

COMMERCE

(Three hours)

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

They must NOT start writing during this time.)

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

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

PART I (30 Marks)

*Answer **all** questions.*

Question 1

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

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

PART II (70 Marks)

*Answer any **seven** questions.*

Question 2

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

Question 3

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

Question 4

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

Question 5

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

Question 6

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

Question 7

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

Question 8

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

Question 9

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

Question 10

Write short notes on:

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