



KARNATAKA ICSE SCHOOLS ASSOCIATION

ISC STD. XII Preparatory Examination 2024

Subject – Commerce
Time Allowed: 3 hours **Maximum Marks: 80** **Date: 11.01.2024**

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

*Answer all questions in **Section A**, **Section B** and **Section C**. **Section A**
consists of **objective / very short answer** questions.*

***Section B** consists of **short** answer questions.*

***Section C** consists of **long** answer questions.*

The intended marks for questions or parts of questions are given in brackets []

SECTION A – 16 MARKS

Question 1

- (i) ITL Construction is facing a surge in project demands and urgently needs additional workers. To quickly fill casual vacancies, which source of recruitment can the company utilize? [1]
- (a) Internship Programs
 - (b) Campus Placement
 - (c) Employee Referrals
 - (d) Employee Training Programs
- (ii) Ananya invested in preference shares of Global Energy Corp. and was delighted to find out that in profitable years, she receives an extra share in the profit beyond the fixed dividend. What type of preference shares does Ananya own? [1]
- (a) Redeemable preference shares
 - (b) Cumulative preference shares
 - (c) Participative preference shares
 - (d) Non-participative preference shares
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This paper consists of 6 printed pages

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- (iii) What is the primary purpose of fixed capital in a company? [1]
- (a) To cover day-to-day operational expenses
 - (b) To finance long-term investments in assets
 - (c) To manage short-term liabilities
 - (d) To pay off debts
- (iv) In recent years, what type of banking service has gained popularity due to its ability to provide financial services without traditional banking infrastructure? [1]
- (a) Cryptocurrency banking
 - (b) Centralized banking
 - (c) Branch-based banking
 - (d) Mobile banking
- (v) What does the term "esprit de corps" primarily refer to? [1]
- (a) Individual performance
 - (b) Team spirit and camaraderie
 - (c) Personal discipline
 - (d) Leadership skills
- (vi) Under which head of the SWOT analysis, will you classify a new competitor entering the market and intensifying competition for the company? [1]
- (a) Strength
 - (b) Weakness
 - (c) Threat
 - (d) Opportunity
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- (vii) State whether the following are True or False [4]
- (a) Inflation is considered a microeconomic factor that directly influences individual businesses.
 - (b) According to the traditional concept of marketing, market share is the main goal of a business enterprise.
 - (c) RTGS transactions can be performed multiple times on weekdays, and there is usually no restriction on the number of transactions.
 - (d) Coding tests can be used to assess the programming skills of a software developer before hiring them.
- (viii) The principles of management are _____ in nature because they can be applied to all kinds and size of organization. [1]
- (ix) _____ debentures are transferable by mere delivery and the company does not keep any record of name and address of the debenture holder. [1]
- (x) What is meant by procedure? [1]
- (xi) Garv wants to buy a pressure cooker. How can he be sure about the quality of the pressure cooker? [1]
- (xii) “Management is the art of getting things done through others.” Comment. [1]
- (xiii) **Assertion:** Effective advertising campaigns play a crucial role in creating awareness and generating initial interest in a product. [1]
- Reason:** The quality of customer service, including responsiveness to queries and efficient issue resolution, enhances customer satisfaction and fosters brand loyalty.
- (a) Both Assertion and Reason are true, and Reason is the correct explanation of Assertion.
 - (b) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
 - (c) Assertion is true but Reason is False.
 - (d) Assertion is False but Reason is true.

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SECTION B – 32 MARKS

Question 2 **[4]**

- (i) “Planning is beneficial to all”. In the context, explain the importance of Planning.

OR

- (ii) “Delegation provides the means whereby a manager multiplies himself.” Explain.

Question 3 **[4]**

Briefly explain the types of working capital required by a business concern.

Question 4 **[4]**

What are equity shares? Explain any three advantages of issuing equity shares from the point of view of a company.

Question 5 **[4]**

“Management is both Science and Art.” Comment.

Question 6 **[4]**

Discuss the Unity of Command and Unity of Direction principles as given by Henry Fayol.

Question 7

Sunshine Ltd. Imported new machinery from Japan. However, the productivity of the business did not improve with the use of his machinery. On investigation, it was found that the workers were not able to operate the high-tech machinery effectively, causing poor performance and wastages.

- (i) What can be done by Sunshine Ltd. to overcome the above problem? **[1]**
- (ii) Highlight any three advantages of the identified solution. **[3]**

Question 8

Jayesh went to purchase a packet of chips. The shopkeeper handed him a packet which did not have the MRP, date of manufacture and date of expiry printed on it. Jayesh decided not to buy the packet.

- (i) Identify and explain the right of the consumer which has been violated in the above case. [1]
- (ii) Briefly explain any three points highlighting the need for consumer protection. [3]

Question 9

- (i) What is Branding? Give any three advantages of branding to the marketers. [4]

OR

- (ii) What do you mean by promotion mix? Explain any three of its elements.

SECTION C – 32 MARKS

Question 10

- (i) “In the present day competitive market, it is essential for a business to remain alert and aware of its environment.” Explain. [5]
- (ii) Distinguish between Micro and Macro environment. [3]

Question 11

- (i) You are finance manager of a newly established company. The director has asked you to determine the amount of fixed capital requirement for the company. Explain any five factors that you will consider while determining the fixed capital requirement for the company. [5]
- (ii) Write a short note on e-banking. [3]

OR

- (i) Explain steps in staffing process. [5]
- (ii) “Controlling is an indispensable function of management.” Do you agree? Give reasons in support of your answer. [3]

Turn over

Question 12

- (i) State and explain any five principles of F W Taylor. [5]
- (ii) "Management is all pervading." Explain. [3]

Question 13

Read the case given below and answer the questions that follow.

Dunken Ltd. is a big and well-reputed company. The biggest challenge for the company is managing many employees at the same time. As the company has various departments like human resources, marketing, finance, etc., it is very necessary for the company to maintain unity in different departments. All the employees work hard for the organisation. Despite their different interest, they all perform various activities together so as to achieve the objectives of the company. The career of employees is shown a developmental path through proper training modules and job enrichment. Shankar is a manager who assigns all duties and responsibilities to his employees in the department. He uses all sources to develop proper communication with them and leaves no attempt to motivate them.

- (i) *"The career of employees is shown a developmental path through proper training modules and job enrichment."* In the light of this statement explain motivation. [2]
- (ii) Which function of management does Shankar perform in the company Dunken Ltd? [1]
- (iii) *"As the company has various departments like human resource, marketing, finance, etc., it is necessary for the company to maintain unity in different departments."* Explain the characteristic of coordination in the light of this statement. [3]
- (iv) *"He uses all sources to develop proper communication with them and leaves no attempt to motivate them."* In the light of this statement explain any two objectives of communication. [2]

