



SHAH'S ADVANTAGE PRELIM SERIES

A DIVISION OF "SHAH EDUCATIONAL ACADEMY"
B.COM, BAF, BMS, BBI, BFM, MCOM, CS, CPT, IPCC, Final CA.

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CLASS: S.Y.J.C
PRELIM SERIES NO. 3
Date: 29th Jan 2020

ORGANISATION OF COMMERCE
(2019 -20)

Time : 3 Hrs.
Marks: 80
Day :- Wednesday

Notes: (1) All questions are compulsory; (2) New question must be started on a new page; (3) Point-wise answers are expected; (4) Good presentation and legible handwriting is a must; (5) Write conclusion wherever applicable

Q.1.A Select the proper option from the options given below and rewrite the completed Statements: (5)

- The minimum number of directors in a public company are _____.
A) Two B) Three C) Five
- The Process of contracting a business function to someone else is called as _____.
A) E-Business B) Trading C) Outsourcing
- Location of industrial should be in _____ Zones.
A) Residential B) Industrial C) Commercial
- Right to _____ restricts monopolistic tendencies in the market.
A) Choose B) Information C) Safety
- According to the principles of _____ all employees should be given same treatment.
A) Authority B) Discipline C) Equity.

B. Match the correct pairs: (5)

GROUP 'A'	GROUP 'B'
1. Joint Hindu Family Firms	a. Insurable Interest
2. Life Insurance	b. One man one boss
3. Mumbai Grahak Panchayat	c. Corrective action taking
4. Controlling	d. Karta
5. Principle of Unity of Command	e. Principle of Indemnity
	f. Political organisation
	g. One man many bosses
	h. Partner
	i. An NGO working for consumers
	j. Taking action against employee

C. Write a word or phrase or a term which can substitute each one of the following Statements: (5)

- 'One man show 'type of business organization.
- An electronic letter through which the messages can be exchanged on the computer.
- Name the service provider which is used for payment through web.
- The critical, structured examination of how people and institutions behave in the world of commerce.
- A function which provides instructions from top level management to the lower level.

P.T.O.

Q. 2. Distinguish between the following : (Any THREE) (15)

1. Co-operative society and Joint stock company.
2. Sole Trading concern and Partnership Firm.
3. Rail Transport and Air Transport.
4. District Forum and State Commission.
5. Organizing and Staffing.

Q.3. Write short notes on the following : (Any THREE) (15)

1. Types of Partners.
2. Merits of co-operative society.
3. Primary function of Bank.
4. Elements of Business Ethics.
5. Responsibilities of Consumers.

Q.4. State with reasons whether the following Statements are True or False : (Any THREE) (15)

1. The maximum number of members in a Joint Hindu Family Firm is Twenty.
2. Duty paid warehouses help to provide storage for perishable Commodities.
3. It is easy to set up e-business as compared to traditional business.
4. Lok Adalat can rightly be described as “ people court “.
5. Taylor is called as the father of scientific Management.

Q.5. Attempt the following questions: (Any Two) (10)

1. State the Features of Joint Stock Company.
2. State Any Five Cases (Need) of social responsibilities of business.
3. State the Significance of the principles of Management.
4. State the Characteristics of Entrepreneurship.

Q.6. Define Joint Hindu Family and Explain its Features. (10)

OR

Define 'Planning 'and Explain its Importance.

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Q.1.A Select the proper option from the options given below and rewrite the completed Statements: (5)

1. The minimum number of directors in a public company are three.
2. The Process of contracting a business function to someone else is called as outsourcing.
3. Location of industrial should be in industrial Zones.
4. Right to choose restricts monopolistic tendencies in the market.
5. According to the principles of equity all employees should be given same treatment.

B. Match the correct pairs: (5)

GROUP 'A'	GROUP 'B'
1. Joint Hindu Family Firms	(d) <i>Karta</i>
2. Life Insurance	(a) <i>Insurable Interest</i>
3. Mumbai Grahak Panchayat	(i) <i>An NGO working for Consumers</i>
4. Controlling	(c) <i>Corrective Action Taking</i>
5. Principle of Unity of Command	(b) <i>One Man One Boss</i>

C. Write a word or phrase or a term which can substitute each one of the following Statements: (5)

1. 'One man show' type of business organization.

Ans:- Sole Trading Concern

2. An electronic letter through which the messages can be exchanged on the computer.

Ans:- E-Mail

3. Name the service provider which is used for payment through web.

Ans:- Payment Gateway

4. The critical, structured examination of how people and institutions behave in the world of commerce.

Ans:- Business Ethics

5. A function which provides instructions from top level management to the lower level.

Ans:- Directing

P.T.O.

Q. 2. Distinguish between the following : (Any THREE)

(15)

1. Co-operative society and Joint stock company.

Co - operative Society	Joint Stock Company		
1. Meaning			
A co-operative society is an association of person who unite voluntarily to meet their economic and social needs through a jointly owned and controlled enterprise	A joint stock company is a voluntary association of individuals for profit having capital divided into transferable shares, the ownership of which is the condition of membership		
2. Ownership & Management			
The members are the joint owners of the society. They elect few members amongst themselves to form a managing committee for day-to-day administration	The shareholders are the owners of the company. The shareholders elect representative among themselves called as "Board of Directors" to manage the affairs.		
3. Government Control			
A co-operative society has to maintain certain books a accounts & registers. The books of accounts have to be audited. Thus, the state government exercises control on the society.	There is excessive government control in a joint stock company. It has to follow all the rules and regulations specified in the Indian Companies Act, 1956		
4. Liability			
The liability of members is limited to the extent of unpaid amount of shares held by them.	The liability of every shareholder is limited to the extent of the unpaid amount on shares held by him.		
5. Membership			
The minimum no. of members required is ten for the formation of a co-operative society. There is no upper limit.		Private Ltd	Public Ltd
	Minimum	2	7
	Maximum	50	No limit
6. Sharing of profit and losses			
The co-operative society distributes a part of its profits as dividend and bonus. A certain portion is transferred to a statutory reserve and the balance is used for welfare of the locality.	The profits of the company are distributed as "dividends" to the shareholders. The amount to be distributed as dividend is decided by board of directors and approved by shareholders.		

2. Sole Trading concern and Partnership Firm.

Sole Trading Concern	Partnership Firm
1. Meaning	
Sole trading concern is a form of business orgainsation in which an individual is the owner of business orgainsation this individual invests his / her own capital, time, skill and intelligence in setting up and managing the business.	A partnership firm is a business concern owned and managed by two or more persons. These two or more persons, who are called partners, poll in their resources, enter into a contract and carry out lawful business for mutual benefits.

2. Formation	
There is no separate legal act for a sole trading. No legal formalities are required for its formation, functioning and closure.	A partnership firm is formed when a partnership deed is signed by partners. The registration of a partnership firm is not compulsory (except for Maharashtra), but it is recommended to get it registered.
3. Ownership & Management	
All assets of the business are owned by sole trader only. He is solely responsible for managing the business.	The partners are the joint owners of the assets of the business. The business is jointly managed by the active partners.
4. Liability	
The liability of the sole trader is unlimited.	The liability of each partner is not only unlimited but also joint and several.
5. Sharing of Profits and Losses	
The entire profit or loss belongs to the sole trader. He is not required to share it with anybody.	The profit and losses are shared by the partners in their profit sharing ratio.

3. Rail Transport and Air Transport.

Rail Transport.	Air Transport
1. Speed	
It is since it runs on tracks which rarely get affected.	It is the fastest mode of transport.
2. Carrying Capacity	
It has huge carrying capacity.	It has limited carrying capacity.
3. Distance	
Rail transport is suitable for both short and long distance.	Air transport suitable for long distance.
4. Transport Charges	
Transport charges are relatively low and vary according to the distance.	Transport charges are very high. It is the costliest mode of transport.
5. Door to Door Service	
It does not provide door to door service	It does not provide door to door service.
6. Means of Transport	
It uses passenger and goods train.	It uses aircraft, helicopters, jets, etc.
7. Suitability	
It is suitable for transporting heavy goods in large quantities over long distance.	It is suitable for transporting light weight and perishable and valuable goods in small quantities to any part of the world.
8. Safety	
Goods are kept in locked wagons which provides protection against sun, wind, rain etc.	Goods are safe as they are specially packed. Delicate goods are marked separately.

9. Accidents	
Chances of accidents are less because of one way track and goods signal system.	Chances of accidents are less because of goods maintenance and expert pilots. It is the safest mode of transport.

4. District Forum and State Commission.

District Forum	State Commission
1. Meaning	
It is a consumer dispute redressal forum working at district level.	It is a consumer dispute redressal forum working at state level.
2. Established by Composition	
State Government President + 2 Members (Min)	State Government President + 2 Members (Min)
3. Qualification of President	
Who is or has been or is qualified to be a District Judge	Who is or has been a judge of a High Court.
4. Duration / Tenure	
Term of 5 years or upto age of 65 whichever is earlier	Term of 5 years or upto age of 67 whichever is earlier
5. Monetary Jurisdiction	
Value of goods or service and the compensation claimed is less than Rs. 20 lacs	Value of goods or service and the compensation claimed is more than Rs. 20 lacs but less than Rs. 1 crore.
6. Area	
It covers a particular district	It covers a particular state
7. Nature of Complaints	
Only original complaints can be entertained.	Original cases + Appeals against orders of District Forum + Supervisory Revisional.

5. Organizing and Staffing.

Organizing	Staffing
1. Meaning	
Organizing is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.	Staffing is the process involved in identifying, assessing, placing, evaluating and directing individuals at work.
2. Purpose	
Organizing is done mainly to bring together all resource of the organization.	The main purpose of staffing is to make available the right people for the right job at the right time.

3. Components	
Organizing includes identification of various activities and grouping of related activities.	It includes recruitment, training, promotions, transfers, appraisals etc.
4. Factors to be considered	
Internal (planned goals) as well as external factors (availability of resources) are considered while organizing.	Mainly internal factors are to be considered while staffing
5. Order of function	
Organizing is done after planning. Resource is organized as per the plan.	People are required to organize other resources. Staffing follows organization.
6. Relation with resources	
All the resources required for achieving the targets are organized at this stage.	Staffing is relate with human resources.
7. Nature	
Organizing is done till all the required resources are arranged.	Staffing is a continuous process as staffing not only includes recruitment but also involves training, motivation, appraisal etc.
8. Levels of Management	
Organizing is done by top level and middle level managers.	Staffing is mainly done by middle level managers. However, top level management may also get involved in some cases.
9. Steps	
Organizing includes identification of common objectives, identification of various activities, grouping of similar activities, defining responsibilities, delegating authority, ascertaining requirement of resources, defining relationship, providing resources etc.	Staffing includes recruiting, developing, retaining and remunerating.

Q.4. State with reasons whether the following Statements are True or False :

(Any THREE)

(15)

1. The maximum number of members in a Joint Hindu Family Firm is Twenty.

Ans:- This statement is "True". The following are the reasons for the same:

a. A Joint Hindu Family business comes into existence by the law of inheritance. The joint ownership of the business is created by operation of Hindu Law.

- b. Every child (including a girl child in Maharashtra) in a Joint Hindu Family upto three generations from the head of the family becomes a co-parcener or member in the Joint Hindu Family firm by his/ her birth.*
- c. In simple words, membership is acquired on birth and only family members can be co-parceners in the business.no separate agreement is required to be entered in order to acquire membership in the firm.*
- d. Thus, the membership of the business keeps changing depending on the birth and deaths in the family. The business is passed on from one generation to another.*
- e. Therefore, the membership of the Joint Hindu Family Business is unlimited.*

2. Duty paid warehouses help to provide storage for perishable Commodities.

Ans:- This statement is "False". Cold storage warehouses help to provide storage for perishable commodities. The reasons for the same are as under.

- a. Perishable commodities are commodities like meat, milk, fish, vegetables, fruits, pulps and flowers etc. which have a very short shelf life. If not preserved properly, they get spoilt or damaged.*
- b. Cold storage warehouses provide the facility of storing the products at a very low temperature so that they are "preserved and can be used in the future".*
- c. Cold storage warehouse have enabled certain seasonal foodstuffs to be available throughout the year.*
- d. The facility of storing goods at a low temperature is not generally available in a duty paid warehouse.*
- e. Thus, cold storage warehouse help to provide storage for perishable commodities.*

3. It is easy to set up e-business as compared to traditional business.

Ans:- This statement is "True". The reasons for the same as under.

- a. The initial investment for starting up an e-business is generally lower than the costs required for starting a traditional retail business. The technology is slowly becoming cheaper to obtain.*
- b. A company which sells its goods online may require a lesser space as compared to a traditional retail shop. Also, e-businesses can allow its employees to work from home and they may not need a big office space.*
- c. The government is also supporting e-businesses. E-business have global presence and this benefits the economy in many ways.*
- d. Further, online transactions are settled quickly as compared to normal traditional business.*
- e. Thus, it is easy to set up e-business as compared to traditional business.*

4. Lok Adalat can rightly be described as “ people court “.

Ans:- This statement is “True”. The reason for the same is as under:

- a. Lok Adalat is a mock court held by State Authority, District Authority, Supreme Court Legal Service Committee, High Court Legal Service Committee or Taluka Legal Service Committee.**
- b. It is established by the government to settle disputes by compromise.**
- c. Lok Adalat accepts pending cases from regular courts which can be settled by compromise.**
- d. However, both parties should agree to transfer the case to Lok Adalat or one party makes an application and the court sees any chance of compromise.**
- e. In order to fight a case in Lok Adalat, no court fees are charged. Matters that are not solved by Lokk Adalat are returned back to regular court.**
- f. All the resolution of disputes by Lok Adalat get statutory recognition.**
- g. Railways, electricity boards (MSEB), telephone exchanges (MTNL), and insurance companies in public sector hold Lok Adalats regularly.**

5. Taylor is called as the father of scientific Management.

Ans:- This statement is “True.” The reason for the same is as under.

- a. Frederick Winslow Taylor (1856 – 1915), an American mechanical engineer, formed certain principles of management based on “Scientific experiments”.**
- b. These experiments were carried in the Midvale Steel Company in USA in early 20th Century.**
- c. Initially accepted only in USA, it slowly spread to Europe and the entire world.**
- d. These principles were based on scientific approach and proper methodology.**
- e. Due to this scientific approach towards management, he is called as “Father of Scientific Management”.**
