

STD : XI

First Revision Examination

2018 – 2019

Commerce

PART – I

I Choose the best answer

1. Occupation of a doctor is _____

- a. Employment
- b. business
- c. **Profession**
- d. Sole Proprietor

2. Kautila's Arthashastra describes economy in _____

- a. Pallava
- b. Pandiya
- c. **Mauriyan**
- d. Chera

3. The board of directors of a company is elected by _____

- a. Creditors
- b. Debtors
- c. Debenture holders
- d. **Share holders**

4. The membership in Hindu Undivided Family business organization can be acquired only _____

- a. By birth
- b. By marriage
- c. **Birth and marriage**
- d. All of the above

5. The oldest form of organization in public sector

- a. Public sector Undertakings
- b. **Departmental Undertakings**
- c. Multinational corporations
- d. Statutory Corporation

6. 14 Banks were nationalized In India in the year.

- a. 1980
- b. 1949
- c. **1969**
- d. 1932

7. Which is the fastest means of transport?

- a. Rail
- b. Road
- c. Sea
- d. Air**

8. The main benefit of Logistics is _____

- a. Productivity
- b. **Cost minimization**
- c. Profitability
- d. Storage

9. Socially Responsible business provides goods at _____

- a. High price
- b. Low price
- c. Reasonable price**
- d. Moderate price

10. Ethics is important for _____

- a. Top management
- b. Middle level managers
- c. Non managerial Employees
- d. All of them**

11. Equity shareholders are the _____ of the company.

- a. Creditors
- b. **Owners**
- c. Debtors
- d. Employees

12. Investment limit of a micro enterprise under manufacturing sector does not exceed _____ lakhs

- a. 10
- b. 20
- c. 25**
- d. 50

13. _____ are agents who merely bring the buyer and the seller into contact.

- a. Broker**
- b. Commission agent
- c. Selling agent
- d. Stockiest

14. _____ are mobile traders who deal in low priced articles with no fixed place of business

- a. Shopping malls
- b. Super markets
- c. Street stalls
- d. Itinerant traders**

15. World bank is located at _____

- a. **Washington DC**
- b. Newyork
- c. Tokyo
- d. Hongkong

16. The Balance of payments councils consists of _____

- a. Current account
- b. Capital account
- c. Receipts and payment accounts
- d. **Both current account and capital account**

17. Acceptance to be valid must _____

- a. Be absolute
- b. Be unqualified
- c. **both be absolute and unqualified**
- d. Be conditional

18. The compensation given for breach of contract is _____

- a. **Damage**
- b. Remuneration
- c. Money
- d. Cheque

19. The year in which income is earned is known as

- a. Assessment year
- b. **Previous year**
- c. Light year
- d. Calendar year

20. What is IGST

- a. **Integrated Goods and Service Tax**
- b. Indian Goods and Service Tax
- c. Initial Goods and Service Tax
- d. All the above

PART – II

1. Define commerce

According to eveltn Thomas, “commercial operations deal with the buying & selling of goods, the exchange of commodities and the contribution of finished products.

2. Is low taxes possible in cooperative society?

Yes, to promote the co-operative movement and also because of the fact that it is a non-profit enterprise, government provides various exemptions and tax concessions.

3. What is E-banking?

This reduces cost and time and makes banking service convenient to the customers. It is operated through internet.

4. What is health Insurance?

Health insurance policy is a contract between an insurer and an individual or group, in which the insurer agrees to provide specified health insurance at an agreed upon price.

5. What is Ethics?

Ethics governs the behaviour, derived from the moral standards which help to determine right or wrong, good or evil.

6. What is GDR?

GDR – Global depositary Receipt

GDR is an instrument issued abroad by a company to raise funds in some foreign currencies and is listed and traded on a foreign stock exchange.

7. TVS is selling motor bikes in Europe. Under which type of trade can this be classified?

It is an export trade.

8. Give any two reasons for international business.

- ❖ Countries with surplus resources have to exchange them with other countries for their deficit resources.
- ❖ Advanced countries produce goods and services of good quality at affordable prices using sophisticated techniques.

9. What is law?

Law means a 'set of rules' which governs our behavior and relating in a civilized society.

10. Define the term person?

The term person has been defined under the Income tax Act. It includes individual Hindu undivided family, firm, company local authority, Association of persons and artificial juridical persons.

Part – III

31. Write Short notes on: Business and profession

a. **Business:**

Business refers to any human activity undertaken on a regular basis with the object to earn profit through production, distribution, Purchase and sale of goods and services.

b. **Profession:**

Profession is those occupations which involve rendering of personal services of a special and expert nature. A Profession is something which is more than a job. It is a correct for someone who is competent in their respectice areas. Those engaged in a profession are called professionals and they earn income by charging professional fee.

32. What is meant by foreign company?

A foreign company means a company which is incorporated in a country outside. India under the law of that country. After the establishment of business in India, the following documents must be filed with the registrar of companies within 30 days.

- a) A certified copy of the charter or statues under which the company is in corporate,
- b) The fall address of the registered office of the company.
- c) A list of director and secretary of the company.

33. Comment on cold storage warehouses

Goods are transported in refrigerated containers and stored in refrigerated containers and stored in refrigerated ware houses. These warehouses are used for storing perishable goods like fruits, vegetables, eggs, butter, fish meat, etc, Goods stored in cold storages without detonation in quality, can be made available throughout the year

34. List the kind's social responsibility.

1. Economic Responsibility:

A business enterprise is basically an economic entity and therefore, its Primary social responsibility is economic, i.e produce goods services that society wants and sells them at a profit.

2. Legal Responsibility:

Every business has a responsibility to operate within the laws of the land. Since these laws are meant for the good of the society.

3. Ethical Responsibility:

This includes the behavior of the firm that is expected by society but not codified in law.

4. Discretionary Responsibility:

This refers to purely Voluntary Obligation that an enterprises assumes, for instance, providing charitable contributions to educational institutions or helping the affected people during floods or earth quakes.

35. Describe the benefits of logistics.

1) Focusing on core activities

Companies can focus on their core competence, a few areas where the company has distinct capability.

2) To fill up Economic Development:

Out sourcing stimulates entrepreneurship, encourages employment opportunities, expands exports, enables tremendous growth of the economy.

3) Encourages employment opportunities:

Companies that are outsourcing their noncore activities provide chances for other small business units to take up the activities.

36. Illustrate with example the working of a MNC.

Foreign MNC	Indian Company (MNC)
1. Bata Corporation	1. Bata India
2. Colgate Palmolive	2. Colgate India
3. Sony Corporation	3. Sony India
4. Suzuki	4. Marathi Suzuki
5. Timex	5. Timex Watches

37. What is Pledge?

A Customer transfers the possession of an article with the creditor and receives loan the article is under the custody of the borrower. If the debtor fails to refund the loan, Creditor will auction the article pawned and adjust the outstanding loan. From the sale proceeds.

38. What is meant by meant order retailing?

Mail order houses are the retail outlets that sell their merchandise through, mail There is generally no direct personal contact between the buyers and the sellers in this type of trading.

Procedure

1. Advertisements provide information about the products to consumers.
2. Order receiving and processing
3. Receiving payments

39. What is meant by Charter Party?

A charter party is a formal agreement between ship owner and the exporter under which exporter hires an entire ship or a major part of ship either for a particular voyage or for a specific time period when the shipping is heavy. The hiring of ship for specific voyage is called voyage charter while this hiring of entire ship for a specific time period is called time charter.

40. Write any two differences between Direct taxes and Indirect taxes?

1. Evasion: Direct taxes Tax evasion is possible

Indirect taxes tax evasion is more difficult

2. Inflation: Direct tax help in reducing the inflation

Indirect tax contributes the inflation.

Part IV

41. What are the hindrances of business?

- a. 1. Hindrance of person:

Manufacturers don not know the place and face of the consumers.

The chain of middleman consisting of wholesalers, agents and retailers establish the link between the producers a consumer

2. Hindrance of place

Transport remove the hindrance of place Rail, air, Sea and land transports bring the products to the place of consumer.

3. Hindrance of time:

Hindrance of time removed by warehouse

Warehouse distributed goods at the right – time to the consumers.

4. Hindrance of risk of loss:

Fire, theft, floods and accidents may bring huge loss to the business,. Insurance companies serve to cover the risk of such losses.

5. Hindrance of knowledge:

Advertising and communication help in announcing the arrival of new products, and their uses to the people.

41. (b) What are the producers relating to export trade?

1. Receiving trade enquiry
2. Receiving indent and sending confirmation

Types of indent

1. Open Indent
2. Closed indent
3. Confirmatory Indent
3. Arranging letter of credit
4. Obtaining Importer Exporter code (IEC) RBI code Number.
5. Obtaining Registration cum membership certificate (RCMC) from export promotion
6. Manufacturing/ procuring goods and packing items.
7. Export inspection certificate.
8. Insurance of goods
9. Certificate of origin

10. Consular invoice.
11. Engagement of forwarding Agent.
12. Dispatch of goods to port and sending the receipt to agent.
13. Fulfillment of customs formalities forwarding Agent.
14. Customs clearance,
15. Preparation of commercial invoice and submitting Documents to bank.
16. Securing Payment.

42. Can a minor is admitted in the joint Hindu (a) Family business – Why

1. Minor also a co – parceled
2. The membership of the Tamil can be acquired only by birth.
3. As soon as a child is born in the family, that child becomes a member.
4. Membership requires no consent or agreement.
5. Joint - Hindu family firm even a new born baby can be a co – parcener

(b) Discuss the different types of damages awarded to the injured party.

Damages are a monitory compensation awarded by the court to the injured party for the loss or injury suffered by him.

As per contract one party can claim damages if other party branch the contract the main purpose of awarding the damages is to make good the loss suffered by him. It is known as doctrine of restitution the section 73 of the Indian 1872 deals with the compensation for loss or damages caused by a party for breach of contract.

There are mainly four types of damages such as

- i. Ordinary damages
- ii. Special damages
- iii. Vindictive or exemplary damages
- iv. Normal damages.

43. a. Classify the various functions of reserve bank of India.

A. Leadership and supervisory functions

B. Traditional Functions

C. Promotional Functions

A. 1. Leadership and supervisory functions Indians representative in world financial Institutions.

2. Regulator and supervisor of Indian banking systems.

3. Monetary Authority.

4. Closely monitoring Economic Parameters

5. Promptly responding to new challenges

B. Traditional Functions:

1. Banker and financial Advisor to the government

2. Monopoly of note issue

3. Bankers bank

4. Controller of credit and liquidity

5. Lender of the last resort

6. Clearing house of services.

7. Custodian of foreign exchange Reserve

8. Maintenance of foreign Exchange Rate

9. Collection and publication of Authentic.

C. Promotional Functions.

1. Nurturing banking habits among the public

2. Grievance settlement measures

3. Agricultural Development

4. Promotion of small scale Industries.

5. Facilities foreign trade

6. Supports co – operative sector.

43. b Elucidate any five features of income tax

- i. Levied as per the constitution
- ii. Levied by central government
- iii. Direct tax
- iv. Income of Previous year is Assessable in Assessment year.
- v. Charged at Prescribed Rate (S)

44. a. Compare Industry commerce and trade

1. Meaning

S. no		Industry	Commerce	Trade
1.	Meaning	Extraction reproduction conversion procession and construction and useful products	Activities involving Distribution of goods and services	Purchase and sale of goods and services
2.	Capital	Generally large amount of capital is required	Need for capital is comparatively less	Small capital is needed to maintain stock to be grant credit
3.	Risk	Risk involved in usually high	Relatively less risk is involved	Relatively less risk is involved
4.	Slide	It represent supply slide of goods and services	It represents demand side of goods and services	It represents both supply and demand.
5.	Utility Creation	It creates form utility by changing the form or shape of materials	It creates place utility by moving goods from producers to consumers	It creates possession utility through exchange.

45. Explain the significance corporate Governance from the point of share holders

a. governance from point of share holders

1. Aligns the interest of various share holders
2. Improve investor's confidence and enables raising of capital

3. Has appositve impact on the share price.
4. Ensure efficient allocation of resource
5. Improves the image of the company.

45.b Explain the different types of ware house

1. Private ware houses:

Private warehouses are built ad owned by private business enterprises in order to store the products produced by them.

2. Government Warehouse:

They are created and operated by the government to implement the programmed of the government.

3. Public Warehouse:

It is open for public at large most of the business organizations especially small a medium. Small units can't afford to have their own ware houses.

4. Bonded warehouses:

Bonded warehouses are those ware houses, which are licensed by the government to accept storage of imported goods which are not cleared due to nonpayment of customs duty by the importer.

5. General warehouses:

They are ordinary ware houses which are useful for storing most of the dry food grains, fertilizers. Etc.,

46. a Explain the advantages of MSMEs

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1. Employment potential:

MSMEs generate more employment opportunities them large business concerns.

2. Low Production cost

MSME do not require skilled laborers or professionals to run the organization. Que

45. Enumerate the characteristics of Franchising?

- i. Franchise relationship is based on an agreement which lays down terms and conditions of these relationships.
- ii. The term of franchise may be for 5 years or more.
- iii. The franchisee agrees to pay specified royalty to the franchiser, as per terms of the franchise agreement.
- iv. Franchisee is supposed to follow mode of business operations, as per clauses in the franchise agreement
- v. Franchiser may give training to personal working in the franchiser's organization.

3. Low Investment

MSMEs do not require a high capital to start the unit. It can employ locally available resources within the reach of the owner.

4. Quick decision making

MSMEs need not hire professional managers to run the management on a day to day basis.

5. Supplement Role

MSMEs play a complementary role to serve as a feeder to large scale industries.

46. (b) State the features of departmental stores.

(i) Large size:

A department is a large scale retail showroom requiring a large capital investment by forming a joint stock company managed by a board of directors.

(ii) Wide choice:

It acts as a universal provider of a wide range of products from low priced to very expensive goods to satisfy all the expected human needs under one roof.

(iii) Departmentally organized

Goods offered for sale are classified into various departments

Each department specializes in one line of product & operates as a separate unit.

(iv) Facilities provided

It provides a number of facilities and services to the customer such as restaurant, rest room, recreation, packing, free home delivery, parking etc.

(v) Centralized purchasing

All the purchases are made centrally and directly from the manufacturers and operate separate warehouses where sales are decentralized in different department.

47 (a) what are the functions of whole sellers?

Functions of wholesaler:

- a. Collection of goods: Wholesaler collects the goods from manufacturers or producers in bulk.
- b. Storage of goods: Wholesaler collects and stores them safely in warehouses, till they are sold out. Perishable goods like fruits, vegetables, etc are stored in cold storage facility.
- c. Distribution: Wholesaler sells goods to different retailers. Thus he performs the function of distribution.
- d. Financing: Wholesalers provide financial support to producers and manufacturers by providing money in advance to them.
- e. Risk taking: Wholesaler buys finished goods from the producer and keeps them in the warehouses till the time they are sold.

47. (b) Distinguish between balance of trade and balance of payments

	Balance of payment	balance of trade
1. Nature of transactions recorded.	It records both the transaction relating goods and services.	It records only transactions relating to merchandise.
2. Capital transactions	It records capital transactions.	It does not record capital transactions.
3. Net position	balance of payment. It always remains balanced in the sense that receipt side is made equal to payment side.	It may be at favorable or unfavorable or in equilibrium state.

4. Indicator Economic Status	It is true indicator of economic performance of an economy.	It is not true indicator of economic prosperity or economic relations of country.
5. Structure	It includes balance of trade, balance of services, balance of unilateral transfer and balance of capital transactions.	It is part of current a/c of bop.