

**PART I (30 MARKS)**  
**ANSWER ALL QUESTIONS**

**Question 1**

**Answer briefly each of the following questions:**

a) Why is a company referred as an artificial person? Justify with **TWO** reasons. [2]


b) Is it necessary to have a formal communication for organizational relationship? [2]  
Support your answer with **TWO** justifications.


c) Distinguish between a holding company and a subsidiary company. [2]

<b>Holding company</b>	<b>Subsidiary company</b>	

d) How are the remunerations paid to directors of a government company different from the remunerations paid to directors of a public company? Mention **TWO**. [2]


e) What are some of the physical qualities you should possess to be a successful salesman? Explain any **TWO**. [2]


f) Explain the term 'Installment Credit'. [2]



g) Karma, a newly appointed salesman is not able to convince the customer to buy the product. As a senior sales consultant, suggest at least **TWO** ways to improve his communication skills. [2]


h) Is raising the capital by issuing equity shares advantageous to the company? Justify your answer with **TWO** reasons. [2]


i) Taylor's principles are different from Henry Fayol's principles. Support the statement with **TWO** differences. [2]


j) What is universality of management? [2]


k) "Multinational company should not be allowed in Bhutan." Do you agree? Justify. [2]



l) Your friend Deki wants to invest in one of the companies. Which type of share [2] would you advise her to invest in? Explain giving **TWO** reasons.


m) Suppose you have appointed Pema as a director of your company, which **TWO** [2] important powers would you delegate to him?


n) Druk company is planning to launch their new product '*Druk Noodle*'. Suggest any **TWO** new methods of sales promotion to introduce this product in the market. [2]

o) A good packaging is very important in marketing. Give **TWO** requisites of a good packaging. [2]

**PART II (70 MARKS)**  
**ANSWER ANY SEVEN QUESTIONS**

## Question 2

a) Controlling is measuring and correcting of activities of subordinates to assure that events confirm to the plans. Explain the **FIVE** steps involved in the process of controlling. [5]

b) Sonam is planning to start a private company. What are some of the advantages of a private company? Explain any **FIVE**. [5]



### Question 3

a) What do you mean by promoter of a company? Describe the **FOUR** stages involved in the promotion of a company. [5]

b) State **THREE** objectives of salesmanship.

[3]

c) Banks can refuse to honour a cheque. State at least **TWO** situations where a cheque can be dishonoured. [2]

**Question 4**

a) Design a comprehensive organizational structure showing all the levels of [4]  
managerial personnel in a public company.

b) A CEO is the most important person in a company. What do you think are the **TWO** most important duties of a CEO? [2]

c) Quite often successful businesses are built by the directors of the company. Their contributions to the business are multidimensional. What are **FOUR** key duties of a director that make the businesses successful? [4]



## Question 5

a) What could be the possible reasons for the removal of a person from the post of the director? Mention any **FOUR**. [4]

b) "The RMA is referred to as the captain of the financial institutions in Bhutan." [6]  
Interpret the above statement by emphasizing on any **SIX** functions of RMA.



## Question 6

a) The following are the various types of debentures: [4]

- i. Simple Debenture
- ii. Secured Debenture
- iii. Bearer Debenture
- iv. Registered Debenture
- v. Redeemable Debenture
- vi. Irredeemable Debenture
- vii. Convertible Debenture
- viii. Non-convertible Debenture

From the various types of debentures listed above, select any **TWO** that you would prefer to invest in and another **TWO** that you would not. Validate with a justification for each.

b) Explain the term 'Fixed Capital' and describe any **FIVE** factors that affect it.

[6]



## Question 7

a) You have been asked to advertise your product in one of the advertising media. [5]  
What **FIVE** factors will you consider before choosing the advertising media?

b) Read the definitions of management below: [5]

‘Management is the art of getting things done through and with people in a formally organised groups’.

Harold Koontz

‘Management is the function of executive leadership anywhere’.

Ralph C. Davis

The concepts of management has been defined by several authors from various viewpoints. Discuss any **FIVE** important characteristics of management.



## Question 8

a) In the Bhutanese organizations, mostly top down channel of communication takes place. Do you think it is effective? Support your views with **FIVE** reasons. [5]

b) The following are working situations of XYZ Co. Ltd. Notices and Circulars are sent to the staff through a register book where staffs have to sign. Such type of communication often leads to difficulties and delays in reaching the messages on time. [3]

Suggest **THREE** means of communication where information can reach all the staff at once in a timely manner.

c) "Esprit de-corp is must in any organization." State **TWO** reasons.

[2]

## Question 9

a) If you were the CEO of a multinational company, how would you operate in different countries? Suggest **FIVE** methods. [5]

b) Survival or failure of any business depends on the marketing strategies of the enterprise. Describe **FIVE** importance of marketing for an enterprise. [5]



**Question 10**

a) The following are different media for advertisement:

[5]

- i. Poster advertisement/Hoarding
- ii. Newspaper
- iii. Sales letter
- iv. Radio
- v. Television
- vi. Pamphlets
- vii. Professional journals
- viii. Electronic displays
- ix. Trade journals
- x. Sandwich Board man

Classify each of the above under appropriate media.

Mural/Outdoor	Press	Direct Mail	Audiovisual form	

b) Public company is required to fulfill certain conditions in order to raise the capital.

[3]

Explain **THREE** necessary conditions.


c) The following are principles of management of Henry Fayol: [2]  
Authority and Responsibility  
Stability of tenure

How can these **TWO** principles effectively help in management?