

**ISC SEMESTER 2 EXAMINATION**  
**SPECIMEN QUESTION PAPER**  
**COMMERCE**

---

*Maximum Marks: 40*

*Time allowed: One and a half hour*

*Candidates are allowed an additional 10 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.*

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

---

**SECTION A – 8 MARKS**

**Question 1**

(i) How many rights of consumers are given in the Consumer Protection Act 2019? [1]

- (a) 4
- (b) 3
- (c) 6
- (d) 5

(ii) **Assertion:** Labelling, as a function of marketing, acts as a silent salesman. [1]

**Reason:** Labelling helps in the promotion of the products by attracting the attention of customers and providing required information.

- (a) Both Assertion and Reason are true and Reason is the correct explanation for assertion.
- (b) Both Assertion and Reason are true and Reason is not the correct explanation for Assertion.
- (c) Assertion is true but Reason is false.
- (d) Assertion is false but Reason is true.

- (iii) Grouping of activities based on product line is a part of: [1]
- (a) Functional organisation
  - (b) Divisional organisation
  - (c) Delegated organisation
  - (d) Autonomous organisation
- (iv) Which of the following is not true about formal organisation? [1]
- (a) They are deliberately planned and created by management.
  - (b) They are stable and predictable.
  - (c) Violation of rules in a formal organisation may lead to penalties.
  - (d) Leaders are chosen.
- (v) The process of manning various jobs in the organisation with the right person is known as \_\_\_\_\_. [1]
- (vi) State whether the following statements are True or False.
- (a) Planning and Controlling are interrelated. [1]
  - (b) Rational barrier is one of the types of barriers in the process of Communication. [1]
- (vii) A popular brand of toothpaste has 20% discount mentioned on the package. Name the element of promotion. [1]

## SECTION B – 12 MARKS

**Question 2** [2]

Marketing and Selling are synonymous terms. Do you agree? Give reasons.

**Question 3** [2]

- (i) State *two* qualities of a good leader.

**OR**

- (ii) Give *two* objectives of Communication.

**Question 4** [2]

State *two* reasons to emphasize the importance of Controlling as a function of management.

**Question 5** [2]

The employees of ABC co. have formed a Dramatics club for their recreation. Name the type of organisation formed by the and state *one* of the features of such an organisation.

**Question 6** [2]

What is pre-requisite to Selection? Which function of management ensures the right person at the right job?

**Question 7** [2]

Which function of management is often referred to as the essence of management and binds all the other functions? Justify its significance in the function of Planning.

**SECTION C – 20 MARKS**

**Question 8** [4]

- (i) The demand for leather will be derived from the demand for leather purses and other leather items in the market.

The above statement brings forth the characteristics of one of the categories of the products. Name the category and state *three* other characteristics of this category of product.

**OR**

- (ii) Palak went to a shop to buy hair oil. The shopkeeper forced her to buy a particular brand of hair oil from various available brands, irrespective of the willingness of Palak.

Which right of Palak, as a consumer, has been violated and where can she file a case against the shopkeeper? Name the *two* other rights of the consumer.

**Question 9** [4]

Why is delegation an important management tool?

**Question 10** [4]

Briefly explain the meaning of the following terms:

- (i) Span of control
- (ii) Management by exception

**Question 11****[4]**

Explain *any four* External sources of recruitment.

**Question 12****[4]**

Read the given passage carefully and answer the following questions.

A reputed publishing company is planning to open new showrooms in some big cities in North India. The company wishes to invite celebrity novelists to inaugurate their new outlets. It also plans to invite other celebrities from the literary world and make new book releases before August. Introductory offers will be given in the form of price reductions, limited edition of autographed copies and discount coupons.

- (i) Identify the promotional tools adopted by the company.
- (ii) In what way do the promotional tools adopted by the company generate sales?

## Section-A

### Answer 1.

(i) (c) 6

#### Explanation:

The Consumer Protection Act, 2019 guarantees 6 rights to the consumers. These include:

- |                          |                                 |
|--------------------------|---------------------------------|
| 1. Right to safety.      | 4. Right to seek redressal.     |
| 2. Right to be informed. | 5. Right to consumer awareness. |
| 3. Right to be heard.    | 6. Right to choose.             |

(ii) (a) Both Assertion and Reason are true and Reason is the correct explanation for assertion.

#### Explanation:

Labelling is a silent salesman because it helps in promotion of product by attracting the attention of the customers and providing the required information. For example, a hair oil bottle having a picture of a woman having long hair might trigger a customer to buy a product who wants to grow his/her hair.

(iii) (b) Divisional organisation

#### Explanation:

In the divisional organisational structure, activities are grouped on the basis of product or geographical territories. When an organisation has number of products of different types, it opts for divisional structure.

(iv) (d) Leaders are chosen

#### Explanation:

Formal organisation is a consciously and deliberately designed system of well defined jobs, each bearing a definite authority, responsibility and accountability. So, we can say that the option (d) leaders are chosen is not related to formal organisation.

(v) staffing

#### Explanation:

In accordance to its definition, staffing involves systematic recruitment, proper selection, appraisal and development of personnel which can fit correctly as per the organisational goals.

(vi) (a) True

#### Explanation:

Planning is looking ahead, which determines the course of action, while controlling involves evaluation of those actions leading to achievement of organisational goals.

(b) False

#### Explanation:

Rational barrier is not a part of communication barriers.

(vii) Sales Promotion

#### Explanation:

Providing discounts on a product is the most commonly used, short-term sales promotional tool that can enable firms to adjust short-term variation of demand and supply of products.

## Section-B

### Answer 2.

Marketing and selling may seem familiar but there is a slight difference between them. Marketing involves a wide range of activities like promoting, packaging, pricing and selling of the products while selling is a part of marketing that involves exchange of products between the buyer and seller. Marketing focuses on the customer satisfaction while selling aims at maximising sale

### Answer 3.

(i) Qualities of a good leader are as follows:

1. **Initiative:** A leader should have the ability to take initiative and has courage. She/he should not wait for opportunities to come to her/his way. Rather he should grab the opportunity and use it for the benefit of the organisation.
2. **Decisiveness:** The leader should be decisive and firm in her/his opinion and should have an objective outlook, free from bias and prejudice. She/he should be firm in her/his opinion and judgement on the basis of facts alone.

OR

(ii) Objectives of communication are as follows:

1. **Convey information:** The main objective of communication is to convey information that includes instructions, policies, procedures, budget, etc. between the superiors and subordinates.
2. **Coordination:** It facilitates coordination by synchronising and integrating all activities, responsibilities, tasks and procedures effectively.
3. **Motivation:** It also aims at promoting motivation by informing and clarifying the tasks and procedures as well as persuading and encouraging employees towards completion of tasks/activities productively and efficiently.

### Answer 4.

Controlling is a managerial process which involves establishing benchmarks or standards in a plan, comparing actual performance vis-à-vis those benchmarks, measuring the possible variations and undertaking corrective actions to remove those variations. Controlling is important because of the following points:

1. **Decision making:** Controlling process enables decisions directed towards making adjustments or improvements which are consistent with a business' mission and goals.
2. **Coordination:** It focuses on building an equilibrium between business efforts and desired results through coordination between all resources, business activities and departments/units.

### Answer 5.

The Dramatics Club formed by the employees of ABC co. is an informal organisation. This informal organisation was created for integrating people in a formal organisation, ABC co. and it caters to the social needs of the employees irrespective of their formal titles and relationships and can cut across all management levels of the ABC Co. One of the features of the Dramatic Club is:

**Voluntary membership:** The inter-relationships between the employees of ABC co. are voluntary under the informal structure of the Dramatics club.

### Answer 6.

Recruitment is the prerequisite to selection because the recruitment process involves receiving a pool of candidates for the job vacancies in the organisation. Recruitment and selection are tools in staffing function of management which ensures the right person at the right job.

### Answer 7.

Coordination is referred as the essence of management and binds all the other functions. Coordination involves unification, integration and synchronization of the efforts of employees within an organisation. In planning, coordination enables the managers to determine the required activities and resources for formulating good plans. Planning also facilitates coordination by integrating various plans through mutual discussion and exchanging ideas.

## Section-C

### Answer 8.

- (i) Leather is an industrial product. Characteristics of industrial products are as follows:
1. **Limited buyers:** Industrial products have limited buyers unlike buyers for consumer products.
  2. **Distribution channels:** For industrial goods, distribution channels are small as there are limited buyers.
  3. **Derived demand:** Demand for industrial products is derived from demand for consumer products. As suggested in the example, demand for leather (industrial product) will be influenced by demand for leather products which are consumer products in the market.

OR

- (ii) Palak's right to choose was violated by the shopkeeper in the given case because Palak was forced to purchase a hair oil which was not of her choice. Palak can file a case against the shopkeeper in District Commission under Consumer Protection Act, 2019.

Other consumer rights includes:

1. Right to safety against the marketing of goods, products or services which are hazardous to life and property.
2. Right to be informed about the quality, quantity, potency, purity, standard and price of products or services.

### Answer 9.

Delegation of authority is that part of the organising process by which a manager distributes or shares his load of work to subordinates and granting them some authority. It enables the managers to concentrate on important and crucial functions. Delegation is important because of the following reasons:

1. **Reduction of work-load of top executives:** Delegation reduces the burden of the top executives. It enables them to assign the routine activities to the subordinates and to concentrate on vital functions.
2. **Quick decision-making:** The subordinates are granted sufficient authority to take routine matters decisions themselves instead of going to their superiors again and again. This increases the speed of decision-making.
3. **Training and development of subordinates:** Delegation of authority allows the subordinates to take decisions independently. Thus, it is a tool for training and developing managers for future.
4. **Basis of better relations:** Delegation helps in achieving better relationship between superior and subordinates through clearly defined authority and responsibility between them, consequently reduces the risk of conflicts.

### Answer 10.

- (i) Span of control refers to the number of subordinates who can be managed effectively by superior. It has two implications for the superior. First, if the number of subordinates under a manager increases he faces difficulty in managing. Second, if number of subordinates is reduced under a manager there would be too many management levels in the organisation which results in communication problems.
- (ii) Management by exception (MBE) is also known as 'Control by Exception'. MBE includes reporting of exceptional deviations between standards and actual to higher management level to take corrective actions. Other minor deviations are dealt with at lower levels of management. MBE saves the time of the higher level managers as they focus only on exceptional deviations.

### Answer 11.

The four external sources of recruitment are as follows:

1. **Direct employment or recruitment notice at factory gate:** By placing a notice on the notice board of the enterprise specifying the details of the jobs available is known as recruitment at factory gate. It is followed usually to fill casual vacancies of unskilled or semi-skilled jobs.
2. **Advertisement:** Advertisement in newspaper or trade and professional journals is generally given to search qualified and experienced personnel for the vacant jobs.
3. **Management consultants:** Management consultant firms are third-party recruitment agencies that help the organisations to recruit technical, professional and managerial personnel. They maintain data bank of the job seekers and help them to get suitable placements in industrial organisation.
4. **Campus recruitment:** Organisations can recruit fresh graduates from schools, colleges and universities for specific jobs which require technical or professional qualifications. A liaison between organisations and educational institutions can help in determining suitable candidates for entry level jobs.

**Answer 12.**

(i) The publishing company uses sales promotional tools as it is attempting to invite and attract customers by opening new showrooms in some big cities in North India. Other sales promotional tools used by the company include:

1. Price reductions
2. Discount coupons

It also uses Public Relations (PR) tools by inviting celebrity novelists to inaugurate their new outlets and offering limited edition of autographed copies to their customers as one of the introductory offers.

(ii) The promotional tools mentioned in the earlier section will generate sales in the following ways:

1. The publishing company can test their presence in the market by offering varying prices with discounts. They can test the highest prices they can charge on the book copies and the possible discount prices they can offer to the customers.
2. Consumers will be able to identify the company's outlet differently and allured to make purchases from their outlets.
3. The company can gauge the level of customer satisfaction when they get the advantage of special prices offered in their outlets.
4. These promotional tools can create sales and revenues in the short- run especially for complementary goods like bookmarks, stationary, etc.
5. Invitation to celebrity novelists can create a positive image for their brand. It can attempt to impress different groups of people on large-scale.

□□