. The consumer is bound to pay any interest and special damages caused to the seller incase if there is delay in the payment.
5. The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
6. The consumer has the responsibility to express unambiguously to the seller of his requirements and expectations from the product.
7. The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
8. The consumer must get cash receipt as a proof of goods purchased from the seller.
CHAPTER 18: GRIEVANCE REDRESSAL MECHANISM

38. What is Voluntary Consumer Organisations? Explain its Functions.

- Voluntary consumer organisations refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

Objectives

- The primary objective of the Consumer Welfare Fund is to strengthen the Consumer Advocacy Movement in India.
- Voluntary Consumer Organisation is doing commendable work to raise awareness amongst consumers.
- To strengthen consumer protection and welfare and to provide counselling, guidance and mediation services.
- Steps have been taken to enhance transparency and to digitalise the government’s interface with its citizens.

Functions

- i) Collecting Data on Different Products and testing them
- ii) Filing Suit on Behalf of Consumers
- iii) Organising Protests against Adulteration etc.
- iv) Helping Educational Institutions
- v) Promoting Network of Consumer Association
- vi) Extending Support to Government

CHAPTER 19: ENVIRONMENTAL FACTORS

39. Discuss the role of macro environment of business.

i) Economic environment:

- The nature of economic system: The economic systems can be classified as Capitalistic, Socialistic and Mixed economy.
- The economic policies of a nation: Monetary policy, fiscal policy etc.
- The Economic indices like GDP, GNP, national income, et..

ii) Socio-Cultural environment:

- Business is a part of the society: Social environment refers to the sum total of factors of the society in which the business is located.
- Social and cultural environment of society affects the business.

iii) Political and Legal environment:

- The framework for running a business is given by the political and legal environment.
- The success of a business lies in its ability to adapt and sustain to political and legal changes.

iv) Geo-physical environment:

- the availability of natural resources like minerals oil etc.
- the weather and climatic conditions
- Availability of natural harbours and port facilities for transporting goods etc.

v) Technological environment:

- The development in the IT and telecommunications has created a global market.
- Technology is widely used in conducting market research for understanding the special needs of the customer.

40. Explain the micro environmental factors of business.

i) Suppliers:

- In any organisation the suppliers of raw materials and other inputs play a very vital role.
- Organisations have realised the importance of nurturing and maintaining good relationship with the suppliers.

ii) Customers:

- The aim of any business is to satisfy the needs of its customers. The customer is the king business.
- Customer relationship management aims at creating and sustaining cordial relations with customers.
iii) Competitors:

- All organisations face competition at all levels local, national and global.
- It is important for a business to understand its competitors and modify their business strategies in the face of competition.

iv) Marketing Channel members:

- The marketing inter-mediaries serve as a connecting link between the business and its customers.
- Market research agencies help the firm to understand the needs of the customers.

v) Public:

- This refers to any group like media group, citizen action group and local public which has an impact on the business.
- The public group has the ability to make or mar a business. Many companies had to face closure due to actions by local public.

CHAPTER 20: LIBERALIZATION, PRIVATISATION, AND GLOBALIZATION

41. Explain the advantages and disadvantages of liberalisation.

Advantages:

(a) Increase in foreign investment:

- If a country liberalises its trade, it will make the country more attractive for inward investment.

(b) Increase the foreign exchange reserve:

- Relaxation in the regulations covering foreign investment and foreign exchange has paved way for easy access to foreign capital.

(c) Increase in consumption:

- Liberalization increases the number of goods available for consumption within a country due to increase in production.

(d) Control over price:

- The removal of tariff barriers can lead to lower prices for consumers. This would be particularly a benefit for countries who are importers.

Disadvantages:

(a) Increase in unemployment:

- Trade liberalisation often leads to a shift in the balance of an economy. Some industries grow, some decline. Therefore, there may often be structural unemployment from certain industries closing.

(b) Loss to domestic units:

- With fewer entry restrictions, it has been possible for many entrants to make inroads into the country, which poses a threat and competition to the existing domestic units.

(c) Increased dependence on foreign nations:

- Trade liberalisation means firms will face greater competition from abroad.

(d) Unbalanced development:

- Trade liberalisation may be damaging for developing economies. The trade liberalisation often benefits developed countries rather than developing economies.

42. Explain the impact of LPG on Indian Economy.

Impact of Liberalization:

- Liberalization has opened up new business opportunities abroad and increased foreign direct investment.
- "Foreign Collaboration" is the latest outcome of liberalization.
- A number of multinational companies started operating world-wide including India.

Impact of Privatization:

- Privatization has a positive impact on the financial growth by decreasing the deficits and debts.
- Increase in the efficiency of government undertakings.
- Provide better goods and services to the consumers.
Impact of Globalization

✓ Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
✓ Multinational corporations (MNCs) can manufacture, buy and sell goods worldwide.
✓ The advent of foreign companies and growth in economy has led to job creation.

CHAPTER 21: THE SALE OF GOODS ACT 1930

43. Distinguish between sale and agreement to sell

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>PARTICULARS</th>
<th>SALE</th>
<th>AGREEMENT TO SELL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ownership Transference</td>
<td>The property (ownership) in the goods passes from the seller to the buyer immediately</td>
<td>The property (ownership or title) in the goods has to pass at a future time or after the fulfilment of condition.</td>
</tr>
<tr>
<td>2</td>
<td>Nature of contract</td>
<td>It is an executed contract i.e. completed contract</td>
<td>It is an executory contract.</td>
</tr>
<tr>
<td>3</td>
<td>Risk of Loss</td>
<td>Where the goods sold under the contract of sale are destroyed, the loss falls on the buyer.</td>
<td>Where the goods under the agreement to sell are destroyed, the loss falls on the seller.</td>
</tr>
<tr>
<td>4</td>
<td>Consequences of violating the contract</td>
<td>Where the buyer fails to pay the price, the seller cannot seize the goods.</td>
<td>Where the buyer violates the contract, the seller can repossess the goods from the buyer.</td>
</tr>
<tr>
<td>5</td>
<td>Insolvency of the Buyer</td>
<td>if a buyer becomes insolvent before he pays for the goods, the seller handover to the goods to official receiver and claim the amount.</td>
<td>If the buyer becomes insolvent before the payment of the price, the seller can retain the goods.</td>
</tr>
</tbody>
</table>

44. Distinguish between Conditions and Warranty.

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>BASIC OF DIFFERENCE</th>
<th>CONDITION</th>
<th>WARRANTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>It is a stipulation which is essential to the main purpose of the contract of sale.</td>
<td>It is a stipulation which is collateral to the main purpose of contract.</td>
</tr>
<tr>
<td>2</td>
<td>Significance</td>
<td>Condition is so essential to the contract that the breaking of which cancels out the contract.</td>
<td>It is of subsidiary or inferior character. The violation of warranty will not revoke the contract.</td>
</tr>
<tr>
<td>3</td>
<td>Transfer of ownership</td>
<td>Ownership on goods cannot be transferred without fulfilling the conditions.</td>
<td>Ownership on goods can be transferred on the buyer without fulfilling the warranty.</td>
</tr>
<tr>
<td>4</td>
<td>Remedy</td>
<td>In case of breach of contract, the affected party can cancel the contract and claim damages.</td>
<td>In the case of breach of warranty, the affected party cannot cancel the contract but can claim damages only.</td>
</tr>
<tr>
<td>5</td>
<td>Treatment</td>
<td>Breach of condition may be treated as breach of warranty</td>
<td>Breach of warranty cannot be treated as breach of condition</td>
</tr>
</tbody>
</table>

CHAPTER 22: THE NEGOTIABLE INSTRUMENTS ACT 1881

45. Distinguish a cheque and a bill of exchange.

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>BASIC OF DIFFERENCE</th>
<th>BILL OF EXCHANGE</th>
<th>CHEQUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Drawn</td>
<td>A bill of exchange can be drawn on any person including a banker.</td>
<td>A cheque can be drawn only on a particular banker.</td>
</tr>
<tr>
<td>2</td>
<td>Payability</td>
<td>It is payable on demand or on the expiry of a certain period.</td>
<td>It is payable on demand only.</td>
</tr>
</tbody>
</table>
**Thinking**

Entrepreneur is a free thinker

he is forced to think independently but within scope of business activities

**Dependency**

Entrepreneur is an independent person

Intrapreneur is dependent on the entrepreneur.

**Fund Mobilization**

Entrepreneur has to mobilize funds to finance the venture.

Intrapreneur does not engage in fund mobilization.

**Reward**

Entrepreneur is rewarded by profit for the risk bearing exercise.

Intrapreneur does not share in profits of venture. But gets perquisites, salary, incentives etc

**Operation**

Entrepreneur operates mostly outside the enterprise.

Intrapreneur operates within the enterprise.

**46. Explain the different kinds of endorsements**

1. **Endorsement in Blank / General**:

   An endorsement is said to be blank or general when the endorser puts his signature only on the instrument and does not write the name of anyone to whom or to whose order the payment is to be made.

   Example: “Pallavan”

2. **Endorsement in full or special endorsement**:

   Where the endorser, in addition to his signature, specifies the person to whom or to whose order the instrument is payable.

   Example: Pay to Paari “Pallavan”

3. **Conditional or qualified endorsement**:

   Where the endorser of a negotiable instrument makes his liability dependent upon the happening of an event which may or may not happen.

   Example: Pay Paari, if he returns from Delhi within three months “Pallavan”

4. **Restrictive endorsement**:

   When an endorsement restricts or prohibits further negotiability of the instrument, it is called Restrictive Endorsement.

   Example: Pay Sundar only “Pallavan”

5. **Facultative Endorsement**:

   To make an endorser liable on the instrument, notice of dishonour must be given to him. But if the endorser waives this right by a writing “Notice of dishonour waived” at the time of endorsing.

   Example: Pay to Aruvi or order, Notice of dishonour waived “Radha”

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**Chapter 23: ELEMENTS OF ENTREPRENEURSHIP**

**47. Distinguish between an Entrepreneur and an Intrapreneur.**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Entrepreneur</th>
<th>Intrapreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thinking</td>
<td>Entrepreneur is a free thinker</td>
<td>he is forced to think independently but within scope of business activities</td>
</tr>
<tr>
<td>Dependency</td>
<td>Entrepreneur is an independent person</td>
<td>Intrapreneur is dependent on the entrepreneur.</td>
</tr>
<tr>
<td>Fund Mobilization</td>
<td>Entrepreneur has to mobilize funds to finance the venture.</td>
<td>Intrapreneur does not engage in fund mobilization.</td>
</tr>
<tr>
<td>Reward</td>
<td>Entrepreneur is rewarded by profit for the risk bearing exercise.</td>
<td>Intrapreneur does not share in profits of venture. But gets perquisites, salary, incentives etc</td>
</tr>
<tr>
<td>Operation</td>
<td>Entrepreneur operates mostly outside the enterprise.</td>
<td>Intrapreneur operates within the enterprise.</td>
</tr>
</tbody>
</table>
48. Discuss the problems faced by Women Entrepreneurs.

1. Problem of Finance:
   - The access of women to external sources of funds is limited as they do not generally own properties in their own name.
   - Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

2. Lack of Education
   - Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey
   - This reduces the efficiency of operating the business successfully.

3. Stiff Competition
   - Women entrepreneurs have to face serious competition for their goods from organised sector and from their male counterparts.

4. Lack of Information
   - Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their preoccupation with household responsibilities.

5. Dependent culture
   - In India, women however educated and talented are groomed to be dependent on their parents, life partners and children during the various phases of their life cycle.

Chapter 24: TYPES OF ENTREPRENEURS

49. Discuss the nature of functional entrepreneurs.

1. Innovating Entrepreneur:
   - Innovative entrepreneur is one who is always focussed on introducing a new project or already started.
   - They constantly observe the environment around them; collect information and analyse them in order to contribute something new in the venture.

2. Imitative Entrepreneur
   - Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.

3. Fabian Entrepreneur
   - These entrepreneurs are said to be traditionalists. They do not simply change to the changes happening in the environment.
   - But they adapt themselves to the changes only as a last resort when they fear that non adaptability to changes will unavoidably lead to loss or collapse of the enterprise. Example; Nurus coffee

4. Drone Entrepreneur
   - Drone entrepreneurs are those who are totally opposed to changes unfolding in the environment.
   - They used to operate in the niche market. They are similar to fabian entrepreneur in single-mindedly pursuing their conventional practices.

50. Distinguish between the rural and urban entrepreneur.

1. Urban Entrepreneur
   - Entrepreneur who commences his entrepreneurial activity in urban areas like State Capital, District Headquarters, Towns, Municipalities etc.,
   - They may be industrial entrepreneur or corporate entrepreneur or retail entrepreneur.

2. Rural Entrepreneur
   - These are people who start venture in rural locations.
   - They are provided a lot of economic and fiscal incentives to start their venture in rural and semi urban areas in order to check the migration of rural people to urban centres in pursuit of employment opportunity.
   - Thanks to their immediate access to material, labour or other facilities at low cost.
   - As a result the cost of operation of rural ventures tends to be low.
   - Agricultural and trading entrepreneurs prefer to set up their venture in rural areas.

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CHAPTER 25: GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT

51. Explain any five Government Entrepreneurial schemes.

1. Digital India:
   - The Digital India initiative has been launched to modernize the Indian economy to make all government services available electronically.

2. Startup India:
   - Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
   - A ‘Fund of Funds’ has been created to help startups gain access to funding.

3. Dairy Entrepreneurship development scheme.
   - Dairy Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of Agriculture, pets and animals, to set up small dairy farms
   - Incentives are provided to cover the cost of the required equipment or establishment of the facility.

4. Jan Dhan-Aadhaar - Mobile (JAM):
   - JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries.
   - Therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens.

5. Single Point Registration Scheme (SPRS)
   - A great scheme for Micro and Small Enterprises, which provides an exemption from payment of Earnest Money Deposit (EMD).
   - Under this scheme, the tenders are issued free of cost.

Chapter 26: Companies Act 2013

52. Write the difference between Debentures and Shares:

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>BASIS FOR COMPARISON</th>
<th>SHARES</th>
<th>DEBENTURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>The shares are the owned funds of the company.</td>
<td>The debentures are the borrowed funds of the company.</td>
</tr>
<tr>
<td>2</td>
<td>Holder</td>
<td>The holder of shares is known as shareholder.</td>
<td>The holder of debentures is known as debenture holder.</td>
</tr>
<tr>
<td>3</td>
<td>Status of Holders</td>
<td>Owners</td>
<td>Creditors</td>
</tr>
<tr>
<td>4</td>
<td>Form of Return</td>
<td>Shareholders get the dividend.</td>
<td>Debenture holders get the interest.</td>
</tr>
<tr>
<td>5</td>
<td>Payment of return</td>
<td>Dividend can be paid to shareholders only out of profits.</td>
<td>Interest can be paid to debenture holders even if there is no profit.</td>
</tr>
<tr>
<td>6</td>
<td>Security for payment</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Voting Rights</td>
<td>The holders of shares have voting rights.</td>
<td>The holders of debentures do not have any voting rights.</td>
</tr>
</tbody>
</table>

53. Write the difference between Share Certificate and Share Warrant

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>Basis</th>
<th>Share Certificate</th>
<th>Share Warrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>A legal document that indicates the possession of the shareholder on the specified number of shares is known as share certificate.</td>
<td>A document which indicates that the bearer of the share warrant is entitled to the specified number of shares is share warrant.</td>
</tr>
</tbody>
</table>
Chapter 27: Company Management

54. What are the duties of a directors?

Collective Duties of Directors:
- Approval of annual accounts and authentication of annual accounts
- Appointment of First Auditors
- Issuance of Notice and Holding of Board meetings and shareholders meetings
- Passing of resolutions at board meetings or by circulation.

General duties of Directors:
- Structuring or new policy to reach the objectives of a company.
- Acting in accordance with the Articles of the company
- Act in Good faith in order to promote the objects of the company
- Perform duties with due and reasonable care and diligence.

Specific Duties of Directors
- Duty to disclose his name, address and occupation
- Duty to disclose his shareholding and interest in Contracts of the company.
- Duty to hold minimum qualification shares within two months after his appointment.
- Duty to issue prospectus and fix the minimum subscription.
- Duty to take care that prospectus should not contain any false or misleading statement.
- Duty to confirm the required disclosure in the prospectus as required by the Act.
- Duty to sign in the prospectus before submitting it to the Registrar of Companies

55. State the powers of the directors.

Statutory Powers of Directors
- Power to make calls on shareholders in respect of money unpaid on their shares
- Power to issue debentures
- Power to borrow moneys otherwise than on debentures
- Power to invest the funds of the company
- Power to make loans

Managerial Powers of Directors
- Power to contract with the third party.
- Power to allot, forfeit or transfer shares of company
- Power to decide the terms and conditions to issue debentures.
- Power to frame new policies and to issue instructions for the efficient running of the business.

Powers only with a resolution
- To sell or lease any asset of the company
- To allow time to the director for repayment of the loan
- To borrow money in excess of paid up Capital and free reserves
- To appoint a sole agent for more than 5 years.

Other Powers
- Power to fill casual vacancy
- Power to appoint the first auditor of the company
- Power to appoint alternative directors, additional directors and Key managerial personnel.

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56. State the Criminal liabilities of Directors

Directors will be liable with a fine and imprisonment or both for fraud of non-compliance of any statutory provisions in the following situations where
1. There is mis-statement in Prospectus
2. There is failure to file return on allotment with the registrar
3. There is failure to give notice to the registrar for conversion of share into stock
4. There is failure to issue share Certificate and Debenture certificate
5. There is failure to maintain register of the members and register of debenture holders
6. There is default in holding Annual General Meeting
7. There is failure to provide Financial Statements

CHAPTER 28: COMPANY SECRETARY

57. Elaborate the functions of the Company Secretary

I. Statutory Functions:

i. According to Companies Act 2013:
   ✓ To maintaining share registers and register of Directors and of contracts
   ✓ To deliver share certificate of allotment within 2 months after transfer
   ✓ To sign and send annual return
   ✓ To assist in preparing the statement of affairs in a winding up

ii. Under the Income-tax Act:
   ✓ He is responsible for deduction of income tax from salaries of employees, dividends and interests payable.
   ✓ He has to ensure that the tax deducted is deposited at government treasury.

iii. Under Indian Stamp Act:
   ✓ The company secretary has to ensure that whether proper stamps are affixed on the company’s documents like letter of allotment and share certificate or not.

iv. Under the Sales-Tax Act:
   ✓ He must ensure timely submission of tax returns to the Sales-tax authorities and payment of tax.

II. Non-Statutory Functions:

i. Functions in Relation to Directors
   ✓ A company secretary acts under the full control of the board of directors and carry out the instructions of the directors.
   ✓ The secretary provides necessary advice and information to the board to formulate company policy and arrive at decisions.

ii. Functions in Relation to Shareholders
   ✓ He has to arrange the issue allotment letters, call letters, letters of regret, share certificates, share warrants to Shareholders.
   ✓ Besides he has to issue notices and agenda of all meeting of shareholders and also send replies to the inquiries and complaints of the shareholders on behalf of the board of directors.

iii. Functions in Relation to Office and Staff
   ✓ The Secretary is the key player of the whole corporate machinery.
   ✓ He is responsible for smooth functioning of the office work.

58. Briefly state different types of company meetings.

a) Statutory Meeting
   ✓ According to Companies Act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.
   ✓ This is the first general meeting of the public company is called the Statutory Meeting. This meeting is conducted only once in the lifetime of the company.

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b) Annual General Meeting [AGM]
  ✓ Every year a meeting is held to transact the ordinary business of the company. Such meeting is called Annual General Meeting of the company (AGM).
  ✓ Company is bound to invite the first general meeting within eighteen months from the date of its registration. Then the general meeting will be held once in every year.

c) Extra-Ordinary General Meeting
  ✓ All other general meetings other than statutory and annual general meetings are called extraordinary general meetings.
  ✓ If any meeting conducted in between two annual general meeting to deal with some urgent or special or extraordinary nature of business is called as extra-ordinary general meetings.

d) Board Meetings
  ✓ Meetings of directors are called Board Meetings. Meetings of the directors provide a platform to discuss the business and take formal decisions.
  ✓ First meeting of directors should be organized within 30 (Thirty) days from the date of incorporation of the company.

e) Committee Meetings
  ✓ Every listed company and every other public company having paid up share capital of ₹10 crore is required to have audit committee. This committee should meet at least four times in a year.
  ✓ In case of other companies, the board of directors shall nominate a director to play the role of audit committee which is functioning as a vigil mechanism.