

## **PART I (Compulsory)**

### **Question 1**

**[30 marks]**

Answer briefly each of the following questions:

i) What is a prospectus? **[2]**


ii) Under what circumstances can a court appoint a Director in a public limited company? **[2]**


iii) While recruiting a salesman in your company, what **TWO** qualities would you look into for the purpose of selection? **[2]**


iv) A newly formed company is in a confused state on how to remunerate its promoters.

Suggest any **TWO** ways to remunerate its promoters.

[2]


v) How is convertible debenture advantageous over non-convertible debenture to the debenture holder?

[2]


vi) ‘Planning is an intellectual and goal oriented activity’. What are **FOUR** activities that you

would consider as a manager while drawing up a plan for your organization?

[2]


vii) You need to communicate with your client who lives in the USA. What method would you apply to achieve effective communication with proper records? Give **ONE** example. [2]


viii) Select any **TWO** products that you would like to advertise and explain the forms of advertising media you would use to advertise these products. [2]


ix) How is the appointment of a Director by simple majority rule different from that of the system of proportional representation? [2]


x) RICB provides both insurance and loan services. Which one would mostly benefit the clients? Support your answer with **TWO** valid points.

[2]


xi) Why should the principle of management be very dynamic?

[2]


xii) ‘Warehousing creates time utility’. Support the statement with **TWO** justifications.

[2]


xiii) Do you think joint stock companies are better than other forms of companies? Give **TWO** justifications to support your answer.

[2]


xiv) What type of shares would you prefer to invest in during the times of economic recession?  
Give **ONE** reason.

[2]


xv) Electronic mail despite being the fastest modes of communication, puts privacy at risk.  
Suggest **TWO** methods to make your electronic mail more secure.

[2]


## **PART II**

[70 marks]

## Question 2

(The extract given below is to be used with question no. 2a)

*The multinational corporations now developing budgets often bigger than medium-sized countries — these live in a global space which is largely unregulated, not subject to the rule of law, and in which people may act free of constraint.*

## Paddy Ashdown

a) What is a multinational company? In line with the statement given above explain any **FIVE** adverse impacts multinational company has on the host nations. [6]



b) Explain the term 'board of directors'. Point out **THREE** similarities between a Managing Director and a Chief Executive Officer of a company.

[4]

### Question 3

a) Name **FOUR** commercial banks of Bhutan. Briefly explain any **THREE** electronic financial services provided by these banks.

[5]


b) Why is management often defined as

[5]

- i) an activity?
- ii) a process?
- iii) a discipline?
- iv) an art?
- v) a science?




## Question 4

a) 'The development of the internet and social media has caused a change in the way we communicate'. Explain in what ways the change has been brought in terms of: [5]

- i) Quality;
- ii) Quantity;
- iii) Style;
- iv) Time;
- v) Authenticity?



b) Borrowings from external sources like Asian Development Bank, World Bank and International Monetary Fund can be likely sources of finance for the Joint Stock Companies. What could be the *FIVE* advantages of such borrowings?

[5]

## Question 5

a) A company can raise its capital either by issuing shares or debentures. You as a financial advisor, which source would you recommend to a company? Justify your recommendation elaborating **SIX** merit points.

[6]



(The quote given below is to be used with question no. 5b)

*“Nobody counts the number of ads you run; they just remember the impression you make.”*  
Bill Bernbach

b) In line with the above statement, briefly explain **FOUR** essential characteristics of good advertising.

[4]


### **Question 6**

a) Management helps the business in achieving its goals with maximum efficiency and economy. Support the statement with ***FIVE*** objectives of management.

**[5]**




b) Memorandum of Association and Articles of Association are two main documents of a company. How are they different? Mention ***FIVE*** differences.

[5]


### **Question 7**

a) Dorji is a newly recruited sales assistant. How will you guide him so that he attracts customers and makes larger sales for the company. Suggest any *SIX* areas that you would like Dorji to focus on.

**[6]**




b) Who is a Director of a company as per the Companies Act of the Kingdom of Bhutan, 2000? Explain any **THREE** qualifications required for the post of a director.

[4]

## Question 8

a) Write down **SIX** reasons why public companies gained popularity in the business field? [6]



b) (The extract given below is to be used with question no8b (i and ii)

*Mr. Wangdi is a farmer, keen on saving his extra income. Unfortunately he has very little knowledge about the various types of deposits available with the banks. He would like to deposit the cash that he gets from a good harvest and earn some returns on his deposit. He also wants to have the occasional flexibility of withdrawing some cash as and when required.*

i) What type of deposit with the bank will fulfill his requirement?

[1]


ii) Write down **THREE** differences between saving and recurring deposits.

[3]


## Question 9

a) The appointment of a Director differs among various companies. Furnish **SIX** rules with regards to such appointment system in a government company.

[6]

b) Explain Henry Fayol's principle of ' Scalar chain' and 'Subordination of individual interest to general interest'. [4]


## Question 10

a) Your manager is not happy with the declining sales. Explain **SIX** sales promotion strategies that you would recommend to maximise the sales . [6]




b) Sonam Yangzom is called for an interview for a post of Marketing Executive at Himalayan Advertising Agency based in Thimphu Bhutan. There are ten other competitors, waiting to be interviewed for the same post.

List down **FOUR** points that you would like to advise Sonam Yangzom in order to make her communicate more effectively in the interview.

[4]


