

(THENI DT)**COMMON HALF YEARLY EXAMINATION – 2022****Standard XI****COMMERCE – ANSWER KEY****Part – I****Choose the correct Answer:**

1. C) Non – Economic activities
2. C) Cost Reduction
3. C) James Stephenson
4. A) Agreement
5. D) Entrepot Trade
6. C) Previous Year
7. D) 2006
8. D) RBI
9. C) Finance Minister
10. C) Co-operative Society
11. C) 1844
12. D) Unlimited Liabilities
13. D) 51%
14. C) Two
15. A) Statutory company
16. C) Wholesaler
17. A) Dock Warrant
18. C) 1-(ii), 2-(i), 3-(iv),4-(ii)
19. D) Ethics
20. C) Contract

Part – II**II. Answer any 7 questions: (Q.no.30 is Compulsory)****21. What is Barter System?**

Goods were exchanged for goods prior to invention of money.

22. Who is called KARTA?

All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as 'Karta'.

23. What is Warehouse?

It is a place where goods are stored for future use and act as distribution centers. Warehouses are designed depending upon the nature of the products to be stored.

24. Who can demand performance?

Promisee
Legal Representative

25. Write the Kinds of GST?

CGST, SGST, UGST, and IGST.

26. 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

27. What do you mean by e-commerce?

E - Commerce or Electronic Commerce is the buying and selling of goods and services through electronic networks like internet.

28. What is Ethical Responsibility?

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

There is an element of voluntary action in performing this responsibility.

29. What is a Foreign Currency convertible Bond?

Foreign currency convertible bond is a special type of bond issued in the currency other than the home currency.

In other words, companies issue foreign currency convertible bonds to raise money in foreign currency.

30. Which association was started to promote the welfare of people of Asia? When was it established?

South Asian Association for Regional Co-Operation (SAARC)

It was established on 8th December 1985.

It was founded at Dhaka in Bangladesh.

Part – III**III. Answer any 7 questions: (Q.no.40 is Compulsory)****31. What is Wholesale Trade?**

Wholesale Trade means buying and selling goods in relatively large quantities or in bulk.

The traders who are engaged in wholesale trade are called wholesalers.

32. Write any three characteristics of Sole Proprietorship.**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.

33. What are the limitations (Disadvantages) of International Business?

1. Economic Dependence.

International trade is more likely to make the country too much dependent on imports from foreign countries.

2. Inhibition of Growth of Home Industries.

International business may discourage the growth of indigenous industry

3. Import of Harmful Goods.

International business may lead to import of luxurious goods, spurious goods, dangerous goods, etc. It may harm the well-being of people.

34. Define Business finance. Write any two of its significance.

“The finance function is the process of acquiring and utilizing funds by a business.” – R.C. Osborn

1. Business finance comprises of all types of funds namely short, medium and long term used in business.
2. All types of organisations namely small, medium and large enterprises require business finance.

35. Explain NEFT.

- This was launched by the RBI in 2005.
- Under this electronic funds transfer system, bulk transfers of transactions are settled in batches during specific timings across India.
- Once in every half hour from 8.00 am to 7.30 pm. 23 settlements are allowed in a day.
- NEFT transfers are not allowed on Sundays and bank holidays.
- IFSC is provided by IDRBT Hyderabad.

36. Write any six benefits of corporate Governance to shareholders.

1. Good corporate governance enables corporate success and economic development.

2. Ensures stable growth of organizations.
3. Aligns the interests of various stakeholders.
4. Reduces the cost of capital for companies.
5. Has a positive impact on the share price.
6. Provides incentive to managers to achieve organizational objectives.

37. Explain the types of franchising.

i. Product/ trade name franchising:

In this type, the franchisee exclusively deals with a manufacturer's product.

Examples include Kidzee, French Loaf outlets, Bharat Petroleum bunkers, Patanjali products, etc.

ii. Business format franchising:

When a franchisor awards rights covering all business aspects as a complete business package to the franchisee it is called as business format franchising.

Examples: McDonald's, Pizza Hut, KFC, Hot breads, Titan, Color plus, Zodiac, Lakmé beauty parlour.

38. Who are the members of the apex body that supervises the Insurance Industry In India?

IRDAI is a ten member body consists of

- i. One Chairman (For 5 years & Maximum age – 60 years)
- ii. Five whole-time Members (Not 5 years and Maximum Age – 62)
- iii. Four part-time Members (Not more than 5 years)
- iv. The chairman and members of IRDA are appointed by the Government of India

39. Mention any three services rendered by the wholesalers to the manufactures. (refer commerce book pg.no:231 edition 2018,2019)

1. Economics in Large Scale
2. Assistance in Distribution
3. Warehousing Facility
4. Forecasting of demand

40. State any three differences between a contract and an agreement.

Definition	A contract is an agreement enforceable by law.	An agreement is every promise or every set of promises forming consideration
Enforceability	Every contract is enforceable	Every promise is not enforceable.
Inter Relationship	A contract includes an agreement.	An agreement does not include a contract.

Part - IV

IV. Answer all the questions:

41. (a) What do you know about the overseas trading partners of ancient Tamil Nadu?

Roman and Greek traders frequented the ancient Tamil country and forged trade relationship with ancient Kings of Pandiya, Chola and Chera dynasties.

Cholas had a strong trading relationship with Chinese Song Dynasty. The cholas conquered the Sri Vijaya Empire of Indonesia and Malaysia to secure a sea trading route to China.

During the 16th and 18th centuries, India's overseas trade expanded due to trading with European companies.

The discovery of new all - sea routes from Europe to India via Cape of Good Hope by Vasco da Gama had far - reaching impact on the civilized world.

The arrival of Portuguese in India was followed by the advent of other European communities. They gained a strong foothold in India's maritime trade by virtue of their strong naval power.

41. (b) Explain the different key elements of Business ethics.

i). Top Management Commitment

- ☑ It has a very important role to guide the entire organization towards ethical behavior.

Publication of a "Code"

- ☑ It should be followed by the employees of the organisation.

ii). Establishment of Compliance Mechanism

- ☐ To make sure that actual decisions match with a firm's ethical standards, suitable mechanism should be established.

iii). Involving Employees at All Levels

- ▲ It is the employees at different levels who implement ethics policies to make ethical business a reality.

iv). Measuring Results

- ★ The organizations from time to time keep a check on ethical practice followed.

42. (b) Explain any five personal Investment Avenues.

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) Discuss any five objectives of Business.**i. Economic Objectives:**

- a. To the objective of earning profit.

j. Social Objectives:

- a) It's desired to be achieved for the benefit of the society.

k. Organizational Objectives:

- a. It's an organization intends to accomplish during the course of its existence in the economy like expansion and modernization, supply of quality goods to consumers, customers' satisfaction, etc.

l. Human Objectives:

- a. It's aimed at the well-being as well as fulfillment of expectations of employees as also of people who are disabled, handicapped and deprived of proper education and training.

m. National Objectives:

- a. To provide employment opportunity to its citizen, earn revenue for exchequer, become self-sufficient in production of goods and services, promote social justice, etc.

44. (b) State any five advantages of sole Trading Business.**i. Easy Formation:**

- No legal formalities are required to initiate a sole trading concern.

ii. Incentive to Work hard:

- There is a direct relationship between effort and reward.

iii. Small Capital:

- ✱ Small capital is an important as well

iii. Credit Standing:

- Since his private properties are held liable for satisfying business debts.

iv. Flexibility:

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

45. (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 allowed 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 obligations 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.
- ❖ It is also required to list the company's assets under this

clause.

44. (b) Explain Leadership and Supervisory Functions of RBI.

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

45. (a) Explain the functions of Warehouses.

(i) Storage

There is a time gap between the time of production and the time of consumption and a gap between demand and supply.

(ii) Price Stabilization

Warehousing ensures price stabilization by supplying goods as and when demanded.

(iii) Equalization of Demand and Supply

Warehousing equalizes the demand and supply of goods by storing the goods when they are not demanded and releasing them when there is a demand.

(iv) Business Finance

Based on the goods deposited in a warehouse, the depositor can get finance from banks and other financial institutions by showing the receipt issued by the warehouse keeper.

(v) Risk bearing

In case of damage to the goods, warehouse keeper compensates the loss caused to the owner of the goods.

46. (b) Explain the essentials of a Valid contract.

- a. It must be unconditional
- b. It must be at the proper time and place.
- c. It must be in proper form.
- d. It must be made to a proper person. i.e. to the promisee or his authorized
- e. It may be made to one of the several joint promisees.

47. (a) Write the features of Balance of Payments.

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

- e. It indicates a country's position in foreign trade.

47. (b) Explain any five kind of Land Transport.

A. Surface Transport

Transport of people and goods by land vehicles is known as Surface transport. It is also called as 'Land Transport'.

1. Pack Animals

Animals like horse, mule, donkey camel, and elephant etc., are used for carrying small loads in backward areas, hilly tracks, forest regions and deserts known as pack animals.

2. Bullock Carts

It constitutes the predominant form of rural road transport in India for goods traffic and to some extent for passengers' traffic.

3. Road Transport

Road Transport is one of the most promising and potent means suitable for short and medium distances.

4. Motor Lorries and Buses

From the dawn of civilization, people have been endeavoring to form roads and use wheeled vehicles to facilitate transport of men and materials.

5. Tramways

It made their appearance in the 19th century as a form of transport suitable for big cities.

47. (a) What are the features of Internal Trade?

- 1) The buying and selling of goods takes place within the boundaries of the same country.
- 2) Payment for goods and services is made in the currency of the home country.
- 3) It involves transactions between the producers, consumers and the middlemen.
- 4) It consists of a distribution network of middlemen and agencies engaged in exchange of goods and services.
- 5) In home trade, the risk of transportation is very less when compared to the foreign Trade.

- 6) In home trade the laws prevailing in that country only have to be followed.
- 7) The aim of home trade is to provide the goods and services economically.
- 8) Goods must be purchased from an individual or a firm established with in a country.
- 9) Goods must be a part of domestic production.
- 10) Goods can be delivered using locally available mode of transports.

47. (b) What are the advantages of co - operative society?

i). Voluntary Organization:

- ☑ The membership of a cooperative society is open to all.
- ☑ Any person with common interest can become a member.
- ☑ There are no entry or exit barriers.

ii. Easy formation:

- ☑ Cooperatives can be formed much easily when compared to a company.
- ☑ Any 25 members who have attained majority can join together for forming a cooperative society by observing simple legal formalities.

iii. Democracy:

- ☑ A co-operative society is run on the principle of 'one man one vote'.
- ☑ It implies that all members have equal rights in managing the affairs of the enterprise.

iv. Limited liability:

- ☑ The liability of the members in a cooperative society is limited to the extent of their capital contribution.
- ☑ They cannot be personally held liable for the debts of the society.

v. Each for all and all for each:

- ☑ Co-operative societies are formed on the basis of self help and mutual help.

42. (a) Distinguish between Direct Taxes and Indirect taxes.

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