

THANJAVUR DISTRICT

A. VENNILA

KUMBALCONAM

HTJ

## HALF YEARLY EXAMINATION - 2022

CLASS : 11

COMMERCE

--	--	--	--	--	--

TIME : 3.00 Hrs

MARKS : 90

## PART-I

Answer all the questions.

20 X 1 = 20

- Hindrance of place is removed by  
a) Insurance b) Salesman c) Warehouse d) Transport
- Commerce is mainly concerned with  
a) Connecting produce and consumer b) Pricing of Goods  
c) Buying and Selling of goods d) Manufacturing of goods
- Coca-Cola Company is an example of  
a) MNC b) Government Company  
c) Joint Venture d) Public Company
- The Share capital of the government Company less must not be less than  
a) 49% e) 51% c) 50% d) 25%
- ..... ware houses are for storing perishable goods like fruits: Vegetables  
a) Bonded b) private c) Cold Storage d) Co-operative
- Which is the fastest means of transport?  
a) Rail b) Road c) Sea d) Air
- The main benefit of out sourcing is  
a) Productivity b) Cost reduction c) Skill d) Units
- Assuming Social Responsibility of business helps the enterprise in  
a) Increase profit b) Decrease profit  
c) Substantiality d) Equilibrium
- Equity shareholders are the ..... of a Company  
a) Creditors b) Owners c) Debtors d) Employees
- MSMED Act was enacted in the year  
a) 2004 b) 2007 c) 2006 d) 2008
- When goods are imported for the purpose of export. It is called as .....  
a) Foreign Trade b) Home Trade c) Entrepot d) Trade
- Trade middleman who acts as a link between wholesaler and customers refers to a .....  
a) Producer b) Broker c) Retailer d) Customer
- The headquarter of WTO is located at .....  
a) New York b) London c) Geneva d) Brazil
- The statement which discloses a record of transactions between the residents of one country and residents of foreign country.  
a) Balance of Payment b) Balance of Trade  
c) Statement of Receipts and payments d) Accounting statement
- An agreement enforceable by law is a .....  
a) Enforceable acceptance b) Accepted offer c) Approved promise d) Contract
- Discharge by mutual agreement may involve  
a) Novation b) Rescission c) Approved promise d) Contract
- Income Tax is  
a) a business tax b) a direct tax c) an indirect tax d) none of these
- In India GST became effective from?  
a) 1st April, 2017 b) 1st January 2017 c) 1st July 2017 d) 1st March 2017

19. A person who does not contribute any capital and does not participate in the management is called a .....
- a) Nominal partner      b) Secret partner      c) Active partner      d) Sleeping partner
20. The policy is taken up jointly on lives of two or more persons is known as .....
- a) Whole Life Policy      b) Endowment Life Assurance Policy
- c) Joint Life Policy      d) Children's Endowment Policy

### PART - II

**Answer any seven questions. Question No.30 is compulsory.**

7 X 2 = 14

21. What is meant by Allangadi ?
22. Who is a Minor?
23. What are the Services included in Service businesses?
24. What do you mean by e-commerce?
25. Who said "A customer is the most important Visitor on our Premises"?
26. What is a Depository Receipt?
27. What is Internal Trade ?
28. What do you mean by international business?
29. State The ways. of Performing a Contract.
30. Mrs. Shanthi bought gold jewelry for two lakhs She paid 3% GST Rs 6000 that ..Which type of tax does it belong to?

### PART - III

**Answer any seven questions. Question No.40 is Compulsory.**

7 X 3 = 21

31. Write short notes on: a) Business B) Profession.
32. Define Sole trading business.
33. What is meant by Government Company?
34. Give the meaning Crop insurance?
35. Define the concept of Social Responsibility?
36. What is Pledge?
37. Explain any three characteristics of Wholesaler.
38. What are the Contents of Indents?
39. What is a Valid tender ?
40. What is Gross Total Income?

### PART - IV

**Answer any seven questions.**

7 X 5 = 35

41. a) What are the hindrances of business? (OR)
- b) Explain the different key elements of business ethics.
42. a) Explain the characteristics of Sole trading business. (OR)
- b) Explain the advantages of MSMEs?
43. a) Classify the various functions of Reserve Bank of India. (OR)
- b) What are the features of Internal trade?
44. a) Describe the benefits of Outsourcing. (OR)
- b) Enumerate the disadvantages of international trade.
45. a) Explain the essentials of a Valid Contract. (OR)
- b) What are the Contents of Partnership Deed?
46. a) State the features of Departmental Stores. (OR)
- b) Explain different types of transport.
47. a) Distinguish between direct taxes and indirect taxes. (OR)
- b) What are the principles of co-operatives? (Any 5)

**HALF YEARLY EXAMINATION - ANSWER KEY – 2022-2023****XI STANDARD – COMMERCE – ENGLISH MEDIUM****DR.A.VENNILA****PRINCIPAL**MYDEEN MATRIC. HR.SEC. SCHOOL  
MELACAUVEY – KUMBAKONAM.

CELL NO.: 8220179521

8608481579

Time Allowed : 3 Hours

Maximum Marks : 90

**I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer**

**20 x 1 = 20**

1	D	Transport	11	C	Entrepot
2	C	Buying and Selling of goods	12	C	Retailer
3	A	MNC	13	C	Geneva
4	B	51%	14	A	Balance of Payment
5	C	Cold Storage	15	D	Contract
6	D	Air	16	D	All of the Above
7	B	Cost Reduction	17	A	Direct Tax
8	C	Substantiality	18	C	1 <sup>st</sup> July 2017
9	B	Owners	19	A	Nominal Partner
10	C	2006	20	C	Joint Life Policy

**II. Answer any seven questions. Question No.30 is compulsory.**

**7 x 2 = 14**

**21) Allangadi – Meaning:**

- The place where the goods were sold was called “Angadi”.
- The night market was called as “Allangadi”.

**22) Minor - Meaning**

- Under the Indian Majority Act, person who has not completed 18 years of age is a minor.
- However, he will continue to be a minor till he completes 21 years if a guardian has been appointed to the minor.

**23) The services included in Service business**

- ♣ Banking Service
- ♣ Insurance Service
- ♣ Transportation Service
- ♣ Warehousing Service

24) “A customer is the most important visitor on our premises”

- ✓ In a speech in South Africa in 1890 **Mahatma Gandhi** said this:
- ✓ “A customer is the most important visitor on our premises”.

25) E-Commerce

- ♣ This is also a direct channel where there is no middleman.
- ♣ A website is created by the producer and through internet the product order is received and delivery of goods is made from the nearest godown of the producer.

26) Depository Receipt – Meaning:

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

27) Internal Trade – Meaning

- ✱ Buying and selling of goods and services within the boundaries of a nation are called internal trade.
- ✱ It takes place between buyers and sellers in the same locality, village, town or city or in different states, but definitely within the same country.
- ✱ Internal trade is also called domestic trade or home trade.

28) International business – Meaning:

- \* International business denotes all those business activities which take place beyond the geographical limits of the country.
- \* It involves not only the international movements of goods and services.

29) Performing a Contract.

There are mainly two ways of performing a contract such as:

- \* **Actual Performance:** When the party has done what he had undertaken to do.
- \* **Attempted Performance:** When the party offers to perform his obligation, it is not accepted by the promise.

30) Tax:

- a)  $6000 \times 3/100 = \text{Rs.}180$  (Tax Amount)
- b) It is Indirect Tax

**PART - III**

**III. Answer any seven questions. Question No.40 is compulsory.**

**7 x 3 = 21**

31) **Write short notes on: a) Business      b) Profession**

**a). Business:**

- 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.
- Economic activities performed for earning profits.” - **James Stephenson**

**b). Profession:**

- Professions are 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 career for someone who is competent in their respective areas.

**32) Definition of Sole Trading Business:**

- “Sole proprietorship is that form of business organisation which is owned and controlled by a single individual. He receives all the profits and risks all of his property in the success or failure of the enterprise”. - *Wheeler*

**33) Government Company:**

- a) A public enterprises incorporated under the Indian Companies Act, 1956 is called Govt. Company.
- b) These companies are owned and managed by the Central or the State Government.
- c) 51% of the paid-up share capital of the company should be held by Central or State Governments.

**34) Meaning of Crop Insurance:**

- This policy is to provide financial support to farmers in case of a crop failure due to drought or flood.
- It generally covers all risks of loss or damages relating to production of rice, wheat, millets, oil seeds.

**35) Concept of Social Responsibility – Definition:**

- ★ “Social Responsibility refers to the obligation to pursue those policies to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society.”

-Howard R.

**36) Pledge - Meaning**

- ♣ A customer transfers the possession of an article with the creditor (banker) and receives loan.
- ♣ Till the repayment of loan, the article is under the custody of the borrower.
- ♣ If the debtor fails to refund the loan, creditor (banker) will auction the article pawned and adjust the outstanding loan from the sale proceeds.

**37) Three characteristics of wholesalers.**

- ★ Wholesalers buy goods directly from producers or manufacturers,
- ★ They need large amount of capital to be invested in his business,
- ★ They generally provide credit facility to retailers.

**38) Content of an Indent:**

- |                                 |                     |                       |
|---------------------------------|---------------------|-----------------------|
| ★ a. Quantity of goods sent     | b. Design of goods  | c. Price              |
| ★ d. Nature of packing shipment | e. Mode of shipment | f. Period of delivery |
| ★ g. Mode of payment            |                     |                       |

**39) Valid Tender Meaning:**

A tender, to be valid, must satisfy the following essential requirements

- ♣ It must be unconditional
- ♣ It must be by a person who is in a position and willing to perform the promise.
- ♣ It must be at the proper time and place.
- ♣ It must be in proper form.

**40) Gross Total Income (GTI) [Section 80B (5)]**

- ★ Income from all the above five heads of income shall be computed separately according to the provisions given in the Act.
- ★ Income computed under these heads shall be aggregated after adjusting past and present losses and the total so arrived at is known as 'Gross Total Income'.

**PART - IV****IV. Answer all questions.****7 x 5 = 35****41.a. Hindrances of business:****1. 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.

**2. 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.

**3. 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.

**4. Hindrance of knowledge**

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

**5. Hindrance of finance**

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

[OR]

#### **41.b. Key Elements Of Business Ethics**

Some of the basic elements of business ethics while running a business enterprise are:

##### **1. Top Management Commitment**

- ▲ Top management has a very important role to guide the entire organization towards ethical behaviour.
- ▲ The top level personnel in any organisation should work openly and strongly committed towards ethical conducts and guide people working at middle and low level to follow ethical behaviour.

##### **2. Publication of a “Code”**

- ▲ Generally organisations formulate their own ethical codes for the conduct of the enterprise; it should followed by the employees of the organisation.
- ▲ The organisation principles are defined in the written document called code.

##### **3. Establishment of Compliance Mechanism**

- ▲ To make sure that actual decisions match with a firm's ethical standards, suitable mechanism should be established.
- ▲ Any organisation following ethical codes in training, recruitment, selection etc., is sure to be profitable.

##### **4. Involving Employees at All Levels**

- ▲ It is the employees at different levels who implement ethics policies to make ethical business a reality.
- ▲ Therefore, their involvement in ethics programmes becomes a must.

##### **5. Measuring Results**

- ▲ The organisations from time to time keep a check on ethical practise followed.
- ▲ Although it is difficult to accurately measure the end results of ethics programmes, the firms can certainly audit to monitor compliance with ethical standards.

#### **42.a. Characteristics of Sole trading business.**

##### **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.

**[OR]****42.b. Advantages of MSMEs****1. Employment Potential**

- \* MSMEs generate more employment opportunities than large business concerns.
- \* They are mostly labour intensive, thus they provide more employment opportunities to a larger number of people in India.

**2. Low Production Cost**

- \* MSMEs do not require skilled labourers or professionals to run the organisation.
- \* It employs cheap labour and thus minimizes the overhead.

**3. Low Investment**

- \* MSMEs do not require a huge 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.
- \* In most cases, owner himself manages the enterprises.

**5. Supplementary Role**

- \* MSMEs play a complementary role to serve as a feeder to large scale industries.
- \* They supply accessories, spare parts and components to large scale industries.

**43.a. Functions of Reserve Bank of India. (Any 5)**

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

**A. Leadership and Supervisory Functions**

**B. Traditional Functions and**

**C. 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.
  1. India's Representative in World Financial Institutions
  2. Regulator and Supervisor of Indian Banking System
  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. Banker's Bank
4. Controller of Credit and Liquidity

**C. Promotional Functions**

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

1. Nurturing Banking Habits among the Public
2. Grievance Settlement Measures
3. Agricultural Development
4. Promotion of Small Scale Industries
5. Facilitates Foreign Trade
6. Supports Cooperative Sector

**[OR]**

**43.b. Features of Internal trade:**

- ✱ The buying and selling of goods takes place within the boundaries of the same country.
- ✱ Payment for goods and services is made in the currency of the home country.
- ✱ It involves transactions between the producers, consumers and the middlemen.
- ✱ In home trade the laws prevailing in that country only have to be followed.
- ✱ The goods must be a part of domestic production.

**44.a. Benefits of Outsourcing:****1. Focusing on Core Activities**

- ✎ Companies can focus on their core competence, a few areas where the company has distinct capability.
- ✎ The rest of the activities (non core ) can be outsource to outside agencies.

**2. To Fill up Economic Development**

- ✎ Outsourcing stimulates entrepreneurship, encourages employment opportunities, expands exports, enables tremendous growth of the economy.

**3. Encourages Employment Opportunities**

- ✎ Companies that are outsourcing their non core activities provide chances for other small business units to take up the activities.
- ✎ This paves way for more job opportunities and new employment avenues.

**4. Reduction in Investment**

- ✎ Companies through outsourcing avails the services of outsiders which in turn reduces the investment requirements.
- ✎ The amount so available can be utilized productively and this increases the profits.

**5. Quest for Excellence**

- ✎ Outsourcing enables the firms to pursue excellence in two ways namely excelling themselves in the activities they do and excel outsiders by extending their capabilities through contracting out.

**[OR]****44.b. Advantages of International Trade.****i). Geographical Specialization:**

- ❖ International business is required to exchange the surplus resources resulting from geographical specialization for deficit resources in other countries

**ii). Economic Development:**

- ✳ International business helps the developing countries greatly in achieving rapid economic development.
- ✳ For example China, India, Brazil and South Korea

**iii). Generation of Employment:**

- ✎ International business generates employment opportunities by assisting the expansion.

**iv). Higher Standard of Living:**

- ❖ This exchange of goods and services among the countries enhances the standard of living of people.

**v). Prospects for Higher Profit:**

- ✎ International business helps the firms which produce goods in excess to sell them at relatively higher price to various countries in the international market.

**45.a. Essentials of a Valid Contract. (Any 5)****i). Offer and Acceptance**

- There must be two parties to an agreement namely one party making the offer and the other party accepting it.

**ii). Legal Relationship**

- The parties must have the intention to create legal relationship between them.
- An agreement of Social or domestic nature is not at all a contract.

**iii). Lawful Consideration**

- As per Contract Act under Sec.2 (d) Consideration means something in return.
- A contract without consideration becomes invalid.
- It may be in cash or kind or in any form as specified in the act.

**iv). Lawful Object (Section 23)**

- The object of agreement should be lawful and legal.
- It must not be immoral, illegal or opposed to public policy.
- Two persons cannot enter into an agreement to do a criminal act.

**v). Free Consent (Section 13 & 14)**

- Consent of the parties must be free and genuine. Consent means agreeing upon same thing in the same sense at the same time i.e. there should be consensus – ad – idem.
- Consent is said to be free when it is not caused by coercion, undue influence, fraud, misrepresentation or mistake.

**[OR]****45.b. Contents of Partnership Deed:****i. Name of the Firm****ii. Nature of the proposed business****iii. Duration of partnership**

- ✎ Duration of the partnership business whether it is to be run for a fixed period of time or whether it is to be dissolved after completing a particular venture.

**iv. Capital contribution**

- ✎ The capital is to be contributed by the partners.
- ✎ It must be remembered that capital contribution is not necessary to become a partner for one who contributes his organising power, business acumen, managerial skill etc., instead of capital.

**v. Withdrawal from the firm**

- ✎ The amount that can be withdrawn from the firm by each partner.

**46.a. 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 Pin to Car.
- ✓ 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 and operates as a separate unit.

**iv). Facilities provided:**

- ★ It provides a number of facilities and services to the customers.
- ★ Such as restaurant, rest rooms, recreation, packing, free home delivery, parking, etc.

**v). Centralized purchasing**

- ✱ All the purchases are made centrally and directly from the manufacturers.
- ✱ It operates separate warehouses whereas sales are decentralized in different departments.

**[OR]**

**46. b. Types of Transport.**

- ♣ Transport system can be classified in different ways depending on the types of transport, the ways and means of transport and also the motive power used in transport.

**A. Surface Transport**

- Transport of people and goods by land vehicles is known as Surface transport.
- It is also called as 'Land Transport'.
- Pack Animals - horse, mule, donkey camel, and elephant etc.,
- Bullock Carts
- Road Transport
- Motor Lorries and Buses
- Tramways
- Railway Transport

**B. Water Transport**

- “Water is a free gift of nature’.
- Water transport is the process of moving people, goods etc. by barge, boat, ship or sailboat over a sea, ocean, lake, canal, river, etc.,
- Water Transports are of two types
  1. Inland Waterways
  2. Ocean Waterways

**C. Air Transport**

- Air transport is the fastest and the costliest mode of transport.
- Commercial air transport is now one of the most prominent modes of overseas transport.
- The modern air transport has its growth with the invention of Airplane by Wright Brothers.
- Air transport is a form of travel in vehicles such as helicopters, hot air balloons, blimps, gliders, hang gliding, parachuting, airplanes, jets or anything else that can sustain flight.

**47.a) Difference between Direct Taxes and Indirect Taxes:**

<b><u>Basis</u></b>	<b><u>Direct Taxes</u></b>	<b><u>Indirect Taxes</u></b>
<b>1. Incidence and Impact</b>	Falls on the same person. Imposed on the income of a person and paid by the same person.	Falls on different persons. Imposed on the sellers but collected from the consumers and paid by sellers.
<b>2. Evasion</b>	Tax evasion possible	Tax evasion is more difficult
<b>3. Inflation</b>	Direct Tax helps in reducing the inflation.	Indirect Tax contributes to inflation.
<b>4. Shiftability</b>	Cannot be shifted to others	Can be shifted to others
<b>5. Examples</b>	Income Tax, Wealth Tax	GST, Excise Duty

**[OR]****47.b) Principles of co-operatives:****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.
- Who actively participate in setting policies and making decisions.

**iii. Member's Economic Participation:**

- Members contribute equally to, and democratically control, the capital of the cooperative.
- This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

**iv. Autonomy and Independence:**

- ❖ Cooperatives are autonomous, self-help organizations controlled by their members.
- ❖ If the co-operative organization enters into agreements with other organizations or raises capital from external sources.

**v. "Education, Training, and Information"**

- Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative.
- Members also inform the general public about the nature and benefits of cooperatives.

\*\*\*\*\* All the best Children \*\*\*\*\*