

PUBLIC EXAMINATION - ANSWER KEY – MARCH - 2025
XII STANDARD – COMMERCE – ENGLISH MEDIUM

Time Allowed : 3 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer

20 x 1 = 20

A			B		
1	A	Modem	1	B	To raise funds
2	B	To raise funds	2	B	Commercial Bank
3	A	Planning	3	B	Mutual Funds
4	D	Mumbai	4	C	District Judge
5	B	Mutual Funds	5	A	Art and Science
6	D	1992	6	D	Bear
7	A	Ralph Nader	7	D	External
8	A	Commercial Bill Market	8	D	George Odiorne
9	D	Goods and Service Tax	9	D	Mumbai
10	C	District Judge	10	A	Ralph Nader
11	A	Outside the Factory	11	A	July 2015
12	A	Art and Science	12	C	Manufacturing
13	C	Manufacturing	13	D	Goods and Service Tax
14	B	Customer	14	A	Outside the Factory
15	B	Commercial Bank	15	A	Modern
16	B	Pervasive	16	A	Planning
17	A	July 2015	17	B	Pervasive
18	D	Bear	18	A	Commercial Bill Market
19	D	George Odiorne	19	D	1992
20	D	External	20	B	Customer

II. Answer any seven questions. Question No.30 is compulsory.

7 x 2 = 14

21) Motivation – Meaning:

- ✎ It is the process of stimulating people to actions to accomplish the goal.
- ✎ Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers.

22) 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.
- ♣ It addresses some specific problems of both investors and medium-size companies.

23) Remisier – Meaning:

- * 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.

24) Human Resource Management

- * Human Resource Management is a function of management concerned with hiring, motivating and maintaining people in an organisation.
- * It focuses on people in an organisation.

25) Grading – Meaning:

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

25) Adulteration – Meaning:

- ✎ 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.
- ✎ Adulteration is quite common in food articles.
- ✎ It is a crime which cannot be pardoned as it spoils the very health of consumers.

26) District Forum – Meaning:

- * 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.
- * The State Government can establish more than one District Forum in a district if it deems fit to do so.

27) Contingent Goods – Meaning:

- * Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency (an event which may or may not happen).
- * Contingent goods are a part of future goods.
- * **Example:-** 'A' agrees to sell a particular painting work, provided he gets from 'C'.

29) Voting – Meaning:

- * The word 'Vote' originated in Latin word 'Votum' indicating one's wishes or desire.
- * By casting his vote one formally declares his opinion or wish in favour of or against a proposal or a candidate to be elected for an office.

30) Mobilisation of funds:

If I am an Entrepreneur, I can mobilize the capital in the following way

- ✎ Own funds,
- ✎ Borrowing from close circles, banks, financial institutions,
- ✎ Borrowing from Venture capitalists,
- ✎ Issue of shares and debentures,
- ✎ Term loans.

PART - III

III. Answer any seven questions. Question No.40 is compulsory.

7 x 3 = 21

31) Principles of Taylor

1. Science, Not Rule of Thumb
2. Harmony, Not Discord
3. Mental Revolution
4. Cooperation, Not Individualism
5. Development of each and every person to his or her greatest efficiency and prosperity

32) Types of Commercial Bill:

1. Demand Bills

- A demand bill is one wherein no specific time of payment is mentioned.
- So, demand bills are payable immediately when they are presented to the drawee.

2. Indigeneous Bills

- The drawing and acceptance of indigeneous bills are governed by native custom or usage of trade.

3. Accommodation Bills

- Accommodation bills are those which do not arise out of genuine trade of transactions.

33) Limitations of Stock Exchange:

- a) Lack of uniformity and control of stock exchanges.
- b) Absence of restriction on the membership of stock exchanges.
- c) Failure to control unhealthy speculation.
- d) Allowing more than one charge in the place.
- e) No proper regulation of listing of securities on the stock exchange

34) Three cases in which an ordinary resolution need to be passed: Any three only)

An ordinary resolution is one which can be passed by a simple majority

Ordinary Resolution is required for the following Matters:

- ✓ To change or rectify the name of the company
- ✓ To alter the share capital of the company
- ✓ To redeem the debentures
- ✓ To declare the dividends
- ✓ To appoint the directors
- ✓ To approve annual accounts and balance sheet.

35) Role of Marketer:

i. Instigator

- As an instigator, marketer keenly watches the developments taking place in the market and identifies marketing opportunities emerging in the ever changing market.

ii. Innovator

- Marketer seeks to distinguish 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 with the help of several functional teams put in place in the organisation.

36) 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.

37) Liberalisation:

- 1) Liberalization refers to laws or rules being liberalized, or relaxed, by a government.
- 2) Liberalization means relaxation of various government restrictions in the areas of social and economic policies in order to make economies free to enter in the market and establish their venture in the country.
- 3) Liberalization is the result of New Industrial Policy which abolished the “License System” or “Licence Raj”.

38) Presumptions to Negotiable Instrument (Any 3 only)

Certain presumptions as briefly mentioned below:

- 1) Every negotiable instrument is presumed to have been drawn, accepted etc. for consideration.
- 2) A negotiable instrument is presumed to have been accepted.
- 3) Every negotiable instrument bearing, a date is presumed to have been made or drawn on such a date.
- 4) It is presumed to have been accepted within a reasonable time after the date and before its maturity.
- 5) The transfer of a negotiable instrument is presumed to have been made before maturity.
- 6) The endorsements appearing upon a negotiable instrument are presumed to have been made in the order to which they appear thereon.
- 7) When a negotiable instrument has been lost, it is presumed to have been duly stamped.
- 8) The holder of a negotiable instrument is presumed to be a holder in due course.

39) 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 doggedly pursuing their conventional practices.
- * The main difference between Fabian entrepreneur and drone entrepreneur lies in the fact that while fabian entrepreneur adapts to changes eventually as a last resort, drone entrepreneur never adapts himself or herself to change,
- * **Example; Gopal Tooth powder**

40) Significance of Placement (Any 3 only)

- 1) It improves employee morale
- 2) It helps in reducing employee turnover
- 3) It helps in reducing conflict rates or accidents
- 4) It avoids misfit between the candidates and the job.
- 5) It helps the candidate to work as per the predetermined objectives of the organization
- 6) It involves assigning a specific rank and responsibilities to an individual
- 7) It helps to avoid short term staff shortage.

PART - IV

IV. Answer all questions.

7 x 5 = 35

41.a. Principles of Modern Management:

- ★ The Father of Modern Management is Mr. Henry Fayol, and according to him there are 14 major principles of management.

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. Unity of Command:

- ♣ This principle states that each subordinate should receive orders and be accountable to one and only one superior.
- ♣ If an employee receives orders from more than one superior, it is likely to create confusion and conflict.

v. 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.

[OR]

41.b. Steps involved in filing Complaint in Consumer Court

- * The first step in filing a consumer complaint is to send a legal notice to the seller or company.
- * A legal notice must be drafted with the help of a consumer court lawyer and include the following:
 - 1) Details of the consumer like name, address, product or services purchase details of the company, etc.
 - 2) Necessary details of the problem faced and describe the deficiency in service.
 - 3) Action taken by the company in response to the customer complaint
 - 4) Action expected from the company
 - 5) Time period given to the company to take action
 - 6) The legal action that will be taken upon failure by the company in sending a reply to the legal notice.

42.a. Advantages of Liberalisation:

(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.

(e) Reduction in external borrowings:

- Liberalization reduces the dependence on external commercial borrowings by attracting more foreign investments.

Disadvantages of Liberalisation:

(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.

[OR]

42.b. Characteristics of Money Market

1. Short-term Funds

- It is a market purely for short-term funds or financial assets called near money.

2. Maturity Period

- It deals with financial assets having a maturity period upto one year only.

3. Conversion of Cash

- It deals with only those assets which can be converted into cash readily without loss and with minimum transaction cost.

4. Existence of Secondary Market

- There should be an active secondary market for these instruments.

5. Wholesale Market

- It is a wholesale market and the volume of funds or financial assets traded in the market is very large.

43.a. Characteristics of Human Resource

- 1) Human resource is the only factor of production that lives
- 2) Human resource created all other resources
- 3) It is only the labour of employees that is hired and not the employee himself
- 4) Human resource exhibits innovation and creativity
- 5) Human resource alone can think, act, analyse and interpret
- 6) Human resources are emotional beings
- 7) Human resources can be motivated either financially or non financially
- 8) The behaviour of human resources are unpredictable
- 9) Human resources are movable
- 10) Human resource can work as a team

[OR]

43.b. KMP

- ✓ Companies Act, 2013 (Act) has introduced many new concepts and Key Managerial Personnel(KMP) is one of them.
- ✓ KMP covers the traditional roles of managing director and whole time director and also includes some functional heads like Chief Financial Officer and Chief Executive Officer and Company Secretary.

WHO ARE THE KEY MANAGERIAL PERSONNEL?

- ✓ The definition of the term Key Managerial Personnel is contained in Section 2(51) of the Companies Act, 2013. This Section states:
 1. the Chief Executive Officer
 2. the Managing Director or the Manager;
 3. the Company Secretary;
 4. the Whole-time Director;
 5. the Chief Financial Officer; and
 6. such other officer as may be prescribed.

44.a. Evolution of Marketing

i. Barter System:

- The goods are exchanged against goods, without any other medium of exchange, like money.

ii. Production Orientation:

- This was a stage where producers, instead of being concerned with the consumer preferences, concentrated on the mass production of goods for the purpose of profit.

iii. Sales Orientation:

- The stage witnessed major changes in all the spheres of economic life. The selling became the dominant factor, without any efforts for the satisfaction of the consumer needs.

iv. Marketing Orientation:

- Customers' importance was realised but only as a means of disposing of goods produced.
- Competition became more stiff.
- Aggressive advertising, personal selling, large scale sales promotion etc. are used as tools to boost sales.

v. Consumer Orientation:

- Under this stage only such products are brought forward to the markets which are capable of satisfying the tastes, preferences and expectations of the consumer satisfaction.

[OR]

44.b. Requisites for a Valid Endorsement

- 1) 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.
- 2) Endorsement for only a part of the amount of the instrument is invalid. It can be made only for the entire amount.
- 3) It is presumed that the endorsements appearing on a negotiable instrument were made in the order in which they appear thereon.
- 4) Signing in block letters does not constitute regular endorsement.
- 5) The prefixes or suffixes added to the names of the payees or endorsees must be omitted in the endorsement.

45.a. Different Types of Financial Markets:

a. On the Basis of Type of Financial Claim

- (i) **Debt Market** --- is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)
- (ii) **Equity Market** --- is the financial market for trading in Equity Shares of Companies.

b. On the Basis of Maturity of Financial Claim

- (i) **Money Market** --- is the market for short term financial claim (usually one year or less)
E.g. Treasury Bills, Commercial Paper, Certificates of Deposit
- (ii) **Capital Market** --- is the market for long term financial claim more than a year E.g. Shares, Debentures

c. On the Basis of Time of Issue of Financial Claim

- (i) **Primary Market** --- is a term used to include all the institutions that are involved in the sale of securities for the first time by the issuers (companies). Here the money from investors goes directly to the issuers.
- (ii) **Secondary Market** --- is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

d. On the Basis of Timing of Delivery of Financial Claim

- (i) **Cash/Spot Market** --- is a market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed 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.

e. On the Basis of the Organizational Structure of the Financial Market

- (i) **Exchange Traded Market** --- is a centralized organization (stock exchange) with standardized procedures.
- (ii) **Over-the-Counter Market** --- is a decentralized market (outside the stock exchange) with customized procedures.

[OR]

45.b. Various Types of Tests:

A) Ability Test

- ✓ A test designed to measure an individual's cognitive function in a specific area, such as variety of skills, mental aptitude, problem solving, knowledge of particular field, reasoning ability, intelligence etc. This test is used to find the suitability of a candidate for a given job role.

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

- This test measures the candidate's ability to make correct decision from numerical data.

ii) Verbal Reasoning Test

- It measures the candidate's ability to comprehend the written text and ability to arrive at factual conclusion from the written text.

iii) Inductive Reasoning Test

- It's a psychometric tests conducted in the selection process to measure the problem solving abilities and ability to apply logical reasoning.

iv) Mechanical Reasoning Test

- This test measures the engineering student's ability to apply engineering concepts in actual practice.

v) Diagrammatic Reasoning Test

- This test measures the candidate's ability to understand the shapes, abstract ideas and ability to observe and extract values from illustrations and apply them to new samples.

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
 - b) Teacher candidate may be asked to give a demonstration

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.
- The main aim of these tests is to obtain an idea of the person's intellectual potential.

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

46.a. 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.
- The initiative aims at transforming India into a digitally-empowered society and knowledge economy with universal access to goods and services.

2. Startup India:

- Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
- 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.

[OR]

46. b. Advantages of MBE:

1. It saves the time of managers because they deal only with exceptional matters.
2. Routine problems are left to subordinates.
3. It focuses managerial attention on major problems.
4. As a result, there is better utilisation of managerial talents and energy.
5. It facilitates delegation of authority.

47.a. (i) 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.
- ✎ Through computer network, member's orders for buying and selling within prescribed price are matched by central computer with each other and instantly communicate to the trading member.
- ✎ NSE has two segments, i.e., Debt segment and Capital segment.
- ✎ It has ushered in transparent, screen based and user friendly trading of global standards.
- ✎ It has revolutionised stock trading in India.

(ii) National Securities Depository Limited (NSDL)

- ✎ The Government of India enacted the Depositories Act in August 1996, paving the way for setting up of depositories in India.
- ✎ Thus, pioneering the concept of depositories and ushering in an era of paperless settlement of securities.
- ✎ National Securities Depository Ltd (NSDL) was inaugurated as the first depository in India on November 8, 1996.
- ✎ Trading in dematerialized securities on the National Stock Exchange (NSE) commenced in December 26, 1996.
- ✎ The Bombay Stock Exchange, (BSE) also extended the facility of trading in dematerialized securities from December 29, 1997.

[OR]

47.b. Importance of Entrepreneurship. (Any 5)

The following points highlight the significance of entrepreneurship.

1. Innovation

- * Entrepreneurship and innovation are closely intertwined with each other.
- * It is no exaggeration to say that innovation cannot happen in any country without entrepreneurship.
- * Entrepreneurs have contributed in no small measure to economic development of any country by innovation.

2. Contribution to Gross Domestic Product (GDP)

- * Promotion of entrepreneurship all across the country would undoubtedly add to Gross Domestic Product and National Income of a country.
- * It is stated that the countries like America, Japan, Germany and so on have recorded a phenomenal increase in the GDP, per capital income and national income, due to stupendous growth of entrepreneurship.

3. Balanced Regional Development

- * Encouragement of entrepreneurship in under developed and undeveloped regions of a country through various incentives and concessions is more likely to promote balanced regional development across the country.
- * Besides, essentially it checks the migration of rural population to urban centres in pursuit of employment.

4. Export Promotion

- * Entrepreneurship helps a country not only earn precious foreign exchange but also preserve it.
- * If entrepreneurship is encouraged to produce export oriented goods, it can significantly add to foreign exchange reserve of a country.

5. Full utilisation of Latent Resource

- * Promotion of entrepreneurship across the country leads to better utilisation of economic, human, material and natural resources which would remain otherwise unutilised in a country.

6. Reduction of Concentration of Economic Power in Few hands

- * Promotion of entrepreneurship by encouraging small, medium and micro enterprises prevents the concentration of economic power in the hands of few large entrepreneurs.
- * It promotes faster industrialisation and brings about equitable distribution of wealth in the society.

7. Better Standard of Living

- * Entrepreneurs provide a lot of well being measures to their employees besides paying salaries and wages.
- * This unmistakably helps employees upgrade their standard of living.
- * Higher standard of living brought about by entrepreneurship narrows down the gap between haves and have nots.

***** All the best Children *****