

**ATUL VIDYALAYA**  
**SECOND PRELIMINARY EXAMINATION 2012-13**  
**COMMERCE**

**STD: XII**  
**DATE: 04/12/2012**  
**SESSION: I**

**MM: 100**  
**TIME: 3 hrs**

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*(Candidates are allowed additional 15 minutes for only reading the paper.  
They must NOT start writing during this time)*

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*Answer Question I from Part I and seven questions from part II.  
The intended marks for questions or parts of questions are given in brackets [ ].*

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**PART I (30 Marks)**  
*Answer all questions*

**Question 1** **[30]**

Answer each of the following questions briefly:

- i. Why has joint stock company form of business become so popular?
- ii. Give two privileges of a private limited company?
- iii. What are the two ways in which a company can be promoted?
- iv. What does the capital clause of memorandum of association contain?
- v. Briefly describe a statutory company.
- vi. What is a prospectus?
- vii. What are bonus shares?
- viii. Give two benefits of crossing a cheque.
- ix. Give two sources of long term capital
- x. What is E-Banking?
- xi. What is circulating capital?
- xii. Give one advantage and one disadvantage of public deposit.
- xiii. What is formal communication?
- xiv. Define sales promotion.
- xv. Give two features of advertising.

**PART II (70 Marks)**  
*Answer any seven questions.*

**Question 2**

- a) Who is a promoter? What is his role in the promotion of a company? **[5]**
- b) Explain the various stages of promotion of a company. **[5]**

**Question 3**

- a) What is memorandum of association? Briefly explain its clauses. **[5]**
- b) What is 'certificate of incorporation'? Discuss different documents, in brief, that are required to be submitted to register of companies for incorporation of a public limited company. **[5]**

**Question 4**

- a) Discuss the factors that influence the choice of channels of distribution. **[10]**

**Question 5**

- a) Give five differences between equity share and preference share. **[5]**
- b) Discuss five advantages of debentures. **[5]**

**Question 6**

- a) Discuss the importance of management in an organisation. [5]
- b) Describe the following principles of management. [5]
- i. Division of work
  - ii. Unity of command
  - iii. Esprit de corps
  - iv. Initiative
  - v. Authority and Responsibility

**Question 7**

- a) Explain the importance of communication. [5]
- b) Give five principles of effective communication. [5]

**Question 8**

- a) What is marketing? Explain, briefly, its objectives. [5]
- b) Differentiate between “Salesmanship” and “advertising”. [5]

**Question 9**

- a) Discuss the characteristics of a Joint Stock Company. [10]

**Question 10**

- a) Examine the advantages that the host countries derive from the presence of Multi-National Corporations. [10]