

## PART I (Compulsory)

### Question 1.

[30 marks]

i) Tasty Pvt. Ltd has already launched salty chips in Bhutan. They are in the process of launching another flavour of salty chips in the market. Explain any **TWO** sales promotion methods that can be used by Tasty Pvt. Ltd.

[2]


ii) Mr. Dorji wants to contest for the post of a Director of A&B Ltd. Write down any **TWO** qualifications that he needs to possess to qualify for the post.

[2]


iii) As a consultancy firm, you are asked by a client to give your advice on the likely sources of long-term capital for his/her business. What would be your advice? List **FOUR** sources.

[2]



iv) Distinguish between the principles of “Unity of Direction” and “Unity of Command”. [2]


(The following advertisements are to be used for question no. v)



**Deforestation And The Air We Breathe: Before It's Too Late**

Advertising Agency: TBWAPARIS, France



Source: [https://www.google.bt/search?biw=1536&bih=759&tbo=isch&sa=1&q=commercial+ads+photos+kit+kat&oq=commercial+ads+photos+kit+kat&gs\\_l=psy-ab.3..5195.7951.0.8511.8.0.0.0.0.220.1339.0j7j1.8.0....0..1.1.64.psy-ab..0.0.0.912HFpHaRl0#imgdii=WquUjbASvGzD8M:&imgrc=mLTuMbwy6cAGM](https://www.google.bt/search?biw=1536&bih=759&tbo=isch&sa=1&q=commercial+ads+photos+kit+kat&oq=commercial+ads+photos+kit+kat&gs_l=psy-ab.3..5195.7951.0.8511.8.0.0.0.0.220.1339.0j7j1.8.0....0..1.1.64.psy-ab..0.0.0.912HFpHaRl0#imgdii=WquUjbASvGzD8M:&imgrc=mLTuMbwy6cAGM)

v) "Advertisement is a social waste". Do you agree? Justify with **TWO** reasons. [2]


(The extract given below is to be used with question no.vi)

*We all are aware that a Business Company does not have a physical presence. Therefore, it acts through its Board of Directors for carrying out its activities and entering into various agreements. But what is the authenticity that Board of Directors is acting on behalf of the Company. Here, comes the role of "**Common Seal**".*

Source: <http://www.rna-cs.com/common-seal-relevance-and-importance/>

vi) What is the significance of common seal to a company? [2]



vii) Write a short note on “statement in lieu of prospectus”. [2]


viii) A director of a company is involved in mismanagement and fraudulent practices. The shareholders of the company have therefore, decided to remove him from the current post. Being a shareholder of the company, how would you remove the director?

[2]


ix) If a person wants to open a bank account with one of the commercial bank in Bhutan, what type of deposits would you recommend and why? [2]


x) Is planning vital for a successful conduct of the business? Support your opinion with **TWO** reasons. [2]


xi) Is it necessary to formally communicate in written for the official purposes? [2]


xii) Upon registration/ incorporation of a company, what are the rights that a company can exercise? Explain any **TWO** rights.

[2]


xiii) A public limited company wants to devise a suitable capital plan for their business. Suggest any **FOUR** factors that the company needs to consider while devising their capital plan.

[2]


xiv) State **TWO** reasons why management is a group activity.

[2]



xv) Market research is one of the important functions of marketing. List down **TWO** advantages of market research.

[2]


## Part II

Answer any **SEVEN** questions **[70 marks]**

### Question 2.

a) The article of incorporation of every company includes different clauses. Describe **SIX** important clauses.

[6]




b) If you are asked to create a packaging design for cookies, what would you consider for good packaging? Explain with **FOUR** reasons. [4]

### Question 3.

a) Different stakeholders appoint their directors in a company. Explain any **FIVE** modes of appointing directors.



b) A company uses electronic communication within the organization. Rather than circulating notice, employees use we-chat, email, etc. Explain your judgments whether the above mentioned communication strategy is functional or not? Mention at least **FIVE** points. [5]

### Question 4.

a) As a financial adviser, how would you advice a businessmen about different types of lending facilities available with the commercial banks?

[5]




b)

Company A	Company B
This company focused on product oriented marketing. Initially the company was experiencing high sales turnover but later there was decline in the sales.	This company focused on consumer oriented marketing. Initially the company was experiencing average sales turnover but later there was boost in the sales

What could be the possible reasons for the Company B performing better than Company A in the market? Mention **FIVE** reasons. [

[5]



### Question 5.

a) Multinational Corporations accelerate the economic growth in both the host and parent countries. If Bhutan allows the operation of MNCs in our country, explain **SIX** benefits that our country can gain from it. [6]



b) Sonam and Yangki Company Limited prefers public deposit as a source of finance. They invite the deposits from the public by offering higher rate of interest than the interest on bank deposits. Discuss and argue whether it is good source of financing for the company or not?

[4]

### Question 6.

a) Mr. Wangchuk has been the MD of Sunshine Company Limited for the last four years. Among the various powers that are exercisable by him, discuss **FIVE** important powers that he can exercise?.

[5]

b) The following are some of the challenges faced by BDBL.

- i) Low loan recovery
- ii) High credit administration cost
- iii) Lack of collateral
- iv) Low turnover of funds
- v) Lack of well trained and educated work force

Suggest at least **TWO** measures to overcome each of the above mentioned challenges faced by BDBL

[5]





**Question7.**

a) Principles of management act as a guideline for the practice of management. Explain any **FIVE** needs for management principles. **[5]**




b) A good manager can turn a losing concern into a most profitable one by motivating the workers in right direction. As a manager explain **FIVE** ways to motivate your workers.

[5]

### Question 8.

a) Mr. Dorji is a manager of a company. Whenever he conducts a meeting, it was observed that he talked for the whole time and never gave opportunity for other employees to share their suggestions. Sometimes the message delivered by him was incomplete and vague. Describe briefly any **FOUR** principles of communication that Mr. Dorji needs to comply with for effective communication.

[4]




b) Why do you think private limited companies are preferred over public limited companies these days? Write any **SIX** reasons.

[6]



### Question 9.

a) Bring out **FOUR** differences between a whole time and part time director. [4]


b) Mrs. Pema is a sales girl in a minimart store. What qualities should she possess to persuade the customers? Mention **SIX** qualities. [6]



### Question 10.

a) In your school, textbooks are kept in the office, chalks in the library and office records in the staff room. It has been observed that principles of order was not followed. As a principal of the school devise your own ways to deal with the above situation. Write down at least **FOUR** ways.

[4]

b) Discuss any **THREE** types of preference shares issued by the company. Which type of preference shares according to you as an investor, are the most suitable option to invest? [3]


c) If you are a manufacturer of bicycle in Bhutan, explain which medium of advertisement would you choose to advertise your product? Give **THREE** reasons.

[3]

