

CLASS XII

There will be one paper of 3 hours duration of 100 marks divided into 2 parts.

Part 1 (30 marks) will consist of compulsory short answer questions testing knowledge, application and skills relating to elementary / fundamental aspects of the entire syllabus.

Part 2 (70 marks) will have **nine** questions out of which candidates will be required to answer **seven** questions and each question will carry 10 marks.

1. Corporate Organisation

- (i) Joint Stock Company: meaning and objectives.
- (ii) Formation of a Company.
- (iii) Promotion, meaning and role of promoters.
- (iv) Incorporation of Company.
- (v) Memorandum of Associations and Articles of Associations (excluding alterations) and distinction between the two documents.
- (vi) Filing of documents and registration.
- (vii) Certificate of incorporation.
- (viii) Communicating of business.
- (ix) Prospectus - its nature and importance, statement in lieu of prospectus.
- (x) Public and private companies and their comparative studies, privileges of private companies, private companies deemed to be public.
- (xi) Government companies: objectives, necessity, merits and demerits.
- (xii) Multinational Corporations - objectives and role, various forms - branches, subsidiaries, joint venture, franchise holders, turnkey projects, merits and demerits of multinational corporations.

Self-explanatory

2. Management Personnel

- (i) Board of Directors: number of directors, qualification of directors, vacation or disqualification of director.

Self-explanatory.

- (ii) Method of appointment of the directors.

Appointment of directors - method to be explained under different heads: by promoters; by members; by the board; by central government; by third party; by proportional representation.

- (iii) Powers and duties of directors; remuneration of directors.

Functions and powers of directors; duties of directors; remuneration to directors.

- (iv) Directors: full time/part time.

- (v) Managing Director: selection and power (**excluding** manager).

- (vi) Directors: removal as per Companies Act.

Managing Director - role; main features of an MD's position; difference between MD and full time director. Manager - definition; distinction between MD and manager. Removal of directors as per Companies Act.

3. Financing

- (i) Capital: different types for sole trader; partnership; joint stock.

Importance of finance for business. Capital for different types of business firms. Factors affecting capital plan for an industry. Fixed capital - meaning, factors affecting fixed capital. Working capital - meaning, factors affecting working capital.

- (ii) Sources of capital for Joint Stock Company. Different types of shares: equity, preference - their advantages and disadvantages.

Sources of capital – debt and equity; long and short term sources of funds.

Long-term sources of funds (equity shares, preference shares and retained earnings, Financial Institutions, public debt instruments); equity shares - different types, features, advantages and disadvantages; preference shares - features, advantages and disadvantages; distinction between equity

shares and preference shares. Retained earnings - merits and demerits.

Short-term sources of funds (public deposits, CB's, trade credit and other sources); distinction between shares and debentures.

Advantages and Disadvantages of various sources of funds.

- (iii) Loan capital; debentures - different types of debentures.

Debentures - meaning; distinction between shares and debentures; kinds of debentures; advantages and disadvantages of debentures.

- (iv) Financial institutions: IFCI; SFC; ICICI; IDBI; UTI; Mutual Funds - their working, merits and demerits.

Role of Developmental Financial Institutions (DFIs). Merits and demerits of DFIs. Aim of DFIs.

IFCI, SFC, ICICI, IDBI, UTI - functions, scope and forms of assistance of each; management and working of each.

Mutual funds: meaning and definition; types of mutual funds (open ended/ close ended). Income, growth and balanced mutual funds. Merits and demerits of mutual funds.

- (v) Commercial banks: services provided.

Role of commercial banks; types of bank deposits; fund and fee-based activities.

- (vi) Acceptance of deposits: different categories of deposits.

Public deposits - meaning; merits and demerits of public deposits.

- (vii) Lending: different types of lending.

Different types of lending: trade credit; instalment credit; factoring services; customer advances.

4. Management

- (i) Management: objectives and concept.

Concept of management. Meaning of management: as an activity; as a group; as a discipline; as a process.

- (ii) Definition of management, nature of Management - Science and Art.

Definitions of management: as a function; scientific school or classical definition; neo-classical or human relation definition; decision making and leadership concept; modern management (integration concept); nature of management - science and art.

- (iii) Characteristics of management.

- (iv) Importance of management.

- (v) Function of management: planning; organising; staffing; directing; controlling.

- (vi) Principles of management: nature of principles; need for principles.

Objectives or functions of management. Importance of management. Managerial functions - PODSCORB (planning, organizing, directing, staffing, coordinating, reporting and budgeting). Functions and sub-functions of PODSCORB; meaning, features, steps and importance of PODSCORB. Nature and principles of management; need for principles of management; Taylor's 5 scientific principles of management; Fayol's 14 principles of management; Universality of principles of management. Relevance of the principles of management in today's business scenario. Comparison of Taylor's and Fayol's principles.

5. Communication

- (i) Meaning and objectives.

Meaning, nature, objectives and importance of communication.

- (ii) Communication: barrier; elimination.

Barriers to communication. Overcoming barriers to communication.

- (iii) Communication: different methods; channels.

Methods or media of communication: written, oral; advantages and disadvantages of both methods. Differences between written and oral communication.

Channels of communication: formal communication, informal communication; advantages and disadvantages of both channels. Meaning of and differences between formal and informal communication.

(iv) Principles of communication.

Principles of effective communication.

(v) Need for rapid and efficient communication. Role of e-mail, SMS, video-conferencing and other new technology initiatives.

Self-explanatory.

6. Marketing

(i) Marketing: objectives; concept.

Meaning of markets and marketing. Concept of marketing: traditional or production oriented; modern or consumer oriented. Comparison between marketing and selling. Objectives of marketing.

(ii) Marketing: importance; functions.

Importance of marketing. Functions of marketing: function of exchange; function of physical supply. Facilitating function.

(iii) Advertising: meaning; objectives and functions.

Meaning of advertising; objectives and functions of advertising; role and importance of advertising; criticism of advertising.

(iv) Advertising: different media.

Forms of advertising media: press, direct mail, outdoor advertising, audio-visual advertising.

Types/ forms of each. Factors affecting choice of advertising media. Comparative evaluation of advertising media.

(v) Advertising agency: meaning, need and functions.

Advertising agency - functions; departments of an advertising agency.

(vi) Sales promotion: relation with advertising.

Meaning of sales promotion. Objectives and functions of sales promotion. Types and techniques of sales promotion (use relevant examples of prevalent sales promotion schemes). Sales promotion relation with advertising.

(vii) Salesmanship: meaning; objective.

Meaning and definition of salesmanship (or personal selling). Objectives of salesmanship. Importance of salesmanship; difference between advertising and salesmanship. Steps in personal selling.

(viii) Qualities of a good salesman.

Qualities of a good salesman: physical qualities, mental qualities, social qualities, vocational qualities.

Teaching and Learning Activities

1. Corporate Organisation

Form a model of a Joint Stock Company in the school to run a business of selling Diwali/New Year Cards, storybooks, book binding, etc.

Make a list of public limited companies and private limited companies in a nearby business locality. Find out which of them have changed from a firm to a company and the reasons for the change. Visit the Registered Offices of a few companies, have a look at their Memorandum and Articles of Association, Prospectus, etc. Assess their size, line of activity, number of employees, etc. If necessary, similar information may be collected from newspapers and business publications.

From the news media, (Economic Times, Financial Times, television, etc.) find out the trend of multinational companies entering into India. Interview some well-established sole traders and partners of firms to know their fears of these multinationals.

2. Management Personnel

Display a chart on three levels of the school management on a bulletin board.

3. Financing

Students should collect advertisements of different types of shares, debentures and deposits floated by joint stock companies.

Encourage pupils to open their own bank accounts and scrutinise the operation from time to time.

4. Management

Use a simulation game, concerning management decision-making. As managers, students could organise a school annual function / sports meet, passing through the five functions of management. Prepare a report and present it to the class. School canteen management may be taken up by students under the supervision of a teacher, where all managerial activities throughout the year are done by them in rotation, giving everybody a chance to participate.

5. Communication

Use a bulletin board to show the communication process; role-play by students to show the process of communication - downward and upward, formal and informal, will be very beneficial. A panel discussion on barriers in communication and their elimination should be arranged.

6. Marketing

Display a comparison of selling and marketing and functions of marketing on the bulletin board. Clippings showing advertisements and examples of publicity of some business organisations from magazines and newspapers can also be displayed. Taking four important methods of advertising and selecting two specific advertisements in each, ask students to find out their benefits to manufacturers, to consumers and to society.

Students can be asked to collect material on various activities of sales promotion and display it in the class.

Invite one or two salesmen to talk on 'Personal Selling'. A demonstration by a salesman may also be arranged.