

QUARTERLY EXAMINATION - 2022

11 - STD

COMMERCE



Time : 3 hours

Marks : 90

Part A

Multiple Choice Question.

20 x 1 = 20

- 1) In Pandiyas Dynasty the place where the goods are sold is
(a) Angadi (b) Market (c) Nalangadi (d) Allangadi
- 2) Occupation of a Doctor is
(a) Employment (b) Business (c) Profession (d) Sole Proprietor
- 3) Normally high level risk involved in .
(a) Industry (b) Commerce (c) Trade (d) All of the above
- 4) A major disadvantage of sole proprietorship is
(a) Limited liability (b) Unlimited liability (c) Easy Formation (d) Quick decision
- 5) In the firm of Hindu Undivided Family, how one gets the membership?
(a) By Agreement (b) By Birth (c) By Investing Capital (d) By Managing
- 6) The Board of directors of a company is elected by
(a) Creditors (b) Debtors (c) Debenture holders (d) Share holders (members)
- 7) A new class of company is of "One Person Company" and it is included in Act.
(a) 1956 (b) 1952 (c) 2013 (d) 2015
- 8) Match the list I with list II and select the correct answer using the codes given below.
i) Consumers co-operatives - 1) Short term financial help
ii) Producers co-operative - 2) Warehousing
iii) Marketing co-operative - 3) Marketing co-operative
iv) Credit co-operatives - 4) Carpentry units
(a) 4,3,2,1 (b) 1,2,3,4 (c) 3,4,2,1 (d) 2,1,3,4
- 9) The Central Bank of India is
(a) PNB (b) SBI (c) ICICI (d) RBI
- 10) The Local Area Banks are promoting
(a) Rural Savings (b) Business Savings
(c) Industrial development (d) Agricultural development
- 11) The largest commercial bank of India
(a) ICICI (b) SBI (c) PNB (d) RBI
- 12) Which of the following is correct.
(i) NEFT - National Electronic Fund Transfer (ii) RTGS - Real Time Gross Settlement System
(iii) ECS - Electronic Clearing Services (iv) CORE - Centralised Online Real time Exchange
(a) (i) & (iii) (b) (i), & (ii) & (iii) only (c) (ii), (iii) and (iv) only (d) All of them
- 13) warehouses are licensed by the government and are permitted to accept the goods on bond.
(a) Bonded (b) Private (c) Cold storage (d) Co-operative
- 14) Air consignment note is prepared in forms.
(a) One (b) Two (c) Three (d) Four
- 15) Which of the following is not applicable in insurance contract?
(a) Unilateral Contract (b) Conditional Contract
(c) Indemnity Contract (d) Inter-personal contract
- 16) The main Benefit of Logistics is
(a) Productivity (b) Cost minimization (c) Profitability (d) Storage
- 17) Socially responsible business provides goods at
(a) High price (b) Low price (c) reasonable price (d) moderate price

- 18) The role of top management is to guide the entire organisation towards
 (a) General Behaviour (b) Organisational behaviour
 (c) Ethical upright behaviour (d) Individual behaviour
- 19) Debenture holders are entitled to fixed rate of _____
 (a) Dividend (b) Profits (c) Interest (d) Ratios
- 20) Issuance of DRs is based on the increase of demand in the
 (a) International Market (b) Local Market
 (c) Existing Shareholders (d) All of the above

Part - B

Answer any 7 Questions and Question number 30 is compulsory.

7 x 2 = 14

- 21) Define Commerce.
 22) What are the Non-corporate enterprises?
 23) Define a Company.
 24) What is Credit Cooperatives?
 25) What are Foreign banks?
 26) What do you mean by ATM?
 27) Define transport.
 28) What is ethics?
 29) What is a Depository Receipt?
 30) Give the full form of the abbreviations RRB, NHB, SFB and LAB.

Part - C

Answer any 7 Questions and Question number 40 is compulsory.

7 x 3 = 21

- 31) State the meaning of Maruvurapakkam and Pattinapakkam.
 32) Write any 3 features of HUF.
 33) Write any three Indian MNC's.
 34) Explain the origin of RBI.
 35) What is E-Banking?
 36) What is bill of lading?
 37) Define Insurance.
 38) Define the concept of Social Responsibility?
 39) Explain any three disadvantages of FDI.
 40) Write notes on bank overdraft

Part - C

Answer all.

7 X 5 = 35

- 41) a) What are the hindrances of commerce? **(OR)**
 b) Classify the various functions of Reserve Bank of India.
- 42) Write short notes on :
 a) Analytical Industry (b) Genetic Industry and (c) Construction Industry **(OR)**
 b) Explain the different types of Ware houses ?
- 43) a) What are the contents of Partnership Deed? **(OR)**
 b) Discuss the advantages of railway transport.
- 44) a) What are the contents of Articles of Association? **(OR)**
 b) Explain the Principles of insurance.
- 45) What are the Principles of Cooperatives? **(OR)**
 Compare business with profession and employment
- 46) a) What are the disadvantages of MNC's? **(OR)**
 b) Differentiate any three of the warehouse warrant from the warehouse receipt?
- 47) a) What are the advantages of Departmental undertaking? **(OR)**
 b) Distinguish between GDR and ADR?

I. CHOOSE THE CORRECT ANSWER:**20*1=20**

1	a). Angadi	11	b). SBI
2	b). Profession	12	d). All of them
3	b). Industry	13	a). Bonded
4	b). Unlimited liability	14	c). Three
5	b). By Birth	15	c). Indemnity contract
6	d). Share holders	16	b). Cost minimization
7	c). 2013	17	c). Reasonable price
8	a). 4,3,2,1	18	c). Ethical upright behavior
9	d). RBI	19	c). Interest
10	a). Rural Savings	20	a). International market

II. ANSWER ANY 7 QUESTIONS: (Q.NO: 30 IS CUMPULSORY)**7*2=14****21 Define commerce.**

“Commercial operations deal with the buying and selling of goods, the exchange of commodities and contribution of finished products”.

- Evelyn Thomas

22 What are the Non-corporate enterprises?

- Sole Trading Concern
- Partnership
- Joint Hindu Family

23 Define a Company.

“A company is an artificial person created by law having a separate entity with a perpetual succession and a common seal”.

- Sec 2 of Companies Act 2013

24 What is Credit co-operatives?

Cooperative credit societies are those formed for the purpose of providing short-term financial help to members.

25 What are Foreign Banks?

Banks which have registered office in a foreign country and branches in India are called foreign banks.

26 What do you mean by ATM?

A customer can withdraw money anytime, anywhere in India from the ATM machine.

27 Define Transport?

“The transport system acts with reference to the area it serves in the same way as a candle does in a dark room”.

- K.K. Sexena

28 What is ethics?

A set of moral standards to be followed by owners, managers and business people.

29 What is a Depository Receipt?

A depository receipt is a negotiable financial instrument issued by a bank to represent a foreign company's equity shares or securities.

30 Give the full form of the abbreviations RRB, NHB, SFB, and LAB?

RRB- Regional Rural Banks
NHB – National Housing banks
SFB – Small Financing Banks
LAB – Local Area Bank

III. ANSWER ANY 7 QUESTIONS: (Q.NO: 40 IS CUMPULSORY)

7*3=21

31 State the meaning of Maruvurapakkam and Pattinapakkam.

i). Maruvurpakkam:

- ✘ Poompuhar had the 'Maruvurappakam' (inland town).
- ✘ It had market and bazaars where many merchants met for the purpose of selling or buying different commodities and food stuff.
- ✘ Ex: Tondi, Korkai, Puhar and Muziri.

ii). Pattinapakkam:

- ❖ Pattinapakkam is a Coastal town.
- ❖ They were engaged in different kinds of fishing pearls, and conches and produced salts and built ships.

32 Write any 3 features of HUF.

i. Governed by Hindu Law

The business of the Joint Hindu Family is controlled and managed under the Hindu law.

ii. Minor also a co-parcener

In a Joint Hindu Family firm even a new born baby can be a co-parcener.

iii. Management

Joint Hindu Family are controlled and managed by one person who is known as 'Karta' .

33 Write any three Indian MNC's

- ✘ Bata Corporation – Bata India
- ✘ Sony Corporation - Sony India
- ✘ Suzuki - Maruthi Suzuki

34 Explain the origin of RBI.

- * As a result, the RBI Act 1934 was passed.
- * RBI launched in operations from April 1, 1935.
- * After independence, the Government of India passed Reserve Bank Act, 1948.
- * From January 1, 1949, RBI started functioning as a government owned central bank of India.

35 What is E-Banking?

- Y Banking through internet is called E-Internet banking.
- Y It can also be called as electronic banking.
- Y To performing banking operation through internet by using computer and mobile phone.
- Y Money banks have their own websites.

36 What is bill of lading?

- It is a document containing the terms and conditions of the contract of carriage.
- It is issued by the shipping company and signed by the captain of the ship.
- It acknowledges the receipt of the goods described in it on board the ship.
- It also serves as an official receipt of goods.
- It is a document of title of goods.

37 Define Insurance.

“Insurance is a plan by themselves which large number of people associate and transfer to the shoulders of all, risk that attacks to individuals”.

- According to John Merge

38 Define the Concept of Social Responsibility?

“Social Responsibility requires managers to consider whether their action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength and harmony”.

- Peter F. Drucker

39 Explain any three disadvantages of FDI

i). Exploiting Natural Resources:

- The FDI Companies deplete natural resources like water, forest, mines etc.

ii). Heavy Outflow of capital

- Foreign companies are said to take away huge funds in the form of dividend, royalty fees etc.
- This causes a huge outflow of capital from the host country.

iii). Exploiting Cheap Labour

- ★ Foreign enterprises employ cheap labour force at a lower pay in developing countries.
- ★ They do not employ local people for higher posts in the management.

40. Write notes on Bank Overdraft

- It is a credit facility extended mostly to current account holding business community customers.
- It is an arrangement reached between the banker and the credit worthy customers. Such customers are allowed to overdraw up to a certain amount usually for 3 months period.

IV. ANSWER THE FOLLOWING QUESTIONS:

7*5=35

41 a). What are the hindrances of business?

i. Hindrance of place

- ☀ Production takes place in one centre and consumers are spread throughout the country and world.

✱ Rail, air, sea and land transports bring the products to the place of consumer.

ii. Hindrance of time

- ♥ Consumers want products whenever they have money, time and willingness to buy.
- ♥ Goods are produced in anticipation of such different regional centers.
- ♥ So that they can be distributed at the right time to the consumers.

iii. 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.

iv. Hindrance of knowledge

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

v. Hindrance of finance

- ✓ Banks and other financial institutions provide funds and help in transfer of funds to enable the functioning of business smoothly.

b). Classify the various functions of Reserve Bank of India?

The functions of the RBI can be grouped under three heads.

- ✱ **Leadership and Supervisory Functions**
- ✱ **Traditional Functions and**
- ✱ **Promotional Functions.**

A. Leadership and Supervisory Functions

- ◎ India being the fastest growing economy in the world, India is expected to play a major role in the world affairs by many countries.
- ◎ Such functions get prominence in current scenario.
- ➔ India's Representative in World Financial Institutions
- ➔ Regulator and Supervisor of Indian Banking System
- ➔ Monetary Authority
- ➔ Closely Monitoring Economic Parameters
- ➔ Promptly Responding to New Challenges

B. Traditional Functions

- ✧ Banker and Financial Advisor to the Government
- ✧ Monopoly of Note Issue
- ✧ Banker's Bank
- ✧ Controller of Credit and Liquidity

C. Promotional Functions

The RBI performs a wide range of promotional functions to support national objectives.

- ✱ Nurturing Banking Habits among the Public

- ✱ Grievance Settlement Measures
- ✱ Agricultural Development
- ✱ Promotion of Small Scale Industries
- ✱ Facilitates Foreign Trade
- ✱ Supports Cooperative Sector

42 a). Write short notes on:

a. Analytical industry:

Analytical Industry which analyses and separates different elements from the same materials, as in the case of oil refinery.

b. Genetic Industry:

These industries remain engaged in breeding plants and animals for their use in further reproduction. Example: The seeds, nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary.

c. Construction Industry:

These industries are involved in the construction of building, dams, bridges, roads, as well as tunnels and canals.

b). Explain the different types of warehouse?

Private Warehouses

- ✱ It's built and owned by private business enterprises in order to store the products produced by them.
- ✱ They are exclusively for their use and are not meant for other manufacturing or business units.

Government Warehouses

- They are created and operated by the Government to implement the programmes of the Government.
- Their services mostly available to government only.
- A detailed study on all the above warehouses is given at the end of this chapter.

Public Warehouse

- ✱ It is open for public at large.
- ✱ They may be owned by an individual or some agency.
- ✱ These warehouses operate as per the rules and regulations formed by the Government.

Co-operative Warehouses

- ♣ There are warehouses owned and managed by the marketing co-operative societies.
- ♣ They are set up to provide warehousing facilities to their members.
- ♣ Example, National Co-operative Development Corporation (NCDC).

General Warehouses

- ☆ They are ordinary warehouses which are useful for storing most of the dry food grains, fertilizers.
- ☆ Protective measures against rat, insects, etc. are undertaken by them.

43 a). What are the contents of Partnership Deed?

- ⊗ Name of the Firm
- ⊗ Nature of the proposed business
- ⊗ Duration of partnership
- ⊗ Capital contribution
- ⊗ Withdrawal from the firm
- ⊗ Interest on capital
- ⊗ Loan from partners
- ⊗ Retirement
- ⊗ Goodwill valuation

b). Discuss the advantages of railway transport

- ⊙ It increases the efficiency of production
- ⊙ It develops and expands the market
- ⊙ It aids to economic growth
- ⊙ It helps in specialization and mass Production
- ⊙ It encourages innovations in product production and designing

44 a). What are the contents of Articles of Association?

- ❖ Amount of shares, capital, value and type of shares.
- ❖ Rules regarding issue of shares and debentures.
- ❖ Manner of transfer of shares.
- ❖ Declaration of dividends.
- ❖ Borrowing powers of the company.
- ❖ Seal of the company.

b). Explain the principles of Insurance

Utmost Good Faith

- ⊗ According to this principle, both insurer and insured should enter into contract in good faith.
- ⊗ Insured should provide all the information that impacts the subject matter.
- ⊗ Insurer should provide all the details regarding insurance contract.

Insurable Interest

- ⊙ The insured must have an insurable interest in the subject matter of insurance.
- ⊙ Insurable interest means some pecuniary interest in the subject matter of the insurance contract.

. Indemnity

- ⊗ Indemnity means security or compensation against loss or damages.
- ⊗ This principle ensures that the insured does not make any profit out of the insurance.
- ⊗ This principle of indemnity is applicable to property insurance alone.

. Causa Proxima

- ⊗ The word 'Causa proxima' means 'nearest cause'.

- ✘ The direct, the most dominant and most effective cause of loss should be taken into consideration.
- ✘ The insurance company is not liable for there mote cause.

Contribution

- ☛ The same subject matter may be insured with more than one insurer then it is known as ‘Double Insurance’.
- ☛ In such a case, the insurance claim to be paid to the insured must be shared on contributed by all insurers in proportion to the sum assured by each one of them.

45 a). What are the principles of cooperatives?

i. Voluntary and Open Membership:

Cooperatives are voluntary organizations, open to all people able to use its services without gender, social, racial, political or religious discrimination.

ii. Democratic Member:

Control Cooperatives are democratic organizations controlled by their members.

Those who buy the goods or use the services of the cooperative.

iii. Member’s Economic Participation:

Members contribute equally to, and democratically control, the capital of the cooperative.

iv. Autonomy and Independence:

It’s are autonomous, self-help organizations controlled by their members.

If the co-operative organization enters into agreements with other organizations.

v. Education, Training, and Information”

It’s provide education and training for members, elected representatives, managers and employees.

Members also inform the general public about the nature and benefits of cooperatives.

b). Compare Industry, Commerce and Trade.

S.no	Transactions	Industry	Commerce	Trade
1	Scope	Consists of all activities involving conversion of materials into finished goods.	Comprises trade auxiliaries to trade	Comprises exchange of goods and service
2	Capital	Large Capital	Medium of capital	Small Capital
3	Risk	High Risk	Low Risk	No Risk
4	Side	It represents Supply Side	It represents Demand Side	It represents both supply and demand
5	Utility Creation	It creates form utility	It creates place utility	It creates possession utility

46 a). What are the disadvantages of MNC's?

i. Danger for Domestic Industries

- ✘ MNCs, because of their vast economic power, pose a danger to domestic Industries.
- ✘ Domestic industries cannot face challenges posed by MNCs.
- ✘ Many domestic industries have to wind up, as a result of threat from MNCs.

ii. Deprivation of Job Opportunity of Local People

- ✘ MNCs may not generate job opportunities to the people of home country.

iii. Culture

- ✘ MNCs tend to promote alien culture in host country to sell their products.
- ✘ They make people forget about their own cultural heritage.
- ✘ In India, e.g. MNCs have created a taste for synthetic food, soft drinks etc.

b). Differentiate the warehouse warrant from the warehouse receipt?

S.No	Warehouse Warrant	Warehouse Receipt
1	It is a document of title goods	It is not a document of title of goods
2	It can be negotiated	It cannot be negotiated
3	It can be given a collateral security.	It cannot be given a collateral security.

47 a). What are the advantages of Departmental undertaking?

i. Easy Formation:

- ★ It is easy to set up a departmental undertaking.
- ★ The departmental undertaking is created by an administrative decision of the Government, involving no legal formalities for its formation.

ii. Direct and Control of Parliament or State Legislature:

- * The departmental undertaking is directly responsible to the Parliament or the State legislature through its overall head i.e. the minister concerned.

iii. Secrecy Maintained:

- ☉ Strategic industries like defense and atomic power cannot be better managed other than government departments.
- ☉ Department undertakings can maintain secrecy in their working.

iv. Lesser Burden of Tax on Public:

- ➔ Earnings of departmental undertaking are entirely paid into Government treasury, resulting in lesser tax burden on the public.

v. Instrument of Social Change:

- ✿ Government can promote economic and social justice through departmental undertakings.

b). Distinguish between GDR and ADR.

S.No	Basis	Global Depository Receipts	American Depository Funds
1	Denomination	It is denominated in terms of any freely convertible currency.	It is denominated only in US dollars.
2	To whom it is Issued	It is issued to investors in one or across more markets simultaneously	It is issued only to investors, who are residents of the United States of America.
3	Listed in	Non-US Stock Exchange	American stock exchange
4	Approval	Issue of GDR does not require foreign regulatory clearances.	Issue of ADR requires approval from the Securities Exchange Commission of United States of America.
5	Negotiation	It is negotiable all over the World.	It is negotiable only in America

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- ❖ **All of the above I mentioned is my own proposed list.**
- ❖ **This is not final decision.**
- ❖ **This subject to be changed.**
- ❖ **If there is any error in this, please correct it.**

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