

## Half Year Examination – Dec -22

Class: XI

Commerce

Total Marks: 90

Time: 3.00 hrs  
(20\*1=20)

Section – I

Answer all questions.

1. Hindrance of place is removed by.
  - A) Transportation      b) Warehouse      c) Seller      d) Insurance
2. Normally high level risk involved in
  - a) industry      b) Commerce      c) Trade      d) All these
3. A partnership is formed by
  - a) Agreement      b) Relationship among persons      c) The direction of government      d) Friendship
4. Consumers' Co-operation was first successful \_\_\_\_\_
  - a) England      b) America      c) Switzerland      d) India
5. Central Bank of India is
  - a) PNB      b) SBI      c) ICICI      d) RBI
6. Electronic banking can be done through \_\_\_\_\_
  - a) Computers      b) Mobile phones      c) ATM card      d) All of the above
7. A warehouse stores goods in a \_\_\_\_\_ center.
  - a) Marketing      b) Sorting      c) Distribution      d) Selling
8. \_\_\_\_\_ is not a type of general insurance
  - a) Marine insurance      b) Life insurance      c) Fidelity insurance      d) Fire insurance
9. Main benefit of logistics
  - a) Productivity      b) Cost reduction      c) Profitability      d) Storage
10. American Depository Receipts are issued in
  - a) Canada      b) China      c) India      d) United States of America
11. Who is the first middlemen in the channel of distribution?
  - a) Wholesaler      b) Producer      c) Retailer      d) Customers
12. Domestic business can be divided into \_\_\_\_\_ categories
  - a) Three.      b) four      c) two      d) five
13. EPC stands for
  - a) Export Processing Commission      b) Export Promotion Council
  - c) Export Carriage Council      d) Export Promotion Congress
14. Acceptance to be Valid must
  - a) Be absolute      b) Be unqualified      c) Both be absolute and unqualified      d) Be conditional
15. A person is said to be a third person if he is not a?
  - a) Promisor      b) Promise      c) Agent      d) Legal representative
16. Income Tax is
  - a) Business tax      b) Direct tax      c) an Indirect tax      d) Service tax
17. What kind of Tax the GST is?
  - a) Direct tax      b) Indirect tax      c) Depending on the type of goods and services
  - d) All business organisations
18. Which of the following are characteristics of a joint stock company?
  - i) Not of separate legal personality      ii) Limited liability      iii) No longevity      iv) Common seal
  - a) i and ii      b) ii and iv      c) i and iv      d) i and iii
19. Match the following
 

1. Economic Objectives	– i) providing employment
2. Social Objectives	– ii) to satisfy consumers
3. Organizational Objectives	– iii) public interest
4. National objectives	– iv) profit making

	1	2	3	4
a)	I	ii	iii	iv
b)	iv	iii	ii	i
c)	ii	iii	i	iv
d)	iii	iv	i	ii

20. Assertion (A): Pack animals like horse, mule, donkey, camel and elephant are used to carry small loads in mountainous, forest and desert areas.  
Reason (R): Pack animals are used in areas not easily accessible by modern means of transport
- a) A and R are correct and R is the correct explanation for A  
b) A and R are correct and R is a false explanation for A  
c) A is correct but R is false  
d) A is false but R is correct

## Section - II (7\*2=14)

Note: Answer any seven questions in which Question No.30 is compulsory

21. What is barter system?  
22. Who is a sleeping partner?  
23. Give any two examples of Multinational Corporation.  
24. write short note on: Debit Card  
25. What is Logistics?  
26. What is Global Deposit Receipt?  
27. What is the meaning of multiple shops?  
28. Who is a legal representative?  
29. What is income tax?  
30. An arrangement with a bank to draw an amount in excess of the balance in a customer's bank current account subject to a certain limit is \_\_\_\_\_.

## Section - III

(7\*3=21)

Note: Answer any seven questions in which Question No.40 is compulsory

31. What are human activities?  
32. What is unlimited liability?  
33. What is Electronic Banking?  
34. List the types of social responsibility.  
35. Explain any three characteristics of SHGs  
36. What is Entrepot Trade?  
37. What is agreement?  
38. Which were the ports created during Pandyan rule?  
39. What are the objectives of Goods and Services Tax?  
40. What is the name of a business in which a company receives orders from customers by mail or over the phone and ships to them? Give an example.

## Section - IV

(7\*5=35)

Answer all questions

41. What are the conditions for barter system? (or) Describe the advantages of sole proprietorship. (Any five)  
42. Describe the advantages of Multinational Corporation. (Any five) (or) Explain any five personal investment avenues.  
43. Explain the principles of insurance. (Any five) (or) Differentiate between direct tax and indirect tax. (Any five)  
44. Explain the features of sole proprietorship? (Any five) (or) Explain in detail the organizational structure of Reserve Bank of India.  
45. Types of retail establishments (Any five) (or) Write Features of Balance of Payments (Any Five)  
46. What are the differences between Contract and agreement? (Any five) (or) What are the hindrances of business. (Any five)  
47. What are the contents of memorandum of association? (Any five) (or) Can co-operative society funds be misused? If yes, give reasons.

**VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL, PANNAIKADU PIRIVU****KODAIKANAL, DINDIGUL DISTRICT****HALF YEARLY EXAMINATION (DINDIGUL DISTRICT) KEY – DECEMBER 2022****CLASS: 11 STD****COMMERCE – ANSWER KEY****MARKS: 90****I. CHOOSE THE CORRECT ANSWER:****20\*1=20**

1	a). Transportation	11	a). Wholesaler
2	a). Industry	12	c). 2
3	a). Agreement	13	b). Export Promotion Council
4	a). England	14	c). Both b absolute and unqualified
5	d). RBI	15	c). Agent
6	d). All of the above	16	b). Direct tax
7	c). Distribution	17	b). Indirect tax
8	b). Life Insurance	18	b). ii and iv
9	b). Cost reduction	19	b). 1 2 3 4 iv iii ii i
10	d). USA	20	a). A and R are correct and R is the correct explanation for A

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

21	<b>What is barter system</b>
	Goods were exchanged for goods prior to invention of money.
22	<b>Who is sleeping partner?</b>
	<ul style="list-style-type: none"> <li>Such a partner contributes capital and shares in the profits or losses of the firm but does not take part in the management of the business.</li> </ul>
23	<b>Give any two examples of Multinational corporation?</b>
	<ul style="list-style-type: none"> <li>✕ Bata Corporation – Bata India</li> <li>✕ Sony Corporation - Sony India</li> <li>✕ Suzuki - Maruthi Suzuki</li> </ul>
24	<b>Write short note on: Debit card</b>
	<ul style="list-style-type: none"> <li>✕ ATM card is also called debit card.</li> <li>✕ This card is more useful in purchase of goods and services anywhere in India.</li> </ul>
25	<b>What is Logistics?</b>
	Logistics can be viewed as a logical extension of transportation and related areas to achieve an efficient and effective goods distribution system.
26	<b>What is Global Deposit Receipt?</b>
	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.
27	<b>What is the meaning of multiple shops?</b>
	A number of identical retail shops with similar appearance normally deal in standardized consumer products established in different localities owned by manufacturers are called as Multiple Shops.

**28 Who is legal representative?**

If the Promisor dies the legal representative of the deceased promisor is bound to perform the contract.

**29 What is income tax?**

- ✿ Indirect Tax is levied on the goods and services.
- ✿ It is collected from the buyers by the sellers and paid by the sellers to the Government.

**30 An arrangement with a bank to draw an amount in excess of the balance in customers bank current account subject to a certain limit is \_\_\_\_\_**

Overdraft

**III. ANSWER ANY 7 QUESTIONS: (Q.NO: 40 IS CUMPSORY)****7\*3=21****31 What do you mean by human activities?****I. Economic Activities**

Activities undertaken with the object of earning money are called economic activities.

**Examples:**

- Production of goods by manufacturers
- Distribution of goods by wholesalers
- Selling by retailers

**II. Non-Economic Activities**

Activities undertaken to satisfy social and psychological needs are called non-economic activities

**Examples:**

- ❖ Cooking food for family
- ❖ Celebrating festivals
- ❖ Doing meditation

**32 What is unlimited liability?**

When his business assets are not sufficient to pay off the business debts he has to pay from his personal property.

**33 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.

**34 List the types of Social responsibility?**

- ✘ Economic Responsibility
- ✘ Legal Responsibility
- ✘ Ethical Responsibility
- ✘ Discretionary Responsibility

**35 Explain any three characteristics SHGs?**

- \* The motto of every group members should be “saving first – credit latter”
- \* The groups need not be registered.
- \* Each group should have only one member from one single family.

**36 Explain the meaning of Entrepot trade.**

- ☛ It means importing of goods from one country and exporting the same to foreign countries.
- ☛ It is also known as ‘Re-export trade’.

**37 What is agreement**

- Every promise and set of promises forming consideration for each other is an agreement.
- In short, Agreement = Offer + Acceptance.

**38 Which were the ports created during pandiyan rule?**

- ★ Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with markets to imports and exports.
- ★ Domestic trade used to Boats like ‘Padagu’, ‘Thimil’, ‘Thoni’, ‘Ambu’ ‘Odampunai’ etc.
- ★ Foreign trade while Kalam, Marakalam, Vangam, Navai etc.: were used.

**39 What are the objectives of goods and service tax?**

- ☛ The foremost objective of GST is to create a common market with uniform tax rate in India.
- ☛ To eliminate the cascading effect of taxes, GST allows set-off of prior taxes for the same transactions as input tax credit.
- ☛ To boost Indian exports, the GST already collected on the inputs will be refunded and thus there will be no tax on all exports.

**40. What is the name of a business in which a company receives orders from customers by mail or over the phone and ships to them? Give example?**

- Mail order business
- Ex: Suitable goods are books, watches, etc.

**IV. ANSWER THE FOLLOWING QUESTIONS:****7\*5=35****41 a). What are the conditions barter system?****i). Lack of double coincidence of Wants**

↔ Unless two persons who have surplus have the demand for the goods possessed by each other, barter could not materialize.

**ii). Non – existence of common measure of value**

♣ It was difficult to compare the values of all articles in the absence of an acceptable medium of exchange.

**iii). Lack of direct contact between producer and consumers**

☛ It was not possible for buyers and sellers to meet face to face in many contexts for exchanging the commodities for commodities.

✱ This hindered the process of barter in all practical sense.

**iv). Lack of surplus stock**

❖ Absence of surplus stock was one of the impediments in barter system. If the buyers and sellers do not have surplus then no barter was possible.

**b). Describe the advantages of sole proprietorship?**

**i. Easy Formation:**

- ✱ No legal formalities are required to initiate a sole trading concern.
- ✱ Any person capable of entering into a contract can start it, provided he has the necessary resources

**ii. Incentive to Work hard:**

- ↔ There is a direct relationship between effort and reward.
- ↔ The fact that the entire profit can be taken by himself without sharing with anybody else induces work ceaselessly.

**iii. Small Capital:**

- ✱ Small capital is an important as well as specific advantage of sole proprietorship.
- ✱ Sole proprietor can start business with small capital.

**iv. Credit Standing:**

- Since his private properties are held liable for satisfying business debts.
- He can get more financial assistance from others

**v. Flexibility:**

- ♥ The sole trader can easily adjust himself to the changing requirements of his business.

**42 a). Describe the advantages of multinational corporation?**

**i. Low Cost Labour**

- MNC set up their facilities in low cost countries and produce goods/service at lower cost.
- It gains cost advantage and sells its products and services of good quality at low cost.
- This is not available to smaller companies which operate at regional level.

**ii. Quality Products**

- The resource, experience and expertise of MNCs in the sphere of research and development enables the host country to establish its research and development system which helps it in producing quality goods and services at least possible cost.

**iii. Proper Use of Idle Resources**

- Because of their advanced technical knowledge, MNCs are in a position to properly utilize idle physical and human resources of the host country.
- This results in an increase in the National Income of the host country.

**iv. Improvement in Balance of Payment Position**

- MNCs help the host countries to increase their exports.
- As such, they help the host country to improve upon its Balance of Payment position.

**v. Technical Development**

- MNCs carry the advantages of technical development 10 host countries.
- In fact, MNCs are a vehicle for transference of technical development from one country to another.
- Because of MNCs poor host countries also begin to develop technically.

**b). Explain any five personal investments****i). Public Provident Fund (PPF)**

- It is the safest long-term investment option for the investors in India.
- It is totally tax free.
- PPF account can be opened in bank or post office.

**ii). Mutual Funds**

- ★ An individual investor who wants to invest in equities and bond with a balance of risk and return generally can invest in mutual funds.
- ★ Nowadays people invest in stock markets through a mutual fund.

**iii). Real Estate Investment**

- ✧ Real estate is one of the fastest growing sectors in India.
- ✧ Buying a flat or plot is supposed to be the best decision amongst the investment options.

**iv). Unit Linked Insurance Plans (ULIP)**

- ULIP is a life insurance linked product, which provides risk cover for the policy holder along with investment options.
- To invest in any number of qualified investments such as stocks, bonds or mutual funds.

**v). Post Office Saving Schemes**

- ✪ There are different types of postal small savings schemes.
  - ♣ Post Office Savings Account,
  - ♣ Post Office Recurring Deposit Account
  - ♣ Post Office Fixed Deposit Account
  - ♣ National Savings Certificates

**43 a). Explain the principles of Insurance****i). 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.

**ii). 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.

**iii). 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.

**iv). 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.

**v). 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.

**b). Differentiate between direct tax and indirect tax?**

S.No	Basis	Direct Tax	Indirect Tax
1	<b>Burden</b>	Tax burden is progressive on people.	Tax burden is regressive.
2	<b>Evasion</b>	Tax evasion is possible.	Tax evasion is more difficult
3	<b>Inflation</b>	Direct tax helps in reducing the inflation.	Indirect tax contributes to inflation
4	<b>Shiftability</b>	Cannot be shifted to others	Can be shifted to others
5	<b>Examples</b>	Income Tax, Wealth Tax, Capital Gains Tax, Securities Transaction Tax, Perquisites Tax.	GST. Excise Duty

**44 a) Explain any features of sole proprietorships?****i. Ownership by one man:**

- ☀ This is owned by single person.
- ☀ The sole trader contributes the required capital.

**ii. Freedom of work and Quick Decisions:**

- ☀ Since the individual is himself as a owner, he need not consult anybody else.
- ☀ Hence he can take quick decisions.

**iii. Unlimited Liability:**

- When his business assets are not sufficient to pay off the business debts he has to pay from his personal property.

**iv. Enjoying entire profit:**

- ☀ He strives tirelessly for the improvement and expansion of his business and enjoys all the benefits of his hard work.



**v. Maintenance of Secrecy”**

↔ Since he/she manages all the affairs of the business, the secrecy can be maintained easily.

**b). Explain in detail the organizational structure of Reserve bank of Idnia**

- The head office of the RBI is situated in Mumbai.
- This central office has 33 departments in 2017.
- It has four zonal offices in Mumbai, Delhi, Calcutta and Chennai functioning under local boards with deputy governors as their heads.
- It also has 19 regional offices and 11 sub-offices (2017).
- The RBI is governed by a Central Board of Directors.
- The 21 member board is appointed by the Government of India.

It consists of;

- One governor and four deputy governors appointed for a period of four years,
- Ten directors from various fields
- Two Government officials four directors - one each from local boards.

**45 a). Types of retail establishments?****i). Itinerant or Mobile Traders**

- ✕ The traders who have no fixed place of sale are called **Itinerants**.
- ✕ They move from one place to another place in search of customers.
- ✕ They are also known as Mobile traders.

- ➔ Peddlers And Hawkers                      Street Traders
- ➔ Market Traders                              Cheap Jacks Traders

**II. Fixed Shop Retailers**

- ♣ The retailers who maintain permanent establishment to sell their goods are called **Fixed Retailers**.
- ♣ They do not move from place to place to serve their customers.
- ♣ They are:      a. Fixed Shop Small Retailers      b. Fixed Shop Large Retailers

**a. Fixed Shop Small Retailers:**

- ⚙ Street Stalls                      General Stores,                      Single Line Stores
- ⚙ Specialty Stores                      Second Shops

**b. Fixed Shop Large Retailers**

The retailers having permanent establishment and dealing in large scale are called Fixed shop scale retailers.

- ★ Departmental Stores                      Multiple Stores                      Super Markets
- ★ Consumer Cooperative stores      Shopping Malls
- ★ Mail order houses                      Online Shopping

**b). Write features of balance of payments?**

- ❖ It is a systematic record of all economic transactions between one country and certain other countries of the world.
- ❖ It is prepared for a period of three months or twelve months, i.e., usually 12 months.
- ❖ It contains all receipts and payments both visible and invisible.
- ❖ It includes all economic transactions both recorded on current account and capital account.
- ❖ It indicates a country's position in foreign trade.

**46 a). What are the difference between contract and agreement?**

S.No	Basis	Contracts	Agreement
01	<b>Definition</b>	It is an agreement enforceable by law.	It is every promise forming consideration
02	<b>Enforceability</b>	Every contract is enforceable	Every promise is not enforceable.
03	<b>Inter relationship</b>	It is includes an agreement.	It is does not include a contract.
04	<b>Validity</b>	Only legal agreements are called contracts.	An agreement may be both legal and illegal.
05	<b>Legal Obligation</b>	Every contract contains a obligation.	It is not necessary for every agreement to have legal obligation

**b). What are the hindrances of commerce?****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.

**47 a). What are the contents of memorandum of association?****i). Name Clause:**

- ✿ The name clause requires to state the legal and recognized name of the company.
- ✿ The company name is allow to be registered.

**ii). Situation Clause:**

- ➔ It requires to show the physical location of the registered office of the company.
- ➔ It is required to keep all the company registers in this office.

**iii). Objective Clause:**

- ✿ It is required to state the ancillary objectives.
- ✿ To facilitate the achievement of the main objectives.

**iv). Liability Clause:**

- ✿ It requires to state the extent to which shareholders of the company are liable to the debt obligation of the company.
- ✿ There are companies limited by shares and limited by guarantee.

**v). Capital Clause:**

- ↔ It requires to state the company's authorized share capital.

**b). Can co-operative society funds be misused? If yes, give reasons?**

- If the members of the managing committee are corrupt they can swindle the funds of the co-operative society.
- Many cooperative societies have faced financial troubles and closed down because of corruption and misuse of funds.

@\*@@\*@@\*@@\*@@\*@@

- ❖ 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.

**PREPARED BY**

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