

Tamil Nadu 2026 Class 12 Commerce(Set A) Question Paper with Solutions

Time Allowed :3 Hour	Maximum Marks :90	Total Questions :47
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General Instructions

- The total duration of the examination is 3 hours (180 minutes).
- Candidates are allotted 15 minutes for reading the question paper and verifying their particulars.
- The maximum marks for the theory paper is 70.
- Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
- Use Blue or Black ink to write and underline, and use a pencil for drawing diagrams.
- The question paper consists of four parts (Part I, II, III, and IV).
- Part I is compulsory and contains multiple-choice questions.
- Internal choices and "answer any x out of y" options are provided in Parts II, III, and IV.
- Diagrams should be drawn wherever necessary and labeled neatly.
- Scientific calculators and other electronic gadgets are strictly not allowed.

1. The term Consumerism came into existence in the year _____.

- (A) 1934
- (B) 1960
- (C) 1958
- (D) 1957

Correct Answer: (2) 1960

Solution:

Concept: Consumerism refers to the movement aimed at protecting consumer rights and promoting fair trade practices.

Step 1: Origin of the term.

The term "consumerism" began to be widely used around the 1960s with the rise of consumer protection movements.

Step 2: Historical context.

During this period, awareness about consumer rights, product safety, and fair pricing increased significantly.

Step 3: Evaluating options.

- 1934 → Too early (incorrect)
- 1960 → Correct period of emergence
- 1958 → Close but not standard answer (incorrect)
- 1957 → Incorrect

Step 4: Conclusion.

Thus, the term consumerism came into existence around 1960.

Quick Tip

Remember: Consumer rights movement → 1960s → Consumerism.

2. Delegation of Authority is easily done with the help of -----.

- (A) MBO
- (B) MBM
- (C) MBA
- (D) MBE

Correct Answer: (1) MBO

Solution:

Concept: Delegation of authority involves assigning responsibility and authority to subordinates to achieve organizational objectives.

Step 1: Understanding MBO.

MBO (Management by Objectives) is a management approach where goals are set jointly by managers and subordinates.

Step 2: Link to delegation.

In MBO, responsibilities are clearly defined and delegated to employees, making delegation more effective and structured.

Step 3: Evaluate options.

- MBO → Facilitates delegation through goal-setting (correct)
- MBM → Not a standard concept (incorrect)
- MBA → Degree, not a method (incorrect)
- MBE (Management by Exception) → Focuses on deviations, not delegation (incorrect)

Step 4: Conclusion.

Thus, delegation of authority is easily done with the help of MBO.

Quick Tip

Remember: MBO → Clear goals → Easy delegation.

3. _____ is designed to transform India to a global design and manufacturing hub.

- (A) Startup India
- (B) Digital India
- (C) Design India
- (D) Make in India

Correct Answer: (4) Make in India

Solution:

Concept: Various government initiatives aim to boost economic growth, innovation, and industrial development.

Step 1: Understanding Make in India.

Make in India is a flagship initiative launched by the Government of India to encourage manufacturing and attract investment.

Step 2: Objective.

Its goal is to transform India into a global design and manufacturing hub.

Step 3: Evaluate options.

- Startup India → Focuses on entrepreneurship (incorrect)
- Digital India → Focuses on digital infrastructure (incorrect)
- Design India → Not an official major initiative (incorrect)
- Make in India → Promotes manufacturing (correct)

Step 4: Conclusion.

Thus, Make in India is the initiative aimed at making India a global manufacturing hub.

Quick Tip

Remember: Manufacturing + Investment → Make in India.

4. Which of the following is not a consumer right summed up by John F. Kennedy?

- (A) Right to Consume
- (B) Right to Safety
- (C) Right to be Informed
- (D) Right to Choose

Correct Answer: (1) Right to Consume

Solution:

Concept: John F. Kennedy (1962) outlined four basic consumer rights.

Step 1: The four consumer rights.

- Right to Safety
- Right to be Informed
- Right to Choose
- Right to be Heard

Step 2: Evaluate options.

- Right to Consume → Not a recognized consumer right (incorrect option)
- Right to Safety → Valid right
- Right to be Informed → Valid right
- Right to Choose → Valid right

Step 3: Conclusion.

Thus, the incorrect option is “Right to Consume”.

Quick Tip

Remember: Kennedy’s 4 rights → Safety, Information, Choice, Heard.

5. _____ is the oldest Stock Exchange in the world.

- (A) National Stock Exchange
- (B) London Stock Exchange
- (C) Amsterdam Stock Exchange
- (D) Bombay Stock Exchange

Correct Answer: (3) Amsterdam Stock Exchange

Solution:

Concept: Stock exchanges are organized markets where securities are bought and sold.

Step 1: Historical background.

The Amsterdam Stock Exchange, established in 1602 by the Dutch East India Company, is considered the world’s first and oldest stock exchange.

Step 2: Evaluate options.

- National Stock Exchange → Established in 1992 (incorrect)
- London Stock Exchange → Established later (incorrect)
- Amsterdam Stock Exchange → Oldest (correct)
- Bombay Stock Exchange → Oldest in Asia, not world (incorrect)

Step 3: Conclusion.

Thus, the Amsterdam Stock Exchange is the oldest stock exchange in the world.

Quick Tip

Remember: First stock exchange (1602) → Amsterdam.

6. Which meeting is not classified as Share Holder's Meeting under Companies Act 2013?

- (A) Annual General Meeting
- (B) Statutory Meeting
- (C) Extraordinary General Meeting
- (D) Committees Meeting

Correct Answer: (4) Committees Meeting

Solution:

Concept: Shareholders' meetings are meetings where company owners (shareholders) participate in decision-making.

Step 1: Types of shareholders' meetings.

- Annual General Meeting (AGM)
- Extraordinary General Meeting (EGM)
- Statutory Meeting (for certain companies)

Step 2: Understanding committee meetings.

Committee meetings are meetings of specific groups (like audit committee, board committee), not general meetings of shareholders.

Step 3: Evaluate options.

- AGM → Shareholders' meeting (correct type)
- Statutory Meeting → Shareholders' meeting (correct type)
- EGM → Shareholders' meeting (correct type)
- Committees Meeting → Not a shareholders' meeting (correct answer)

Step 4: Conclusion.

Thus, committee meeting is not classified as a shareholders' meeting.

Quick Tip

Remember: Shareholders meet in AGM/EGM, not in committee meetings.

7. Assertion: Consumer Protection Act was passed in the year 1986.

Reason: This Act protects consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.

- (A) Assertion and Reason both are correct and Reason is correct explanation.
- (B) Assertion is correct and Reason is wrong.
- (C) Assertion is wrong and Reason is correct.
- (D) Assertion and Reason both are wrong.

Correct Answer: (1) Assertion and Reason both are correct and Reason is correct explanation.

Solution:

Concept: The Consumer Protection Act is designed to safeguard the interests and rights of consumers.

Step 1: Evaluate Assertion.

The Consumer Protection Act was indeed enacted in 1986 in India. Hence, the Assertion is correct.

Step 2: Evaluate Reason.

One of the main objectives of the Act is to protect consumers from hazardous goods and unfair trade practices. Hence, the Reason is also correct.

Step 3: Link between Assertion and Reason.

The reason correctly explains the purpose of the Act.

Step 4: Conclusion.

Thus, both Assertion and Reason are correct, and the Reason explains the Assertion.

Quick Tip

Remember: Consumer Protection Act 1986 → Safety + Rights of consumers.

8. Transfer is an _____ Source of Recruitment.

- (A) External
- (B) Outsourcing
- (C) Internal
- (D) None of the above

Correct Answer: (3) Internal

Solution:

Concept: Sources of recruitment are classified into internal and external sources.

Step 1: Understanding transfer.

Transfer involves shifting an employee from one job position to another within the same organization.

Step 2: Type of recruitment.

Since the employee already exists within the organization, it is considered an internal source of recruitment.

Step 3: Evaluate options.

- External → From outside organization (incorrect)
- Outsourcing → Hiring outside agencies (incorrect)
- Internal → Within organization (correct)
- None → Incorrect

Step 4: Conclusion.

Thus, transfer is an internal source of recruitment.

Quick Tip

Remember: Transfer/Promotion → Internal recruitment.

9. Scientific Management is developed by:

- (A) Mayo
- (B) Fayol
- (C) Jacob
- (D) Taylor

Correct Answer: (4) Taylor

Solution:

Concept: Scientific Management focuses on improving efficiency and productivity through scientific methods.

Step 1: Founder.

Scientific Management was developed by Frederick Winslow Taylor.

Step 2: Contribution.

Taylor introduced principles like time study, motion study, and standardization of work.

Step 3: Evaluate options.

- Mayo → Human relations theory (incorrect)
- Fayol → Administrative theory (incorrect)
- Jacob → Not associated (incorrect)
- Taylor → Scientific management (correct)

Step 4: Conclusion.

Thus, Scientific Management was developed by Taylor.

Quick Tip

Remember: Scientific Management → F.W. Taylor.

10. The initial stage of marketing system is _____.

- (A) Barter system
- (B) Monopoly system
- (C) Self producing
- (D) Exchange to money

Correct Answer: (1) Barter system

Solution:

Concept: Marketing systems evolved over time from simple exchange methods to modern monetary systems.

Step 1: Earliest form.

The earliest stage of marketing involved direct exchange of goods and services without using money.

Step 2: Barter system.

In this system, goods were exchanged for other goods based on mutual needs.

Step 3: Evaluate options.

- Barter system → Earliest form (correct)
- Monopoly system → Modern market structure (incorrect)
- Self producing → Not a marketing system (incorrect)
- Exchange to money → Later development (incorrect)

Step 4: Conclusion.

Thus, the initial stage of the marketing system is the barter system.

Quick Tip

Remember: First marketing stage → Barter (no money).

11. The two major types of business environment are _____ and _____.

- (A) Good and Bad
- (B) Positive and Negative
- (C) Allowable and Unallowable
- (D) Internal and External

Correct Answer: (4) Internal and External

Solution:

Concept: Business environment refers to all factors that influence business operations.

Step 1: Types of business environment.

There are two main types:

- **Internal environment** – factors within the organization (employees, management, resources)

- **External environment** – factors outside the organization (economic, social, political, technological)

Step 2: Evaluate options.

- Good and Bad → Not classification (incorrect)
- Positive and Negative → Not standard classification (incorrect)
- Allowable and Unallowable → Incorrect
- Internal and External → Correct classification

Step 3: Conclusion.

Thus, the two major types of business environment are internal and external.

Quick Tip

Remember: Business environment = Internal + External factors.

12. How many times a security can be sold in a Secondary Market?

- (A) Three times
- (B) Only one time
- (C) Multiple times
- (D) Two times

Correct Answer: (3) Multiple times

Solution:

Concept: The secondary market is where already issued securities are bought and sold among investors.

Step 1: Understanding secondary market.

Once securities are issued in the primary market, they can be traded freely in the secondary market.

Step 2: Nature of transactions.

Investors can buy and sell the same security repeatedly without any limit.

Step 3: Evaluate options.

- Three times → Incorrect
- Only one time → Incorrect
- Multiple times → Correct
- Two times → Incorrect

Step 4: Conclusion.

Thus, a security can be sold multiple times in the secondary market.

Quick Tip

Remember: Secondary market = Unlimited trading.

13. Participants in the capital market include -----.

- (A) Corporate
- (B) Financial Institutions
- (C) Individuals
- (D) All of the above

Correct Answer: (4) All of the above

Solution:

Concept: The capital market is a platform where long-term funds are raised and invested by various participants.

Step 1: Types of participants.

- **Corporate** → Raise funds by issuing shares and debentures
- **Financial Institutions** → Banks, mutual funds, insurance companies
- **Individuals** → Retail investors who buy and sell securities

Step 2: Evaluation of options.

All the given categories participate actively in the capital market.

Step 3: Conclusion.

Thus, all of the above are participants in the capital market.

Quick Tip

Remember: Capital market = Corporates + Institutions + Individuals.

14. Selection is usually considered as a ----- process.

- (A) Negative
- (B) Natural
- (C) Positive
- (D) None of these

Correct Answer: (1) Negative

Solution:

Concept: Selection is the process of choosing the most suitable candidate from a pool of applicants.

Step 1: Nature of selection.

Selection involves eliminating unsuitable candidates and selecting the best one.

Step 2: Why negative process?

It is called a negative process because it focuses on rejecting candidates who do not meet the required criteria.

Step 3: Evaluate options.

- Negative → Correct
- Natural → Not related
- Positive → Recruitment is positive process
- None → Incorrect

Step 4: Conclusion.

Thus, selection is considered a negative process.

Quick Tip

Remember: Recruitment = Positive, Selection = Negative.

15. Which one is the main element of marketing mix?

- (A) Price
- (B) Product
- (C) Promotion
- (D) Place

Correct Answer: (2) Product

Solution:

Concept: The marketing mix consists of four elements, commonly known as the 4Ps:

- Product
- Price
- Place
- Promotion

Step 1: Understanding the core element.

Among the 4Ps, the product is the central element because all other elements depend on it.

Step 2: Role of product.

- It represents what is offered to customers
- Pricing, promotion, and distribution are based on the product

Step 3: Evaluate options.

- Price → Important but depends on product

- Product → Core element (correct)
- Promotion → Supports product
- Place → Distribution aspect

Step 4: Conclusion.

Thus, product is the main element of the marketing mix.

Quick Tip

Remember: Marketing mix revolves around the Product.

16. There are _____ Stock Exchanges in the country.

- (A) 20
- (B) 21
- (C) 25
- (D) 24

Correct Answer: (1) 20

Solution:

Concept: Stock exchanges are organized marketplaces for trading securities.

Step 1: Number of stock exchanges.

Traditionally, India had 20 recognized stock exchanges across the country.

Step 2: Understanding context.

Though many have become inactive or merged over time, standard textbook reference remains 20.

Step 3: Evaluate options.

- 20 → Correct
- 21 → Incorrect
- 25 → Incorrect
- 24 → Incorrect

Step 4: Conclusion.

Thus, there are 20 stock exchanges in the country (as per standard reference).

Quick Tip

Remember: Traditional count of Indian stock exchanges = 20.

17. _____ means permitting the private sector to set up industries which were previously reserved for public sector.

- (A) Globalisation
- (B) Liberalisation
- (C) Public Enterprise
- (D) Privatisation

Correct Answer: (4) Privatisation

Solution:

Concept: Economic reforms involve changes like liberalisation, privatisation, and globalisation.

Step 1: Understanding privatisation.

Privatisation refers to allowing private sector participation in industries that were previously controlled or reserved for the public sector.

Step 2: Evaluate options.

- Globalisation → Integration with global economy (incorrect)
- Liberalisation → Removal of restrictions (incorrect)
- Public Enterprise → Government-owned business (incorrect)
- Privatisation → Private sector participation (correct)

Step 3: Conclusion.

Thus, privatisation means permitting private sector to set up industries previously reserved for public sector.

Quick Tip

Remember: Privatisation → Public to Private control.

18. Which of the following functions is not classified into commercial function?

- (A) Marketing function
- (B) Accounting function
- (C) Organising function
- (D) Finance function

Correct Answer: (3) Organising function

Solution:

Concept: Commercial functions are activities directly related to business operations such as buying, selling, finance, and accounting.

Step 1: Identify commercial functions.

- Marketing → Commercial function
- Accounting → Commercial function
- Finance → Commercial function

Step 2: Understand organising function.

Organising is a managerial function, not a commercial function.

Step 3: Evaluate options.

- Marketing → Commercial (incorrect)
- Accounting → Commercial (incorrect)
- Organising → Managerial, not commercial (correct answer)
- Finance → Commercial (incorrect)

Step 4: Conclusion.

Thus, organising function is not classified under commercial functions.

Quick Tip

Remember: Organising = Managerial, not Commercial.

19. Which of the below constitutes the essential element of Contract of Sale?

- (A) Transfer of property
- (B) Price
- (C) Two parties
- (D) All of the above

Correct Answer: (4) All of the above

Solution:

Concept: A contract of sale involves the transfer of ownership of goods from seller to buyer for a price.

Step 1: Essential elements.

- **Two parties** → Buyer and seller
- **Transfer of property** → Ownership of goods must be transferred
- **Price** → Consideration must be in monetary terms

Step 2: Evaluate options.

Each of the given options represents an essential element of a contract of sale.

Step 3: Conclusion.

Thus, all of the above are essential elements.

Quick Tip

Remember: Sale = Buyer + Seller + Goods + Price.

20. Section '6' of Negotiable Instruments Act 1881 deals with:

- (A) Bills of Exchange
- (B) Cheque
- (C) Promissory Note
- (D) None of the above

Correct Answer: (2) Cheque

Solution:

Concept: The Negotiable Instruments Act, 1881 defines and regulates instruments like promissory notes, bills of exchange, and cheques.

Step 1: Section 6.

Section 6 specifically defines a **cheque** as a bill of exchange drawn on a specified banker and payable on demand.

Step 2: Evaluate options.

- Bills of Exchange → Defined under Section 5 (incorrect)
- Cheque → Defined under Section 6 (correct)
- Promissory Note → Defined under Section 4 (incorrect)
- None → Incorrect

Step 3: Conclusion.

Thus, Section 6 deals with cheque.

Quick Tip

Remember: Sec 4 → Promissory Note, Sec 5 → Bill, Sec 6 → Cheque.

21. List out the management tools.

Solution:

Concept: Management tools are techniques and methods used by managers to improve efficiency, decision-making, and organizational performance.

Step 1: Common management tools.

- Management by Objectives (MBO)
- Management by Exception (MBE)
- Budgetary Control
- Cost Control Techniques
- SWOT Analysis
- PERT (Programme Evaluation and Review Technique)

- CPM (Critical Path Method)
- Decision Tree Analysis

Step 2: Purpose.

These tools help in planning, organizing, controlling, and decision-making in an organization.

Step 3: Conclusion.

Thus, management tools are essential techniques that aid managers in achieving organizational goals effectively.

Quick Tip

Remember: Management tools = Techniques for planning, control, and decision-making.

22. What is Government Securities Market?

Solution:

Concept: The Government Securities Market is a part of the capital market where government-issued securities are traded.

Step 1: Definition.

It is a market where securities issued by the government (such as treasury bills and government bonds) are bought and sold.

Step 2: Types of securities.

- Treasury Bills (short-term)
- Government Bonds (long-term)

Step 3: Purpose.

- To raise funds for government expenditure
- To manage public debt
- To provide safe investment options

Step 4: Features.

- Low risk (backed by government)
- Fixed returns
- Highly secure investments

Step 5: Conclusion.

Thus, the Government Securities Market is a secure and important segment of the financial market for raising and investing funds.

Quick Tip

Remember: Govt. Securities = Safe investment backed by government.

23. Write any two objectives of SEBI.

Solution:

Concept: SEBI (Securities and Exchange Board of India) is the regulatory authority for securities markets in India.

Step 1: Objectives of SEBI.

- **Protection of investors:** Safeguards the interests of investors against fraud and unfair practices.
- **Regulation of securities market:** Ensures fair and transparent functioning of stock markets.

Step 2: Conclusion.

Thus, SEBI aims to protect investors and regulate the securities market efficiently.

Quick Tip

Remember: SEBI → Protect investors + Regulate market.

24. State e-Learning method.

Solution:

Concept: E-learning (electronic learning) refers to the use of digital technology for delivering education and training.

Step 1: Definition.

E-learning is a method of learning conducted through electronic media such as computers, the internet, and mobile devices.

Step 2: Features.

- Online classes and virtual classrooms
- Use of multimedia (videos, presentations)
- Flexible and self-paced learning

Step 3: Conclusion.

Thus, e-learning is a modern method of education using digital platforms for effective learning.

Quick Tip

Remember: e-Learning = Learning through internet and digital tools.

25. What is green marketing?

Solution:

Concept: Green marketing refers to marketing activities that promote environmentally safe and sustainable products.

Step 1: Definition.

Green marketing is the process of designing, promoting, and selling products that are environmentally friendly and do not harm the ecosystem.

Step 2: Key features.

- Use of eco-friendly raw materials
- Reduction of pollution and waste
- Promotion of sustainable consumption

Step 3: Conclusion.

Thus, green marketing focuses on protecting the environment while satisfying consumer needs.

Quick Tip

Remember: Green marketing = Eco-friendly products + Sustainability.

26. Give any two advantages of Globalisation.

Solution:

Concept: Globalisation refers to the integration of national economies with the global economy.

Step 1: Advantages.

- **Increased market access:** Businesses can reach international markets and expand their operations.
- **Access to advanced technology:** Countries benefit from modern technology and innovation.

Step 2: Conclusion.

Thus, globalisation promotes economic growth and technological advancement.

Quick Tip

Remember: Globalisation → Bigger markets + Better technology.

27. Who is Agricultural Entrepreneur?

Solution:

Concept: An agricultural entrepreneur combines farming with business principles to earn profit and improve productivity.

Step 1: Definition.

An agricultural entrepreneur is a person who undertakes agricultural activities such as farming, processing, or marketing of agricultural products with the aim of earning profit and managing risks.

Step 2: Characteristics.

- Uses modern techniques and technology
- Takes risks and innovates
- Focuses on productivity and profitability

Step 3: Conclusion.

Thus, an agricultural entrepreneur is a farmer with entrepreneurial skills engaged in agribusiness.

Quick Tip

Remember: Agricultural entrepreneur = Farmer + Business mindset.

28. What is QUORUM?

Solution:

Concept: Quorum is an essential requirement for conducting valid meetings.

Step 1: Definition.

Quorum is the minimum number of members required to be present at a meeting to make its proceedings valid.

Step 2: Importance.

- Ensures decisions are taken with adequate representation
- Makes the meeting legally valid

Step 3: Conclusion.

Thus, quorum is the minimum attendance required for a valid meeting.

Quick Tip

Remember: No quorum → No valid meeting.

29. What is your opinion about Unpaid seller?

Solution:

Concept: An unpaid seller is an important concept under the Sale of Goods Act.

Step 1: Definition.

An unpaid seller is a seller who has not received the whole or part of the price of goods sold, or whose negotiable instrument (like cheque) has been dishonoured.

Step 2: Rights of unpaid seller.

- Right of lien (retain goods)
- Right of stoppage in transit
- Right of resale

Step 3: Opinion.

The concept of unpaid seller is essential as it protects the interests of sellers and ensures fairness in commercial transactions.

Step 4: Conclusion.

Thus, an unpaid seller has legal rights to safeguard against loss due to non-payment.

Quick Tip

Remember: Unpaid seller → Seller without payment → Has legal rights.

30. What is Speculation?

Solution:

Concept: Speculation is a financial activity related to buying and selling with the aim of making profit from price changes.

Step 1: Definition.

Speculation refers to the purchase and sale of assets (like securities or commodities) with the intention of earning profit from fluctuations in market prices.

Step 2: Nature.

- High risk
- Based on market expectations
- Short-term profit motive

Step 3: Conclusion.

Thus, speculation involves risk-taking in anticipation of price changes to earn profit.

Quick Tip

Remember: Speculation = High risk + Profit from price changes.

31. How the employees are informed about important matters in a company?

Solution:

Concept: Communication within an organization ensures that employees are aware of important decisions and updates.

Step 1: **Methods of communication.**

Employees are informed through:

- Notices and circulars
- Meetings and conferences
- Emails and internal communication systems
- Notice boards and company bulletins

Step 2: **Purpose.**

- To ensure clarity and transparency
- To maintain coordination among employees

Step 3: **Conclusion.**

Thus, employees are informed through formal communication channels like notices, meetings, and digital media.

Quick Tip

Remember: Company communication → Notices + Meetings + Emails.

32. What are the general features of a Treasury Bill? (any three)

Solution:

Concept: Treasury Bills (T-Bills) are short-term government securities issued to meet short-term financial needs.

Step 1: **Features.**

- **Short-term maturity:** Usually 91 days, 182 days, or 364 days
- **Issued at discount:** Sold below face value and redeemed at face value
- **Highly safe:** Backed by the government, hence risk-free
- **No interest payment:** Returns are through price difference

Step 2: **Conclusion.**

Thus, Treasury Bills are short-term, safe, and discounted government securities.

Quick Tip

Remember: T-Bills → Short-term + Safe + Discounted.

33. What is meant by Dematerialization?

Solution:

Concept: Dematerialization is an important concept in modern financial markets.

Step 1: Definition.

Dematerialization (Demat) is the process of converting physical share certificates into electronic form and holding them in a demat account.

Step 2: Purpose.

- Eliminates risks of loss, theft, or damage of physical certificates
- Facilitates easy and faster trading of securities

Step 3: Conclusion.

Thus, dematerialization ensures safe and convenient holding of securities in electronic form.

Quick Tip

Remember: Demat = Physical shares → Electronic form.

34. What is Stress Interview?

Solution:

Concept: A stress interview is a special type of interview used in the selection process.

Step 1: Definition.

A stress interview is a type of interview in which the candidate is deliberately subjected to pressure or uncomfortable situations to test their emotional stability and reaction.

Step 2: Purpose.

- To assess how candidates handle stress
- To evaluate patience, confidence, and decision-making under pressure

Step 3: Conclusion.

Thus, a stress interview helps in selecting candidates who can perform effectively under challenging conditions.

Quick Tip

Remember: Stress interview → Tests reaction under pressure.

35. What are the advantages of E-marketing?

Solution:

Concept: E-marketing (electronic marketing) refers to the use of internet and digital technologies to promote products and services.

Step 1: **Advantages.**

- **Global reach:** Businesses can reach customers worldwide
- **Cost-effective:** Lower cost compared to traditional marketing
- **24/7 availability:** Marketing and sales can occur anytime
- **Targeted marketing:** Ads can be customized for specific audiences
- **Quick communication:** Instant interaction with customers

Step 2: **Conclusion.**

Thus, e-marketing offers wide reach, lower cost, and efficient communication.

Quick Tip

Remember: E-marketing → Global + Cheap + Fast.

36. What are the important legislations related to Consumerism in India? (any three)

Solution:

Concept: Various laws have been enacted in India to protect consumer rights and ensure fair trade practices.

Step 1: **Important legislations.**

- **Consumer Protection Act, 1986** (updated as 2019 Act)
- **Essential Commodities Act, 1955**
- **Prevention of Food Adulteration Act, 1954**
- **Bureau of Indian Standards Act, 1986**
- **Legal Metrology Act, 2009**

Step 2: **Conclusion.**

Thus, these legislations safeguard consumer interests and promote fair practices in the market.

Quick Tip

Remember: Consumer laws → Protection + Fair trade + Quality control.

37. Write a short note on New Economic Policy.

Solution:

Concept: The New Economic Policy (NEP) refers to the economic reforms introduced in India in 1991 to improve economic performance and promote growth.

Step 1: Background.

India faced a severe economic crisis in 1991, including high fiscal deficit, low foreign exchange reserves, and inflation.

Step 2: Main components.

The New Economic Policy is based on three major reforms:

- **Liberalisation** → Removal of restrictions on industries
- **Privatisation** → Increased role of private sector
- **Globalisation** → Integration with world economy

Step 3: Objectives.

- To increase economic efficiency
- To attract foreign investment
- To promote industrial growth

Step 4: Impact.

- Increased competition and productivity
- Growth of private sector
- Expansion of international trade

Step 5: Conclusion.

Thus, the New Economic Policy transformed the Indian economy by introducing reforms that enhanced growth and global integration.

Quick Tip

Remember: NEP 1991 = LPG (Liberalisation, Privatisation, Globalisation).

38. Explain about the imitative entrepreneur.

Solution:

Concept: Entrepreneurs are classified based on their approach to innovation and business practices.

Step 1: Definition.

An imitative entrepreneur is one who adopts and imitates ideas, technologies, or business models developed by innovative entrepreneurs.

Step 2: Characteristics.

- Follows existing successful models
- Introduces improvements or modifications
- Reduces risk compared to innovators
- Common in developing economies

Step 3: Role.

They help in spreading innovation and ensuring wider adoption of new ideas.

Step 4: Conclusion.

Thus, an imitative entrepreneur plays a key role in economic development by adopting and adapting innovations.

Quick Tip

Remember: Imitative entrepreneur = Follows + Improves existing ideas.

39. What is meant by viral marketing?

Solution:

Concept: Viral marketing is a modern digital marketing strategy that spreads information rapidly through networks.

Step 1: Definition.

Viral marketing is a technique where marketing messages are shared rapidly from person to person through social media, emails, and online platforms.

Step 2: Features.

- Relies on social sharing
- Low cost but wide reach
- Fast spread like a “virus”

Step 3: Examples.

Online campaigns, memes, and promotional videos that become widely popular.

Step 4: Conclusion.

Thus, viral marketing is an effective strategy for reaching a large audience quickly through digital sharing.

Quick Tip

Remember: Viral marketing = Fast spread through social sharing.

40. List out Navratna Companies. (any three)

Solution:

Concept: Navratna companies are public sector enterprises in India that are granted greater autonomy by the government due to their strong financial performance.

Step 1: **Examples of Navratna companies.**

- Bharat Electronics Limited (BEL)
- Engineers India Limited (EIL)
- Container Corporation of India (CONCOR)
- National Aluminium Company (NALCO)
- Oil India Limited (OIL)

Step 2: **Any three required.**

- Bharat Electronics Limited
- Engineers India Limited
- Oil India Limited

Step 3: **Conclusion.**

Thus, these are examples of Navratna companies in India.

Quick Tip

Remember: Navratna = High-performing PSUs with autonomy.

41. (a) **Explain the various functions of Management. (any 5)**

Solution:

Concept: Management functions are the basic activities performed by managers to achieve organizational goals.

Step 1: **Functions of Management.**

- **Planning:** Deciding in advance what to do, how to do, and when to do.
- **Organising:** Arranging resources and tasks to achieve objectives.
- **Staffing:** Recruiting, selecting, and training employees.
- **Directing:** Guiding and supervising employees to perform tasks.
- **Controlling:** Monitoring performance and taking corrective actions.

Step 2: Conclusion.

Thus, management functions ensure effective and efficient achievement of organizational goals.

Quick Tip

Remember: POLSC → Planning, Organising, Leading, Staffing, Controlling.

(b) Describe briefly the different types of Directors. (any 5)

Solution:

Concept: Directors are individuals appointed to manage and control the affairs of a company.

Step 1: Types of Directors.

- **Managing Director:** Responsible for day-to-day management of the company.
- **Whole-time Director:** Works full-time in the company's management.
- **Independent Director:** Does not have any material relationship with the company; ensures fairness.
- **Nominee Director:** Appointed by financial institutions or government.
- **Additional Director:** Appointed by the board between annual general meetings.
- **Alternate Director:** Acts in place of another director during absence.

Step 2: Conclusion.

Thus, different types of directors contribute to effective governance and management of a company.

Quick Tip

Remember: Directors = Decision makers of the company.

42. (a) Explain the micro environmental factors of business. (any 5)

Solution:

Concept: Micro environment consists of factors that are close to the business and directly affect its operations.

Step 1: Micro environmental factors.

- **Customers:** Determine demand for products and services.
- **Suppliers:** Provide raw materials and inputs required for production.
- **Competitors:** Influence pricing, quality, and marketing strategies.

- **Intermediaries:** Help in distribution and selling (wholesalers, retailers).
- **Public:** Includes media, government, and society affecting company image.

Step 2: Conclusion.

Thus, micro environmental factors directly influence business performance and decisions.

Quick Tip

Remember: Micro environment = Close factors affecting business directly.

(b) Explain the functions of Stock Exchange. (any 5)

Solution:

Concept: A stock exchange is an organized market where securities are traded.

Step 1: Functions of Stock Exchange.

- **Provides liquidity:** Enables easy buying and selling of securities.
- **Mobilisation of savings:** Channels public savings into investments.
- **Price determination:** Determines prices through demand and supply.
- **Safety of transactions:** Ensures fair and transparent trading.
- **Economic development:** Promotes capital formation and growth.

Step 2: Conclusion.

Thus, stock exchanges play a vital role in financial and economic development.

Quick Tip

Remember: Stock exchange → Liquidity + Investment + Price discovery.

43. (a) Describe the operative functions of HRM.

Solution:

Concept: Operative functions of Human Resource Management (HRM) are activities directly related to managing employees in an organization.

Step 1: Operative functions.

- **Procurement:** Recruitment and selection of employees.
- **Development:** Training and development of employees to improve skills.
- **Compensation:** Providing wages, salaries, and incentives.
- **Integration:** Maintaining good relations between employees and management.

- **Maintenance:** Ensuring employee welfare, safety, and job satisfaction.

Step 2: Conclusion.

Thus, operative functions of HRM focus on acquiring, developing, and maintaining human resources.

Quick Tip

Remember: HRM Operative = Procurement + Development + Compensation + Integration + Maintenance.

(b) Discuss the challenges faced by Women entrepreneur.

Solution:

Concept: Women entrepreneurs play a vital role in economic development but face several challenges.

Step 1: Challenges.

- **Financial constraints:** Difficulty in accessing loans and capital.
- **Social barriers:** Gender discrimination and lack of family support.
- **Lack of education and training:** Limited exposure to business skills.
- **Limited mobility:** Restrictions on travel and networking.
- **Balancing roles:** Managing both family and business responsibilities.

Step 2: Conclusion.

Thus, women entrepreneurs face financial, social, and personal challenges that need support and encouragement to overcome.

Quick Tip

Remember: Women entrepreneurs → Face financial + social + role challenges.

44. (a) How the market can be classified on the basis of Economics?

Solution:

Concept: In economics, markets are classified based on the degree of competition, number of buyers and sellers, and control over price.

Step 1: Perfect Competition.

- Large number of buyers and sellers
- Homogeneous products

- Free entry and exit
- Price is determined by market forces (no control by individual firms)

Step 2: Monopoly.

- Single seller and many buyers
- Unique product with no close substitutes
- High control over price
- Restricted entry of new firms

Step 3: Monopolistic Competition.

- Large number of sellers
- Differentiated products (branding, quality, features)
- Some control over price
- Free entry and exit

Step 4: Oligopoly.

- Few large firms dominate the market
- Products may be homogeneous or differentiated
- Interdependence among firms
- Entry barriers exist

Step 5: Duopoly.

- Special case of oligopoly with only two sellers
- High competition between two firms

Step 6: Conclusion.

Thus, markets are classified into perfect competition, monopoly, monopolistic competition, oligopoly, and duopoly based on economic characteristics.

Quick Tip

Remember: Market types → Perfect, Monopoly, Monopolistic, Oligopoly.

(b) Explain the role of business in consumer protection.

Solution:

Concept: Businesses play a crucial role in protecting consumer interests by ensuring fair practices, quality products, and ethical behavior.

Step 1: Supply of quality goods.

Businesses must provide goods and services that meet quality standards and are safe for consumption.

Step 2: Fair pricing.

Products should be sold at reasonable prices without exploitation or unfair pricing practices.

Step 3: Truthful advertising.

Advertisements should be honest and should not mislead consumers regarding product features or benefits.

Step 4: After-sales service.

Providing proper customer service, warranties, and handling complaints effectively.

Step 5: Avoidance of unfair trade practices.

Businesses should avoid hoarding, black marketing, adulteration, and false representation.

Step 6: Consumer awareness.

Educating consumers about product usage, safety, and rights.

Step 7: Compliance with laws.

Following consumer protection laws and regulations set by authorities like SEBI and government agencies.

Step 8: Ethical responsibility.

Businesses should act responsibly and maintain transparency to build trust among consumers.

Step 9: Conclusion.

Thus, businesses play a vital role in consumer protection by ensuring quality, fairness, transparency, and ethical practices.

Quick Tip

Remember: Business responsibility → Quality + Fairness + Honesty + Service.

45. (a) Explain the highlights of the LPG policy.**Solution:**

Concept: The LPG policy (Liberalisation, Privatisation, Globalisation) was introduced in India in 1991 to reform the economy and promote growth.

Step 1: Liberalisation.

- Removal of industrial licensing and restrictions
- Reduction in government control over industries
- Encouragement of private sector participation
- Simplification of procedures for business operations

Step 2: Privatisation.

- Transfer of ownership from public sector to private sector
- Disinvestment of government shares in public enterprises
- Improvement in efficiency and competitiveness

Step 3: Globalisation.

- Integration of Indian economy with global markets
- Promotion of foreign trade and investment
- Reduction of import duties and export restrictions

Step 4: Other highlights.

- Devaluation of Indian currency
- Encouragement of foreign direct investment (FDI)
- Financial sector reforms

Step 5: Conclusion.

Thus, LPG policy transformed the Indian economy by promoting efficiency, competition, and global integration.

Quick Tip

Remember: LPG = Liberalisation + Privatisation + Globalisation.

(b) Explain in detail the essential elements of Contract of Sale.

Solution:

Concept: A contract of sale is defined under the Sale of Goods Act, 1930 as an agreement whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price.

Step 1: Two parties.

- There must be at least two parties: a buyer and a seller
- The seller transfers goods, and the buyer pays the price

Step 2: Transfer of ownership (property).

- Ownership of goods must be transferred from seller to buyer
- It may be immediate (sale) or future (agreement to sell)

Step 3: Goods.

- The subject matter must be movable goods
- It includes existing goods, future goods, and contingent goods

Step 4: Price.

- Consideration must be in money (not barter)
- Price may be fixed, agreed upon, or determined later

Step 5: Essential elements of valid contract.

- Free consent of parties
- Competency of parties
- Lawful consideration and object

Step 6: Delivery of goods.

- Goods must be delivered from seller to buyer
- Delivery may be actual, constructive, or symbolic

Step 7: Legal formalities.

- Contract may be oral or written
- Must comply with provisions of law

Step 8: Conclusion.

Thus, a contract of sale requires essential elements like parties, goods, price, transfer of ownership, and valid agreement to ensure legality and enforceability.

Quick Tip

Remember: Sale = Buyer + Seller + Goods + Price + Transfer of ownership.

46. (a) Write notes on:

(i) Soft Commodities market.

Solution:

Concept: Soft commodities refer to agricultural products that are grown rather than mined or extracted.

Step 1: Definition.

Soft commodities market is a market where agricultural products like coffee, tea, sugar, cotton, cocoa, and spices are traded.

Step 2: Characteristics.

- Perishable in nature
- Prices depend on weather and seasonal conditions
- Subject to fluctuations due to demand and supply

Step 3: Importance.

- Provides income to farmers
- Facilitates international trade
- Helps in price discovery and risk management

Step 4: Conclusion.

Thus, soft commodities market plays a vital role in agricultural and economic development.

(ii) National Clearance and Depository System (NCDS).

Solution:

Concept: NCDS is a system designed to ensure smooth settlement and safe handling of securities in electronic form.

Step 1: Definition.

National Clearance and Depository System (NCDS) is a mechanism that facilitates electronic clearing, settlement, and safe custody of securities.

Step 2: Functions.

- Dematerialization of securities
- Safe storage of securities in electronic form
- Faster settlement of trades
- Reduction of paperwork and risk

Step 3: Importance.

- Enhances efficiency in stock market operations
- Reduces fraud and delays

Step 4: Conclusion.

Thus, NCDS ensures secure and efficient functioning of the securities market.

Quick Tip

Remember: NCDS → Electronic settlement + Safe custody of securities.

(b) Enumerate the functions of Marketer.

Solution:

Concept: A marketer is responsible for promoting and selling products while satisfying customer needs.

Step 1: Functions of marketer.

- **Market research:** Identifying customer needs and market trends
- **Product planning:** Designing and developing suitable products
- **Pricing:** Determining appropriate price strategies
- **Promotion:** Advertising and sales promotion activities
- **Distribution:** Ensuring goods reach customers efficiently
- **Customer relationship management:** Maintaining long-term relationships

Step 2: Conclusion.

Thus, marketers play a crucial role in connecting producers with consumers and ensuring business success.

Quick Tip

Remember: Marketer = Research + Product + Price + Promotion + Place.

47. (a) What are the differences between Shares and Debentures?

Solution:

Concept: Shares and debentures are two important sources of capital for a company, but they differ in nature and characteristics.

Step 1: Differences.

Basis	Shares	Debentures
<i>Nature</i>	<i>Ownership capital</i>	<i>Borrowed capital</i>
<i>Status of holder</i>	<i>Shareholder (owner)</i>	<i>Creditor</i>
<i>Return</i>	<i>Dividend (variable)</i>	<i>Interest (fixed)</i>
<i>Voting rights</i>	<i>Available</i>	<i>Not available</i>
<i>Risk</i>	<i>High risk</i>	<i>Low risk</i>
<i>Repayment</i>	<i>Not repaid during life</i>	<i>Repaid after a period</i>
<i>Security</i>	<i>No charge on assets</i>	<i>Usually secured</i>

Step 2: Conclusion.

Thus, shares represent ownership while debentures represent a loan to the company.

Quick Tip

Remember: Shares = Owners, Debentures = Creditors.

(b) Explain the concept of Management.

Solution:

Concept: Management is the process of planning, organizing, directing, and controlling resources to achieve organizational goals efficiently.

Step 1: Definition.

Management is defined as the art of getting things done through and with people in a structured and organized manner.

Step 2: Nature of management.

- Goal-oriented process
- Continuous activity
- Involves group effort
- Universal in nature (applies to all organizations)

Step 3: Functions.

- Planning
- Organising
- Staffing
- Directing
- Controlling

Step 4: Importance.

- Achieves organizational objectives
- Ensures optimum use of resources
- Improves efficiency and productivity
- Helps in coordination and teamwork

Step 5: Conclusion.

Thus, management is essential for the success and smooth functioning of any organization.

Quick Tip

Remember: Management = Planning + Organising + Directing + Controlling.