

**12<sup>th</sup>  
STD**



**COMMERCE**



**SCHOOL EDUCATION DEPARTMENT  
KRISHNAGIRI DISTRICT  
HIGHER SECONDARY-SECOND YEAR  
COMMERCE  
SPECIAL GUIDE [2025-26]**

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## ஒரு மதிப்பெண் வினாக்கள் (COMMERCE)

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**CHAPTER 1. PRINCIPLES OF MANAGEMENT**

1. Management is what a \_\_\_\_\_ does?  
A).Manager                      b).Subordinate                      c).Supervisor                      d).Superior
2. Management is an \_\_\_\_\_  
A).Art                      b).Science                      c).Art and Science                      d).Art or Science
3. Scientific management is developed by  
A).Fayol                      b).Taylor                      c).Mayo                      d).Jacob
4. Dividing the work into small tasks is known as  
A).Discipline                      b).Unity                      c).Division of work                      d).Equity
5. With a wider span, there will be \_\_\_\_\_ hierarchical levels.  
A).More                      b).Less                      c).Multiple                      d).Additional

**CHAPTER 2. FUNCTIONS OF MANAGEMENT**

6. Which is the primary function of management?  
A).Innovating                      b).Controlling                      c).Planning                      d).Decision-making
7. Which of the following is not a main function?  
A).Decision-making                      b).Planning                      c).Organizing                      d).Staffing
8. \_\_\_\_\_ is included every managerial function.  
A).Co-coordinating                      b).Controlling                      c).Staffing                      d).Organizing
9. Which of the following is verification function?  
A).Planning                      b).Organizing                      c).Staffing                      d).Controlling
10. The goals are achieved with the help of \_\_\_\_\_  
A).Motivation                      b).Controlling                      c).Planning                      d).Staffing

**CHAPTER 3 MANAGEMENT BY OBJECTIVES (MBO) and  
MANAGEMENT BY EXCEPTION (MBE)**

11. \_\_\_\_\_ System gives full Scope to the Individual Strength and Responsibility.  
A).MBO                      b).MBE                      c).MBM                      d).MBA
12. Which is the First step in Process of MBO?  
A).Fixing Key Result Area                      b).Appraisal of Activities  
C).Matching Resources with Activities                      d).Defining Organizational Objectives
13. \_\_\_\_\_ keeps Management Alert to Opportunities and Threats by Identifying Critical Problems.  
A).MBA                      b).MBE                      c).MBM                      d).MBO
14. Delegation of Authority is easily done with the Help of \_\_\_\_\_ .  
A).MBM                      b).MBE                      c).MBO                      d).MBA
15. MBO is popularized in the USA by \_\_\_\_\_ .  
A).Prof. Reddin                      b).Geroge Odiorne                      c).Henry Feyol                      d).E.W Taylor

**CHAPTER 4. INTRODUCTION TO FINANCIAL MARKETS**

16. Financial market facilitates business firms  
A).To rise funds                      b).To recruit workers  
C).To makes more sales                      d).To minimize fund requirement
17. Capital market is a market for  
A).Short Term Finance                      b). Medium Term Finance                      c).Long Term Finance                      d). Both A and B
18. Primary market is also called as  
A).Secondary market                      b).Money market                      c).New Issue Market                      d).Indirect Market

19. Spot Market is a market where the delivery of the financial instrument and payment of cash occurs  
 A).Immediately      b).In the future      c).Uncertain      d).After one month
20. How many times a security can be sold in a secondary market?  
 A).Only one time      b).Two time      c).Three times      d).Multiple times

#### CHAPTER 5. CAPITAL MARKET

21. Capital market do not provide  
 A). Short term Funds      b). Debenture Funds      c). Equity Funds      d). Long term Funds
22. When the NSEI was established  
 A). 1990      b). 1992      c). 1998      d). 1997
23. Primary market is a Market where securities are traded in the  
 A). First Time      b). Second Time      c). Three Times      d). Several Times
24. Participants in the capital market includes  
 A). Individuals      b). Corporate      c). Financial Institutions      d).All of the above
25. The \_\_\_\_\_ was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country  
 A). OTCEI      b). Factoring      c). Mutual Funds      d). Venture funds Institutions

#### CHAPTER 6. MONEY MARKET

26. The money invested in the call money market provides high liquidity with \_\_\_\_\_.  
 A). Low Profitability      b). High Profitability      c). Limited Profitability      d). Medium Profitability
27. A major player in the money market is the \_\_\_\_\_.  
 A). Commercial Bank      b). Reserve Bank of India      c). State Bank of India      d). Central Bank.
28. Debt Instruments are issued by Corporate Houses are raising short-term financial resources from the money market are called \_\_\_\_\_.  
 A). Treasury Bills      b). Commercial Paper      c). Certificate of Deposit      d). Government Securities
29. The market for buying and selling of Commercial Bills of Exchange is known as a \_\_\_\_\_.  
 A). Commercial Paper Market      b). Treasury bill Market      c). Commercial Bill Market      d). Capital Market
30. A marketable document of title to a time deposit for a specified period may be referred to as a \_\_\_\_\_.  
 A). Treasury bill      b). Certificate of Deposit      c). Commercial Bill      d). Government. Securities

#### CHAPTER 7. STOCK EXCHANGE

31. \_\_\_\_\_ is the oldest stock exchange in the world).  
 A). London Stock Exchange      b). Bombay Stock Exchange  
 C). National Stock Exchange      d). Amsterdam Stock Exchange
32. There are \_\_\_\_\_ stock exchanges in the country.  
 A). 21      b). 24      c). 20      d). 25
33. Jobbers transact in a stock exchange  
 A). For their Clients      b). For their Own Transactions      c). For other Brokers      d). For other Members
34. A pessimistic speculator is  
 A). Stag      b). Bear      c). Bull      d). Lame Duck
35. An optimistic speculator is  
 A). Bull      b). Bear      c). Stag      d). Lame duck

**CHAPTER 8. SECURITIES EXCHANGE BOARD OF INDIA (SEBI)**

36. Securities Exchange Board of India was first established in the year \_\_\_\_\_  
 A). 1988                      b). 1992                      c). 1995                      d). 1998
37. The headquarters of SEBI is \_\_\_\_\_  
 A). Calcutta                      b). Bombay                      c). Chennai                      d). Delhi
38. Registering and controlling the functioning of collective investment schemes as \_\_\_\_\_  
 A). Mutual Funds                      b). Listing                      c). Rematerialisation                      d). Dematerialization
39. SEBI is empowered by the Finance ministry to nominate \_\_\_\_\_ members on the Governing body of every stock exchange.  
 A). 5                      b). 3                      c). 6                      d). 7
40. Trading in dematerialized shares commenced on the NSE is \_\_\_\_\_  
 A). January 1996                      b). June 1998                      c). December 1996                      d). December 1998

**CHAPTER 9. FUNDAMENTALS OF HRM**

41. Human resource is a ----- asset.  
 A). Tangible                      b). Intangible                      c). Fixed                      d). Current
42. Human Resource management is both ----- and -----.  
 A). Science and art                      b). Theory and practice                      c). History and Geography                      d). None of the above
43. Planning is a ----- function.  
 A). Selective                      b). Pervasive                      c). Both a and b                      d). None of the above
44. Human resource management determines the ----- relationship.  
 A). Internal, External                      b). Employer, Employee                      c). Owner, Servant                      d). Principle, Agent
45. Labour turnover is the rate at which employees ----- the organisation  
 A). Enter                      b). Leave                      c). Salary                      d). None of the above

**CHAPTER 10. RECRUITMENT METHODS**

46. Recruitment is the process of identifying -----.  
 A). Right man for right job                      b). Good performer                      c). Right job                      d). All of the above
47. Recruitment bridges gap between ----- and ----- .  
 A). Job seeker and job provider                      b). Job seeker and agent                      c). Job provider and owner                      d). Owner and servant
48. Advertisement is a ----- source of recruitment  
 A). Internal                      b). External                      c). Agent                      d). Outsourcing
49. Transfer is an ----- source of recruitment.  
 A). Internal                      b). External                      c). Outsourcing                      d). None of the above
50. E-recruitment is possible only through ----- facility.  
 A). Computer                      b). Internet                      c). Broadband                      d). 4G

**CHAPTER 11. EMPLOYEE SELECTION PROCESS**

51. The recruitment and Selection Process aimed at right kind of people.  
 A). At right people                      b). At right time                      c). To do right things                      d). All of the above
52. Selection is usually considered as a ----- process  
 A). Positive                      b). Negative                      c). Natural                      d). None of the

53. Which of the following test is used to measure the various characteristics of the candidate?  
 A). Physical Test      b). Psychological Test      c). Attitude Test      d). Proficiency tests
54. The process of eliminating unsuitable candidate is called  
 A). Selection                      b). Recruitment                      c). Interview                      d). Induction
55. Job first man next is one of the principles of -----  
 A). Test                      b). Interview                      c). Training                      d). Placement

**CHAPTER 12. EMPLOYEE TRAINING METHOD**

56. Off the Job training is given  
 A). In the class room              b). On off days              c). Outside the factory      d). In the playground
57. Improves Skill Levels of employees to ensure better job performance  
 A). Training              b). Selection              c). Recruitment              d). Performance appraisal
58. When trainees are trained by supervisor or by superior at the job is called  
 A). Vestibule training              b). Refresher training      c). Role play              d). Apprenticeship training
59. ----- is useful to prevent skill obsolescence of employees  
 A). Training              b). Job analysis              c). Selection              d). Recruitment
60. Training methods can be classified into training ----- and-----training  
 A). Job rotation and Job enrichment              b). On the Job and Off the Job  
 C). Job analysis and Job design              d). Physical and mental

**CHAPTER 13. CONCEPT OF MARKET AND MARKETER**

61. One who promotes (or) Exchange of goods or services for money is called as .  
 A). Seller              b). Marketer              c). Customer              d). Manager
62. The marketer initially wants to know in the marketing is .  
 A). Qualification of the customer              b). Quality of the product  
 C). Background of the customers              d). Needs of the customers
63. The Spot market is classified on the basis of .  
 A). Commodity              b). Transaction              c). Regulation              d). Time
64. Which one of the market deals in the purchase and sale of shares and debentures?  
 A). Stock Exchange Market      b). Manufactured Goods Market      c). Local Market      d). Family Market
65. Stock Exchange Market is also called .....

**CHAPTER14. MARKETING AND MARKETING MIX**

66. The initial stage of Marketing system is.....  
 A). Monopoly system              b). Exchange to Money              c). Barter system              d). Self producing
67. Who is supreme in the Market?  
 A). Customer              b). Seller              c). Wholesaler              d). Retailer
68. In the following variables which one is not the variable of marketing mix?  
 A). Place Variable      b). Product Variable      c). Program Variable              d). Price Variable
69. Marketing mix means a marketing program that is offered by a firm to its target.....earn profits through satisfaction of their wants.  
 A). Wholesaler              b). Retailer              c). Consumer              d). Seller
70. Which one is the example of Intangible product?  
 A). Education              b). Mobiles              c). Garments              d). Vehicles



88. The Chairman of the District Forum is \_\_\_\_\_  
 A). District Judge    b). High Court Judge    c). Supreme Court Judge    d). None of the above
89. The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed  
 A).. Rs. 2 lakhs but does not exceed Rs. 5 lakhs  
 B). Rs. 20 lakhs but does not exceed Rs. 1 crore  
 C). Rs. 3 lakhs but does not exceed Rs. 5 lakhs  
 D). Rs. 4 lakhs but does not exceed Rs. 20 lakhs
90. The International Organisation of Consumers Unions (IOCU) was first established in  
 A).1960    b).1965    c).1967    d).1987

### CHAPTER 19. ENVIRONMENTAL FACTORS

91. VUCA stands for  
 A).. Volatility, Uncertainty, Complexity, and Ambiguity  
 B).. Value, Unavoidable, Company and Authority  
 C).. Volatility, Uncontrollable, Company and Auction    D).. All of the above
92. GST stands for  
 A).. Goods and Social Tax    b).. Goods and Services Tax    c).. Goods and Sales Tax    d).. Goods and Salary Tax
93. Factors within an organisation constitutes \_\_\_\_\_ environment.  
 A).. Internal Thinker    b).. External Thinker    c).. Fellow human beings    d).. All of the above
94. Macro Environment of business is an \_\_\_\_\_ factor.  
 A) Uncontrollable    b).. Controllable    c).. Manageable    d).. Immanageable
95. The two major types of business environment are \_\_\_\_\_ and \_\_\_\_\_  
 A). Positive and Negative    b). Internal and External  
 c). Good and Bad    d). Allowable and Unallowable

### CHAPTER 20. LIBERALIZATION, PRIVATIZATION AND GLOBALIZATION

96. \_\_\_\_\_ is the result of New Industrial Policy which abolished the 'License System'.  
 A).Globalization    b).Privatization    c).Liberalization    d).None of these
97. \_\_\_\_\_ means permitting the private sector to setup industries which were previously reserved for public sector.  
 A).Liberalization    b).Privatization    c).Globalization    d).Public Enterprise
98. \_\_\_\_\_ ownership makes bold management decisions due to their strong foundation in the international level.  
 A).Private    b).Public    c).Corporate    d).MNC's
99. \_\_\_\_\_ results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour.  
 A).Privatization    b).Liberalization    c).Globalization    d).Foreign Trade
100. New Economic Policy was introduced in the year \_\_\_\_\_.  
 A).1980    b).1991    c).2013    d).2015

**CHAPTER 21. THE SALE OF GOODS ACT, 1930**

101. Sale of Goods Act was passed in the year  
 A).1940                      b).1997                      c).1930                      d).1960
102. Which of the below constitutes the essential element of contract of sale?  
 A). Two parties                      b). Transfer of property                      c). Price                      d). All of the above
103. Which of the below is not a good?  
 A). Stocks                      b).Dividend due                      c).Crops                      d).Water
104. In case of the sale, the \_\_\_\_ has the right to sell  
 A).Buyer                      b).Seller                      c).Hirer                      d).Consignee
105. The property in the goods means the  
 A). Possession of goods    b). Custody of goods    c). Ownership of goods    d). Both a).and (b).

**CHAPTER 22, THE NEGOTIABLE INSTRUMENTS ACT, 1881**

106. Negotiable Instrument Act was passed in the year \_\_\_\_\_.  
 A).1981                      b).1881                      c). 1994                      d). 1818
107. Number of parties in a bill of exchange is  
 A).2                      b).6                      c). 3                      d). 4
108. Section 6 of Negotiable Instruments Act 1881 deals with  
 A).Promissory Note    b).Bills of exchange    c). Cheque    d). None of the above
109. \_\_\_\_\_ cannot be a bearer instrument.  
 A).Cheque    b).Promissory Note    c). Bills of exchange    d). None of the above
110. A cheque will become stale after \_\_\_\_\_ months of its date:  
 A).3                      b).4                      c). 5                      d). 1

**CHAPTER 23. ELEMENTS OF ENTREPRENEURSHIP**

111. Which of the below is a factor of production?  
 A).Land                      b).Labour                      c).Entrepreneurship    d).All of the above
112. Entrepreneur is not classified as  
 A).Risk Bearer                      b).Innovator                      c).Employee                      d).Organizer
113. What are the characteristics of an entrepreneur?  
 A).Spirit of enterprise    b).Flexibility                      c).Self Confidence    d).All of the above
114. Which of the below is not classified into managerial functions?  
 A).Planning                      b).Marketing                      c).Organizing                      d).Controlling
115. Which of the below is a commercial function?  
 A).Accounting                      b).Coordination                      c).Discovery of idea    d).Planning

**CHAPTER 24. TYPES OF ENTREPRENEURS**

116. Which of the following is the Activity of a Business Entrepreneur?  
 A).Production                      b).Marketing                      c). Operation                      d). All of the above
117. Find the odd one out in context of Trading Entrepreneur.  
 A).Selling                      b).Commission                      c). Buying                      d). Manufacturing
118. Corporate Entrepreneur is also called as \_\_\_\_\_.  
 A).Intrapreneur                      b).Promoter                      c). Manager                      d). Shareholder

119. Which of these is based on Technology?  
 A).Modern                      b).Professional                      c). Corporate                      d). Industrial
120. Which of the below is not a Characteristic of a Fabian Entrepreneur?  
 A).Conservative                      b).Risk averse                      c). Sceptical                      d). Adaptive

**CHAPTER 25. GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT**

121. The \_\_\_\_\_ initiative was launched to modernize the Indian economy to make all governments services available electronically.  
 A). Standup India                      b). Startup India                      c). Digital India                      d). Make in India
122. \_\_\_\_\_ is designed to transform India to a global design and manufacturing hub).  
 A). Digital India                      b). Make in India                      c). Startup India                      d). Design India.
123. \_\_\_\_\_ is the Government of India’s endeavor to promote culture of innovation and entrepreneurship.  
 A). AIM                      b). STEP                      c). SEED                      d). AIC
124. \_\_\_\_\_ should cover aspects like sources of finance, technical know-how, source Of labour and raw material, market potential and profitability.  
 A). Technical Report                      b). Finance Report                      c). Project Report                      d). Progress Report
125. \_\_\_\_\_ has to include the mechanism for managing venture in the project report.  
 A). Banker                      b). Government                      c). Lending Institutions                      d). Entrepreneur

**CHAPTER-26 COMPANIES ACT, 2013**

126. The Company will have to issue the notice of situation of Registered Office to the Registrar of Companies within \_\_\_\_\_ days from the date of incorporation.  
 A).14 days                      b).21 days                      c).30 Days                      d).60 Days
127. How does a person who envisages the idea to form a company called?  
 A).Director                      b).Company Secretary                      c).Registrar                      d).Promoter
128. Which of the following types of shares are issued by a company to raise capital from the existing shareholders?  
 A).Equity Shares                      b).Rights Shares                      c).Preference Shares                      d).Bonus Shares
129. The shares which are offered to the existing shareholder at free of cost is known as  
 A).Bonus Share                      b).Equity Share                      c).Right Share                      d).Preference Share
130. The shares which are offered first to the existing shareholder at reduced price is known as \_\_\_\_\_.  
 A).Bonus Share                      b).Equity Share                      c).Right Share                      d).Preference Share

**CHAPTER-27 COMPANY MANAGEMENT**

131. A person Shall hold office as a director in \_\_\_ companies as per the Companies Act, 2013.  
 A).5 companies                      b).10 companies                      c).20 companies                      d).15 companies
132. A Private Company shall have a minimum of \_\_\_\_\_.  
 A).Seven directors                      b).Five directors                      c).Three directors                      d).Two directors
133. A Public Company having a paid up Share Capital of Rs. \_\_\_\_\_ or more may have a Director, elected by such small shareholders.  
 A).One crore                      b).Three crore                      c).Five crore                      d).Seven crore

134. What is the statue of Directors who regulate money of the company?  
 A).Banker                      b).Holder                      c).Agent                      d).Trustees
135. According to Companies Act, the Directors must be appointed by the.  
 A).Central Government                      b).Company Law Tribunal  
 c).Company in General Meeting                      d).Board of Directors.

### CHAPTER-28 COMPANY SECRETARY

136. Mention the status of a Company Secretary in a company.  
 A). A member                      b). A director                      c). An independent                      d). An employee contractor
137. Who can become a secretary for a company?  
 A). Individual person                      b). Partnership firm                      c). Co-operative societies                      d). Trade unions
138. Which meeting will be held only once in the life time of the company?  
 A). Statutory                      b). Annual General                      c). Extra – ordinary                      d). Class General
139. Who is not entitled to speak at the annual general meeting of the company.  
 A). Auditor                      b). Shareholder                      c). Proxy                      d). Directors
140. From the date of its incorporation the First Annual General Meeting is to be conducted within \_\_\_\_\_ months.  
 A).Twelve                      b).Fifteen                      c).Eighteen                      d).Twenty one

#### TWO MARKS:

**1. What is management?**

- Management is the art of getting things done with and through others.
- It is a goal oriented concept.

**2. List out the management tools.**

- |                |                   |
|----------------|-------------------|
| ➤ Accounting   | ➤ Statistics      |
| ➤ Business Law | ➤ Econometrics    |
| ➤ Psychology   | ➤ Data Processing |

**3. State the meaning of authority**

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

**4. What do you mean by Span of Management?**

- The Span of management means the number of sub-ordinates who can be managed efficiently by a superior.
- It is also called span of control

**5. What is planning?**

- Planning refers to deciding in advance
- Planning is the primary function of Management.
- Noting can be performed without planning.

**6. What is meant by motivation?**

- The goals are achieved with the help of Motivation.
- The workers expect monetary /non monetary benefits.

**7. List out the subsidiary function of management?**

- |                  |                   |
|------------------|-------------------|
| ➤ Innovation     | ➤ Decision-making |
| ➤ Representation | ➤ Communication.  |

**8. What are the proverbs using for planning?**

- “Think before you Act”.
- “Look Before you leap.”

**9. What are the objectives of MBO?**

- To measure and judge performance.
- To relate individual performance to organization goals..

**10. Bring out the meaning of MBE?**

- MBE is an important principal of managerial control suggested by classical writers on Management.
- MBE identifying & handling cases that deviates from that norms.

**11. Mention the two advantages of MBO?**

- Delegation of authority is easily done with MBO
- Manager approves the need for planning and appreciates the planning.
- MBO gives the criteria of performance to organization goals.

**12. What is known as KRA?**

- KRA stands for Key Responsibilities Areas
- Key Result Areas are fixed on the basis of organizational objectives premises.
- KRA indicates strength of an organization

**13. What are the components of organized sectors?**

- Regulators
- Financial markets
- Financial Institutions
- Financial services

**14. What is spot Market?**

- It is market where delivery of financial instrument and payment of cash occurs immediately.

**15. What is debt market?**

- Debt Market is the financial market for trading in Debt Instrument. Ex: Government Securities, Debentures

**16. How is price decided in a secondary market?**

- Price decided in a Secondary Market is determined on the basis of demand and supply.

**17. What is capital market?**

- Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, and stocks.

**18. 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.

**19. Who are the participants in a capital market?**

- Individuals
- Corporate sectors
- Government Banks
- Financial Institutions.

20. **How is Price determined in a capital market?**  
 ➤ Price determined in the Capital Market is based upon **demand** and **supply**
21. **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.
22. **What is govt securities market?**  
 ➤ A market whereby the Government or gilt-edged securities can be bought and sold is called “Government Securities Market”.
23. **What do you mean 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□
24. **What do you mean by switching?**  
 ➤ The purchase of one security against the sale of another security carried out by the RBI in the secondary market as a part of its open market operations described as —Switching□
25. **What is meant Stock Exchange?**  
 ➤ Stock Exchange is an organized market for buying and selling of securities.  
 ➤ It is also called Stock Market.
26. **Write any 5 Stock Exchanges in India.**  
 ➤ Madras Stock Exchange  
 ➤ Coimbatore Stock Exchange  
 ➤ Bangalore Stock Exchange Ltd.  
 ➤ The Cochin Stock Exchange Ltd.  
 ➤ The Bombay Stock Exchange
27. **What is meant by Remisier?**  
 ➤ He acts as an agent of a member of a stock exchange, He obtains business for his principal.  
 ➤ The member gets a commission for that service.
28. **Who is called a Broker?**  
 ➤ Brokers are commission agents  
 ➤ Brokers act as middleman between buyers and sellers of securities.
29. **What are the types of Speculator?**  
 ➤ Bull  
 ➤ Bear  
 ➤ Stag  
 ➤ Lame Duck
30. **Write short notes on SEBI.**  
 ➤ SEBI is an apex body that maintains and regulates capital market.  
 ➤ SEBI was established in the year 1988.
31. **Write any two objectives of SEBI.**  
 ➤ Regulation of Stock Exchanges  
 ➤ Protection to the Investors
32. **Mention the headquarters of SEBI.**  
 ➤ SEBI has its Headquarters at Bandra Kurla Complex in Mumbai,  
 ➤ North - New Delhi, East - Kolkata, South - Chennai and West- Ahmadabad).

**33. What are the various ID proofs?**

- PAN Card
- Voter's ID
- Passport
- IT Returns
- Electricity Bill
- Telephone Bill

**34. What is Human resources management?**

- The branch of management that deals with managing human resources is known as —Human Resources management□

**35. State two features of HRM**

1. Human Resource Management has universal relevance.
2. Goal oriented.
3. It is a continuous Process
4. In is Intangible

**36. Mention two characteristics of Human resource**

1. Human resources is the only factor of Production that lives
2. Human resources created all other resources
3. Human resources are emotional beings

**37. What are the managerial functions of HRM?**

- |               |                |
|---------------|----------------|
| 1. Planning   | 3. Directing   |
| 2. Organising | 4. Controlling |

**38. Give the meaning of Recruitment?**

- Recruitment is the process of finding suitable candidates for the various posts in an organization.

**39. What is Promotion?**

- Based on seniority and merits of the employees they are given opportunity to move up in the organizational Hierarchy.

**40. Write two internal source of recruitment.**

1. Transfer
2. Promotion

**41. What is meant by Poaching?**

- Organisations hire employees of other competitive companies by paying them more both financial and a non financial benefit is called Poaching.
- It is also called raiding.

**42. What is Selection?**

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

**43. What is an Interview?**

- Interview represents a face to face interaction between the interviewer and Interviewee.

**44. What is Intelligence Test?**

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

**45. What do you mean by Placement?**

- The process of placing the right man on the right job is called —Placement□

**46. What is meant by Training?**

- Training is the act of increasing the knowledge and skills of an employee for doing particular jobs.

**47. 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.

**48. What is Role Play?**

- Under this method, trainees have to act out the roles assigned to them without any rehearsal.
- There are no pre-prepared dialogues. Thus they have to assume role and play the role without any preparation.

**49. State e-learning method.**

- E- learning is the use of technological process of a traditional class room or office.
- Also known as —Online learning or —web based learning

**50. What is Market?**

- Market means a place where goods are bought or sold.

**51. Define Marketer?**

- A person whose duties include the identification of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company□

**52. What is meant by Regulated Market?**

- These are types of markets which are organised, controlled and regulated by statutory measures.
- Ex- Stock exchange of Chennai, Mumbai

**53. What is meant by Spot Market?**

- Goods are exchanged and the physical delivery of goods takes place immediately called Spot Market.

**54. What is meant by commodity market?**

- A commodity market is a place where produced goods or consumption goods are bought and sold.

**55. What is Marketing?**

- Marketing is the performance of buying activities that facilitate to more flow of goods and services from producer to ultimate User.

**56. Define Marketing mix.**

- According to Jerome Me.Certhy, Marketing mix is a pack or product mix, price mix, place and promotion mix.

**57. What is meant by Grading?**

- Grading means classification of standardized product into certain well defined classes.

**58. What is Service Marketing?**

- Service marketing is a specialized branch of marketing.
- Service marketing denotes the processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,

**59. What is Green Marketing?**

- Green marketing involves developing and promoting products and services which satisfy Customer's wants and needs without causing a detrimental impact on the environment.
- It is also called Environmental marketing.

**60. What is Ambush Marketing?**

- Ambush Marketing is a method of building brands in covert ways.

**61. What is Social Marketing?**

- It is the systematic application of marketing philosophy and techniques to achieve specific behavioral goals which ensure social good.
- For example, this may include asking people not to smoke in public areas, asking them to wear seat belts

**62. 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., is also called a consumer.

**63. Give two examples of adulteration.**

- Mixing of stones with grains
- Papayas seed is added to black pepper

**64. What is Caveat Emptor?**

- 'Caveat emptor' is a Latin term that means "let the buyer beware."
- The principle of caveat emptor serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their expectations.

**65. What is Caveat Venditor?**

- The principle of caveat Venditor, which means "let the seller beware," by which goods are covered by an implied warranty of merchantability.

**66. Write short notes on Consumer Protection Act, 1986.**

- The Act is referred in short as 'COPRA'.
- The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers.

**67. Write short notes on: "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.

**68. 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." - Mr. John F. Kennedy

**69. Which is the supreme objective of business?**

- Satisfaction of consumer wants and needs is prime and supreme objective of a business.

**70. What do you mean by Redressal Mechanism?**

- It is a management and governance related process used commonly in India.
- It promotes and protects the rights of Consumer

**71. What do you know about National Commission?**

- It was set up in 1988 under the Consumer Protection Act of 1986.
- Its head office is in New Delhi.
- It's a quasi-judicial commission in India

**72. State the meaning of the term State Commission.**

- A consumer has protected against defects, deficiencies and unfair and restrictive trade practices.
- The State Consumer Protection Council is also called State Commission.

**73. 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.
- It is necessary today to protect the interest of aggrieved consumers in that district.

**74. What is internal environment?**

- Internal environment refers to those factors within an organization.
- (Ex) Policies and programmes, organizational structure, employees

**75. Give the meaning of Corporate Governance.**

- Corporate governance is a set of rules and policies which governs a company.

**76. What is GST?**

- GST is the indirect tax levied on goods and services across the country.

**77. Expand VUCA**

- V – Volatility
- U – Uncertainty
- C – Complexity
- A – Ambiguity

**78. State the branches of New Economic Policy.**

- Liberalization
- Privatization
- Globalization

**79. What is Privatization?**

- Privatization is the process of transferring ownership from the government to the private sector.

**80. Mention any two disadvantages of Liberalization**

- Increase in Unemployment
- Loss to domestic Units
- Increased dependence on foreign nations
- Unbalanced development

**81. Give any two advantages of Globalization.**

- Increase in foreign collaboration
- Expansion of market
- Technological development

**82. What is a contract of sale of goods?**

- The seller transfer or agrees to transfer the property of the goods to the buyer for a price.
- It is a contract between seller and buyer of the goods.

**83. List the elements of contract of sale**

- Two parties
- Transfer of property
- Goods
- Price

**84. What is meant by goods?**

- The term goods include every kind of movable property stock and shares, growing crops etc.,
- Goodwill, Trademark Copyright, Patents rights etc., are also regarded as goods.

**85. What are contingent goods?**

- Contingent goods are the goods the acquisition of which by the seller depends upon a contingency.
- Contingent goods are a part of future goods.

**86. What is meant by Negotiable Instrument?**

- Negotiable instrument means transfer of one person to another person for consideration.
- Negotiable instrument are a promissory note, bill of exchange or cheque payable either to order or to bearer.

**87. List three characteristics of Promissory note.**

- A Promissory note must be in writing
- The promise to pay must be unconditional
- It must be signed by the maker

**88. What is meant by a cheque?**

- “A Cheque is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand”.

**89. Mention any two characteristics of entrepreneurs**

- Self-Confidence
- Spirit of Enterprise
- Innovation
- Leadership

**90. List down the managerial functions of entrepreneurs.**

- Planning
- Directing
- Controlling
- Co-ordination

**91. List down the promotional functions of entrepreneurs.**

- Discovery of Idea
- Determining the business perspectives
- Choice of form of enterprise.
- Mobilization of funds

**92. List the challenges faced by the women entrepreneurs.**

- Problem of Finance
- Limited Mobility
- Lack of Education
- Lack of Network Support
- Lack of information
- Dependent culture Sensitivity

**93. What is the other name for business entrepreneur?**

- Solo Entrepreneur

94. **What is the other name for corporate entrepreneur?**

- Promoter

95. **Who are agricultural entrepreneur?**

- Agricultural entrepreneur are those entrepreneurs who raise farms and market them.

96. **Give some examples of pure entrepreneurs?**

- Ambani
- TATA
- Birla
- Narayamoorthy

97. **Name any two Governmental Entrepreneurial schemes?**

- Startup India
- Make in India
- Digital India
- Stand-Up India

98. **Give a note on 'Digital India'.**

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

99. **List down the two types of finance for Entrepreneur.**

1. Long Term Finance
2. Short Term Finance

100. **What are the four stages of formation of a company?**

1. Promotion
2. Registration
3. Capital subscription
4. Commencement of Business.

101. **What is Bonus Shares?**

- To utilize the company's reserves and surpluses, issue of shares to existing shareholders without taking any consideration is called Bonus Shares.

102. **What are Right shares?**

- Right shares are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue.
- The right shares are primarily issued to the existing equity shareholders.

103. **What is Debentures?**

- When a company needs fund without increasing its share capital, it can borrow from general public by issuing certificate for a fixed period of time and at a fixed rate of interest is called Debentures.

104. **Name the companies required to appoint KMP.**

- Every listed company
- Every public company (Having paid up share capital of Rs. 10 crore or more)

105. **Who is whole Time Director?**

- A Whole Time Director is one who devotes whole of his time of working hours to the company.

106. **Who is called as Managing Director?**

- A Managing Director is one who is employed by the company and has substantial powers of management of the company and control of the board.

107. **Who can be Executive Director?**

- An executive director is a Chief Executive Officer (CEO) of company, or corporation, who is responsible for making decisions to complete the mission and for the success of the organization.

108. **Who is a Secretary?**

- The person who is responsible for the general performance of an organization is called company secretary.

109. **What is meant by Meeting?**

- A meeting is a gathering of two or more people that has been convened for the purpose of achieving a common goal.

110. **Write short note on ‘Proxy’.**

- Proxy means a person being the representative of a shareholder at the meeting of the company.
- Proxy can be present at the meeting and he cannot vote.

111. **What is voting?**

- The word =Vote‘indicating one’s wishes or desire.
- By casting his vote one formally declaring his opinion or wish in favor of or against a proposal or a candidate to be elected for an office.

112. **What is Quorum?**

- A Single person does not contain a meeting.
- A minimum number of shareholders required for the company meeting are called Quorum.

**3 MARK:**

1. **Define the term management.**

- ❖ “To manage is to forecast, to plan, to organize, to command to co-ordinate and to control”  
- Henry Fayol

2. **Differentiate management from Administration**

Basis	Management	Administration
Authority	Middle and Lower level	Top Level
Role	Executive	Decisive
Concerned with	Policy Implementation	Policy formulation
Key Person	Manager	Administrator

3. **What are Principles of Taylor?**

- ❖ Science , Not Rule of thumb
- ❖ Harmony, Not Discord
- ❖ Mental Revolution
- ❖ Co-Operation, Not Individualism

**4. What determines the span of management?**

- ❖ Capacity of Superior
- ❖ Capacity of sub-ordinates
- ❖ Nature of Work
- ❖ Degree of Decentralization
- ❖ Communication Technique

**5. List out the main function of management?**

- ❖ Planning
- ❖ Organizing
- ❖ Staffing
- ❖ Directing
- ❖ Decision Making

**6. State the importance of staffing?**

- ❖ Staffing refers to placement of right person to the right job.
- ❖ Staffing helps to ensure better utilization of Human Resource.
- ❖ It ensures to continuity and growth of the organization through development manager.

**7. How to send important messages to working employees in company?**

- ❖ Communication is the transmission of human thoughts and opinions from one person to another person.
- ❖ Employees are informed about the following way.

**8. Write the features of MBO?**

- ❖ MBO tries to combine the long run goals of organization with short run goal.
- ❖ Management tries to relate the organization goals with society goals.
- ❖ MBO's giving importance not only on goal but also on effective performance.

**9. What are the processes of MBE?**

- ❖ It is necessary to set objectives with capable or estimated results.
- ❖ These performances are assessed and get equated to the actual performance.
- ❖ The deviation gets analyses.

**10. List out the three process of MBO?**

- ❖ Defining organizational objectives
- ❖ Goal of each section
- ❖ Fixing Key Result Area

**11. What are the limitations of Stock exchange?**

- ❖ Lack of uniformity and control of stock exchanges.
- ❖ Failure to control unhealthy speculation.
- ❖ No proper regulation of listing of securities on the stock exchange

**12. Explain Bull and Bear.****1). Bull**

- ❖ A Bull expects a rise in prices of securities in the future.
- ❖ The bull speculator stimulates the price to rise.
- ❖ He is an optimistic speculator.

**II). Bear**

- ❖ A bear expects prices to fall in future.
- ❖ A bear usually presses its victim down to ground).
- ❖ A bear is a pessimistic speculator.

**13. What is meant by Dematerialization?**

- ❖ It is the process by which physical share certificates of an investor are taken back by the company & destroyed.
- ❖ Then an equivalent number of securities in the electronic form are credited to the investors account.

**14. Explain Stag and Lame Duck.**

**I) 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

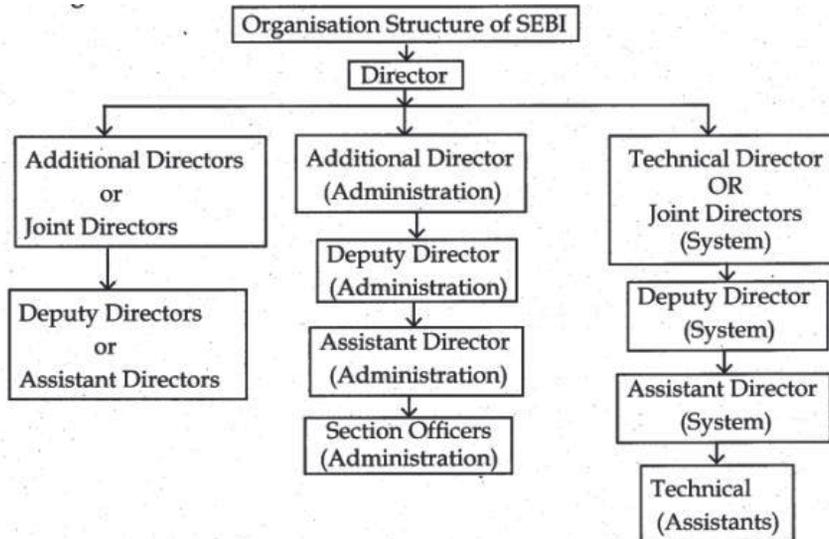
**II). Lame Duck**

- ❖ When a bear finds it difficult to fulfill his commitment, he is said to be struggling like a lame duck.
- ❖ A bear speculator contracts to sell securities at a later date.
- ❖ Moreover, the buyer is not willing to carry over the transactions.

**15. What are the documents required for a Demat Account?**

- ❖ Application for Account opening
- ❖ Passport size photo
- ❖ EB Bill
- ❖ Aadhar card
- ❖ Telephone bill
- ❖ PAN Card

**16. Draw the organizational structure of SEBI**



**17. 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.

**18. What is meant by artificial scarcity?**

- ❖ There are certain situations where the shop-keepers put up the board ‘No Stock’ in front of the 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.

**19. Write the importance of consumerism.**

- ❖ Awakening and uniting consumers.
- ❖ Discouraging unfair trade practices.
- ❖ Awaking the government
- ❖ Protecting against exploitation.
- ❖ Providing complete and latest information.

**20. What do you understand by “Right to Redressal”?**

- ❖ The complaints and protests are not just to be heard, but the aggrieved party to be granted Compensation within a reasonable time period.
- ❖ There should be fair settlement of deserving claims in a definite timeframe.
- ❖ This will boost consumer confidence and help render justice to buyer.

**21. What do you understand about “Right to protection of health and safety”.**

- ❖ There may be few products that are more likely to cause physical danger to consumers’ health, lives and property.
- ❖ The consumers are entitled to protection of their health and safety from the goods and services they buy.

**22. Who are the members of the National Commission?**

- ❖ The National Commission should have five members.
- ❖ One should be from judiciary.
- ❖ Four other members of ability, knowledge and experience from any other fields.
- ❖ It should include a woman.

**23. Who are the members of the state commission?**

- ❖ Judge of a high court appointed by the state government as its president.
- ❖ Two other members who shall be person of ability, integrity and standing and have knowledge.
- ❖ One shall be women.

**24. Write a note on the Voluntary Consumer Organization.**

- ❖ Consumer is a broad label for any individuals or households that use goods and services produced within the economy.
- ❖ Voluntary consumer organizations refer to the organization formed voluntarily by the consumers to protect their rights and interests.

**25. 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 pledges.
- ❖ Existing goods may be either:
  - Specific Goods
  - Ascertained Goods
  - Unascertained Goods

**26. Discuss the implied conditions and warranties in sale of goods contract.**

In every contract of sale, there are certain expressed and implied conditions and warranties.

**Implied conditions:**

- ❖ Conditions as to Title
- ❖ Conditions as to Description
- ❖ Sale by Sample

**Implied Warranties:**

- ❖ Quiet Possession
- ❖ Free from Any Encumbrances

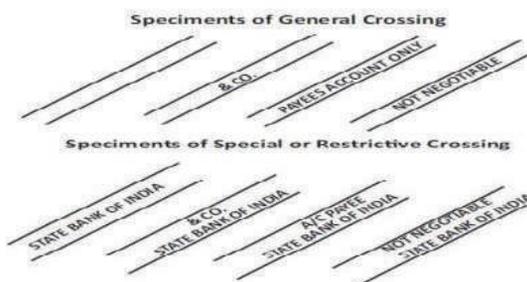
**27. What are the characteristics of a bill of exchange?**

- ❖ A bill of exchange is a document in writing.
- ❖ The document must contain an order to pay.
- ❖ The order must be unconditional

**28. Draw the two different types of crossing.**

❖ **General Cheque Crossing:**

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



❖ **Special Cheque Crossing:**

- ❖ In special crossing two parallel transverse lines are not essential but the name of the banker is most important.

**29. Distinguish between Negotiability and Assignability.**

S.No	Particulars	Negotiability	Assignability
1	<b>Transfer notice</b>	Not required	Must be served by assignee on his debtor
2	<b>Title</b>	Transferee gets the right of Holder in due course.	Assignee's title is subject to The title of Assignor.
3	<b>Consideration</b>	It is presumed	It is proved

**5 MARKS :****1. Explain the concept of management****1. Body of knowledge**

- Management knowledge is the best passport to enter the world of employment either in business world or govt or private.
- It is growing in all the countries

**2. Management Tools**

- Tools of management have been developed such as accounting, business Law, psychology, statistics, econometrics, data processing etc).

**3. Separate Discipline**

- Management studied in many Universities and institutions of higher learning are recognized as a separate discipline.

**4. Specialization**

- There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional areas of management.

**5. Code of conduct**

- Enlightened business men have recognized that business management is a social institution and it has social responsibilities to be fulfilled towards, customers, employees and the public or community

**6. Unity of Direction:**

- All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.

**2. Explain the Principles of modern management.****1. Division of work**

- The whole work is divided into small tasks.
- It leads to specialization which increases the efficiency of labour.

**2. Authority and Responsibility**

- Authority means the right of a superior to his sub – ordinates.
- Responsibility means obligation for performance.

**3. Discipline**

- It is obedience, proper conduct in relation to others, respect of authority.
- It is essential for the smooth functioning of all organizations.

**4. Unity of Command**

- It states that each sub ordinate should receive orders and be accountable to one and Only one superior.

**5. Remuneration**

- Workers must be paid sufficiently as this is a chief motivation of employees and Therefore greatly influences productivity.

**3. Explain the various function of management?****Planning**

Planning means deciding in advance planning should take place before doing.

**Organizing**

The work is given to employees who are given authority to carry out the work given and Made accountable for it

**Staffing**

It includes the activities and placement of personnel that is selection of right Person, training to needy person and promotion to best person.

**Directing**

Direct the employees by motivating, leading, guiding, and communicating in order to Perform the goals.

**Controlling**

Controlling is performed to evaluate the performance of employees and deciding Increments and promotions.

**4. What are the major advantages of MBO?**

- ❖ MBO process helps the manager to understand their role in the total organisation.
- ❖ Manager approves the need for planning and appreciates the planning.
- ❖ MBO helps to make the systematic evaluation of performance
- ❖ It motivates the workers by job enrichment and make job meaningful.
- ❖ MBO fixes the responsibility of the worker.

**5. What are the advantages of MBE?**

- It saves the time of managers because they deal only with exceptional matters.
- MBE focuses managerial attention on major problems.
- MBE facilities delegation of authority.
- It provides better measurement for judging results.
- It is helpful in objective performance appraisal.

**6. Discuss the disadvantages of MBE?**

- Only manager have the power over the important decisions.
- Its take time to pass the issues to manager.
- Demotivating the employees at a lower level.
- Difficult job duties are dismissed
- Expecting past data and history.
- MBE managers who devote from the normal Procedure.

**7. Explain the functions of Stock Exchange.**

**I). Ready and Continuous Market**

- Stock Exchange 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). Correct Evaluation of Securities**

- One can easily evaluate the worth of one’s securities on the basis of these quotations.
- The lender can easily assess the worth of security offered for loan.

**iii). Aid to Capital Formation**

- The facilities provided by it for their purchase and sale induce people to save and invest.
- Stock exchanges thus ensure a steady flow of capital into industry and assists industrial development.

**iv). 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).
- Similarly, price movements are rendered smoothly.

**V). Seasoning of Securities**

- Speculators and underwriters hold for a temporary period, securities issued by new companies.
- They unlock them when the market is prepared to absorb the new issues.

**8. Explain the features of Stock Exchange.****I). Market for Securities**

- Stock exchange is a market, where securities of corporate bodies, government and semi-government bodies are bought and sold).

**ii). Deals in Second Hand Securities**

- It deals with shares, debentures bonds and such securities already issued by the companies.

**iii). Regulates Trade in Securities**

- Stock exchange does not buy or sell any securities on its own account.
- It regulates the trade activities so as to ensure free and fair trade.

**iv). Association of Persons**

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

**V). Recognition from Central Government**

- Stock exchange is an organized market. It requires recognition from the Central Government

**9. Stock exchange is an organized market. It requires recognition from the Central**

S.No	Features	Stock Exchange	Commodity Exchange
1	<b>Meaning</b>	It is an organized market for the purchase and sale of industrial and financial security.	It is an exchange where Commodities are traded).
2.	<b>Function</b>	Providing easy marketability	Price insurance service and Liquidity to securities
3	<b>Object</b>	It is facilitating capital formation	It is facilitating goods flow Through risk reduction
4	<b>Participants</b>	Investors and Speculators	Producers, Dealers, Traders
5	<b>Price Quotation</b>	Its dealings only one quotation is possible	Its dealings multiple quotation is possible

**10. What are the functions of SEBI? ( any five)**

- Regulating and controlling the business on stock markets.
- Barring insider trading in securities.
- Provide appropriate training to financial intermediaries
- Carrying out steps in order to develop the capital markets by having an accommodating approach.
- Levying fee or any other type of charges to carry out the purpose of the Act.
- Performing functions that may be assigned to it by the Central Government of India.

**11. Explain the powers of SEBI.****I). Powers Relating to Stock Exchanges & Intermediaries**

- SEBI has wide powers regarding the stock exchanges and intermediaries dealing in securities.
- It can ask information from the stock exchanges and intermediaries regarding their business transactions for inspection and other purpose.

**II). Power to Impose Monetary Penalties**

- SEBI has been empowered to impose monetary penalties on capital market intermediaries
- It can even impose suspension of their registration for a short period).

**III). Power to Initiate Actions in Functions Assigned**

- SEBI has a power to initiate actions in regard to functions assigned).
- For example, it can issue guidelines to different intermediaries

**IV). Power to Regulate Insider Trading**

- SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.

**V). Powers under Securities Contracts Act**

- For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13 September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI.

**12. How consumers are exploited?****I). 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.

**II). 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.

**III). 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.

**IV). Sub-standard:**

- On opening a packet or sealed container one may find the content to be of poor quality.
- A consumer finds it difficult to exchange the defective one for good one.

**V). Warranty and Services:**

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

**13. Explain the role of business in consumer protection.****I). Avoidance of Price Hike**

- Business enterprises should stop from hiking the price in the context of critical shortage of goods.

**II). Avoidance of Hoarding**

- Business enterprises should allow the business to flow normally.
- It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.

**III) Guarantees for Good Quality**

- Business enterprises should not give false warranty for the products.
- It should ensure supply of good quality.

**IV). Truth in advertising**

- Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

**V). Consumer Grievances**

- Where the business enterprises have customer care department, it should handle the grievances of consumer immediately or within a definite time frame.

**14. What are the objectives of Consumer Protection Act, 1986? ( any five)**

- Protection of consumers against marketing of goods which are hazardous and dangerous to Life and property of consumers.
- Providing correct and complete information about quality, quantity, purity, price and standard Of goods purchased by consumers.

- Protecting consumers from unfair trade practices of traders.
- Empowering consumers to seek Redressal against exploitation
- Educating the consumer of their rights and duties.
- Ensuring better standard of living for consumer by providing them with quality products and fair price.

### 15. Explain the duties of consumers.

#### I). Ensure the Weights and Measurement before Making Purchases:

- The sellers often cheat consumer by using unfair weights and measures.
- The consumer should ensure that he/she is getting the product of exact weight and measure.

#### II). 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.

#### III). 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.

#### IV). 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 redressed for their grievances.

#### V). Buying from Reputed Shops:

- It is advisable for the consumer to make purchase from the reputed shops or government shops like super bazaar, cooperative stores, and the like.

### 16. What are the responsibilities of consumers?

- The consumer must pay the price of the goods according to the terms and conditions of the sales Contract.
- The consumer is bound to pay any interest and special damages caused to the seller incase if There is delay in the payment.
- The consumer has to assiduously follow and keenly observe the instructions and precautions While using the products.
- The consumer must seek to collect complete information about the quality, quantity, price etc of The product before purchasing it.
- The consumer must get cash receipt as a proof of goods purchased from the seller.
- The consumer must file a complaint with the seller concerned about defects or short comings Noticed in their products and services.

### 17. Explain the overall performance of National Commission?

- National Commission is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi.

#### Members:

- The National Commission should have five members.
- One should be from judiciary.
- Four other members of ability, knowledge and experience from any other fields.
- It should include a woman.

#### Jurisdiction

- Section 21 of The Consumer Protection Act, 1986 describes, the National Commission shall have jurisdiction
- To entertain a complaint valued more than 1 Core.
- Revised the orders of State Commissions.

**18. Explain the overall performance of State Commission.**

**Meaning:**

- 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.

**Members:**

- Each State Commission shall consist of the following members.
- A person who is or has been a Judge of a High Court appointed by the State Government as its President.
- Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience.

**Powers:**

- The State Commission also has the power to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.
- To furnish such information that may be required for the purposes of the Act to any officer so specified.

**19. Explain in detail the elements of Contract of sale.**

**I). Two Parties:**

- A contract of sale involves two parties—the seller and the buyer.
- The buyer and the seller should be two different persons

**ii). Transfer of Property:**

- To constitute sale, the seller must transfer or agree to transfer the ownership in the good to the buyer.
- A simple transfer of possession does not amount to sale.

**iii). 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.

**iv). Price:**

- The monetary consideration for the goods sold is called price.
- If goods are exchanged for goods, it is only barter and not a sale.

**V). Includes both ‘Sale’ and ‘Agreement to Sell’:**

- If the property in goods is transferred immediately to the buyer it is called a sale.
- If the transfer of property takes place at a future date or on fulfillment of certain conditions, it is called ‘an agreement to sell’.

**20. Distinguish between Conditions and Warranty.**

S.No	Particulars	Conditions	Warranties
1	<b>Meaning</b>	It is essential to the main purpose of the contract of sale.	It is collateral to the main purpose of contract.
2	<b>Significance</b>	Condition is so essential to the contract that the breaking of which cancels out the contract.	It is of subsidiary or inferior character.
3	<b>Transfer of ownership</b>	Ownership on goods cannot be transferred.	Ownership on goods can be transferred.
4	<b>Remedy</b>	The affected party can cancel the contract and claim damages.	The affected party cannot cancel the contract.
5	<b>Treatment</b>	Breach of condition may be Treated as breach of warranty.	Breach of warranty cannot be treated as breach of condition

**21. Distinguish a cheque and a bill of exchange.**

S.No	Particulars	Cheque	Bill of exchange
1	<b>Drawn</b>	It can be drawn on any person including a banker.	It can be drawn only on a particular banker.
2	<b>Notice</b>	Notice of dishonor is necessary.	Notice is not necessary.
3	<b>Sets</b>	Foreign bills of exchange are Drawn in sets of three.	It is not so in case of cheque.
4	<b>Discounting</b>	A bill can be discounted with a bank.	A cheque cannot be discounted).
5	<b>Stamping</b>	Bills are to be sufficiently stamped).	Cheques need not be stamped).

**22. Discuss in detail the features of a cheque.****(i) Instrument in Writings:**

- A cheque or a bill or a promissory note must be an instrument in writing.
- Though the law does not prohibit a cheque being written in pencil, bankers never accept it.

**(ii) Unconditional Orders:**

- The instrument must contain an order to pay money.
- It is not necessary that the word 'order' or its equivalent must be used to make the document a cheque.

**(iii) Drawn on a Specified Banker Only:**

- The cheque is always drawn on a specified banker.
- The customer of a banker can draw the cheque only on the particular branch of the bank where he has an account.

**(iv). A Certain Sum of Money Only:**

- The order must be for payment of only money.
- If the banker is asked to deliver securities, the document cannot be called a cheque.

**(v) Payee to be certain:**

- The cheque must be made payable to a certain person or to the order of a certain person or to the bearer of the instrument.

**23. What are the requisites for a valid endorsement?**

- Endorsement is to be made on the face of the instrument or on its back.
- It is usually made on the back of a negotiable instrument.
- When there is no space for making further endorsements a piece of paper can be attached to the negotiable instrument for this purpose.
- This piece of paper is called 'Allonge'.
- Endorsement for only a part of the amount of the instrument is invalid).
- It is presumed that the endorsements appearing on a negotiable instrument were made in the order in which they appear thereon.
- Signing in block letters does not constitute regular endorsement.