

# COMMERCE

(Three hours)

(Candidates are allowed additional 15 minutes for **only** reading the paper.

They must NOT start writing during this time.)

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Answer **Question 1** from **Part I** and **seven** questions from **Part II**.

The intended marks for questions are given in brackets [ ].

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## PART I (30 Marks)

Answer **all** questions.

### Question 1

[15×2]

Answer briefly each of the questions (i) to (xv).

- (i) What is a government company?
- (ii) *An appropriate marketing mix is necessary to enable an enterprise to meet its goals. Justify.*
- (iii) Distinguish between *fixed capital* and *working capital*.
- (iv) State *any two* objectives of UTI.
- (v) Explain the term *retained earnings*.
- (vi) Why is communication called *a two way traffic*?
- (vii) Differentiate between *Memorandum of Association* and *Articles of Association*.
- (viii) What is a *Certificate of Incorporation*?
- (ix) Define the term *business ethics*.
- (x) Distinguish between *advertising* and *publicity*.
- (xi) What is *grapevine*?
- (xii) Explain *any two* methods of sales promotion.
- (xiii) Outline the steps involved in planning.
- (xiv) State *two* differences between *Marketing* and *Sales*.
- (xv) What is the impact of the political environment on a business?

**PART II (70 Marks)**

*Answer any seven questions.*

**Question 2**

*A joint stock company has great potential for both good and evil. Explain.* [10]

**Question 3**

- (a) *Management is both a Science and an Art. Explain.* [4]
- (b) *Discuss the need for the principles of management.* [6]

**Question 4**

- (a) *Using examples, distinguish between the economic and social environment of a business.* [4]
- (b) *Discuss the factors on which the working capital requirements of an enterprise depend.* [6]

**Question 5**

- (a) *What are the advantages of being a debenture holder of a company?* [4]
- (b) *Explain the factors that influence the choice of an advertising media.* [6]

**Question 6**

- (a) *What is the contribution of the neo-classical thinking to Management?* [4]
- (b) *List the contents of a Prospectus.* [6]

**Question 7**

- (a) *What are bonus shares? Why are they issued?* [4]
- (b) *What is branding? Discuss its advantages.* [6]

**Question 8**

- (a) Compare Taylor's and Fayol's principles of management. [4]
- (b) Explain measures to overcome the barriers to effective communication. [6]

**Question 9**

- (a) Differentiate between *written* and *verbal* communication. [4]
- (b) Explain the organisational structure of an advertising agency. [6]

**Question 10**

Write short notes on:

- (a) RTGS [3]
- (b) Balanced mutual funds [3]
- (c) Factoring as a source of finance. [4]