

Madurai Dist 20/02/23

RM

XI - Std

Time : 3.00 Hrs

REVISION TEST - 2023 **COMMERCE**

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Marks : 90

Section - I

20X1=20

Answer all questions :-

- Goods and Services Tax means
 - Direct tax
 - Indirect tax
 - Depending on the type of goods and services
 - Depending on business activities
- Occupation of a Doctor is
 - Employment
 - Business
 - Profession
 - Sole Proprietor
- The aggregate income under five heads is termed as
 - Gross Total income
 - Total income
 - Salary income
 - Business income
- On the valid performance of the contractual obligation by the parties, the contract
 - is discharged
 - Becomes Enforceable
 - Becomes void
 - None of these
- Which of the following persons can perform the contract?
 - Only the promisor
 - Legal representatives of the promisor
 - Agent of the promisor
 - All of these
- Table - A of the Companies Act
 - Model minutes book
 - Model form of balance sheet
 - Model of AOA
 - Model of MOA
- Consumers Co-operation was first successful in
 - England
 - USA
 - Switzerland
 - India
- The _____ receipt is an acknowledgement of receipt of goods on the ship issued by the captain
 - Bill of lading
 - Shipping bill
 - Mate's Receipt
 - Consular invoice
- The oldest form of organization in Public Sector
 - Public Sector Undertaking
 - Departmental Organization
 - Multinational company
 - Statutory company
- Goods are imported for the purpose of re-export to another country is termed as _____
 - Import Trade
 - Export Trade
 - Entrepot Trade
 - International trade
- A person who buys goods from manufacturers and sells them to retailers is _____
 - Manufacturer
 - Wholesaler
 - Retailer
 - Consumers
- _____ warehouses are used for storage of perishable goods like fruits, vegetables etc.
 - Bonded
 - Private
 - Cold storage
 - Cooperative
- The largest commercial bank of India
 - RBI
 - SBI
 - PNB
 - ICICI
- MSMED Act was enacted in the year
 - 2004
 - 2007
 - 2006
 - 2008
- Which is the fastest means of transport?
 - Train
 - Road
 - Sea
 - Air
- Match the following:

1) Place Hindrance	-	i) Transportation	(a)	I	i	iii	iv
2) Time Hindrance	-	ii) Warehousing	(b)	i	iii	iv	i
3) Risk Hindrance	-	iii) Insurance	(c)	iv	iii	i	i
4) Knowledge Hindrance	-	iv) Advertising	(d)	iii	i	i	iv
- Assertion (I): Fixed capital is the capital required to purchase of machinery, equipment, furniture, construction equipment, vehicles etc.
 Assertion (II): Working capital is the capital required to meet the day-to-day expenses of the business such as purchase of raw materials, payment of wages and salaries to employees, telephone charges, inward and outward charges, electricity charges, insurance premiums, stationery expenses.
 - Both the statements are correct
 - Both the statements are false
 - Statement (I) is true but statement (II) is false
 - Statement (I) is false but statement (II) is correct



18. Find odd one out:
a) Marine insurance b) Land insurance c) Medical insurance d) Fire insurance
19. Social responsible business provides goods at _____
a) High price b) Low price c) Reasonable price d) Moderate price
20. _____ bond is a special type bond issued in the currency other than the home currency.
a) Government Bonds b) Foreign currency convertible Bonds
c) Corporate Bonds d) Investment Bonds

Section – II

Note: Answer any seven questions. Question no. Compulsory Answer 30 :- 7X2=14

21. What is meant by Nalangadi?
22. What is Goods and Service Tax?
23. What is Profession?
24. What is income tax?
25. Write short notes on Genetic Industry.
26. Who is called Karta?
27. Who were the Rochadale Pioneers?
28. What are the contents of indents?
29. Give any two examples of Multinational Corporation.
30. The individual who acquires the right to operate the business or use the trademark of the seller is known as the _____

Section – III

Note: Answer any seven questions. Question no. 40 is Compulsory :- 7X3=21

31. What are the ports developed by Pandiya kingdom?
32. Write any three differences between direct tax and indirect tax.
33. What are service industries?
34. What is unlimited liability?
35. Who will perform the contract?
36. What do you mean by agreement?
37. What is a Government Company?
38. What is Electronic Banking?
39. What do you know about channel of distribution?
40. Rajappa hid the fact that he was a heart patient while taking out a life insurance policy with an Indian life insurance company. He unexpectedly died of a heart attack. LIC Does the company compensate or deny the legal heir of the deceased? Give reason

Section – IV

Answer all questions :-

7X5=35

41. What are the hindrances of business? (OR)
Compare business with profession and employment.
42. Write any five features of income tax. (OR)
Explain the ways of discharge of contract.
43. What are the characteristics of sole proprietorship? (OR)
What are the contents of partnership deed?
44. Point out the objectives of WTO? (OR)
Distinguish between balance of payments and balance of trade
45. Distinguish between Bill of lading and Charter party. (OR)
Describe the advantages of Multi-national Corporation.
46. What are the characteristics of government enterprises? (Any five only) (OR)
What are the different types of warehouses?
47. What are the objectives of Self Help Groups? (OR)
Explain the various important components of business ethics.

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Choose the Best

1. (b) Indirect tax
2. (c) Profession
3. (a) Gross Total Income
4. (c) Becomes void
5. (d) All of these
6. (c) Model of AOA
7. (a) England
8. (c) Mate's Receipt
9. (b) Departmental Organization
10. (c) Entrepot trade
11. (b) Wholesaler
12. (c) Cold storage
13. (b) SBI
14. (c) 2006
15. (d) Air
16. (a) i ii iii iv
17. (a) Both the statements are correct
18. (b) Land insurance
19. (c) Reasonable price
20. (b) Foreign currency convertible bonds

Answer Any 7 Questions 7X2=14

21. The place where the goods were sold was called 'Angadi' in their period. Day market was called as **Nalangadi**.

22. **Goods and Services Tax (GST)** is the tax imposed on the supply (consumption) of goods and services. It is a destination based consumption tax and collected on those value added items at each stage of the supply chain.

23. **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.

24. **Income tax** is a direct tax under which tax is calculated on the income, gains or profits earned by a person such as individuals and other artificial entities (a partnership firm, company, etc.)

25. **Genetic Industry** These industries remain engaged in breeding plants and animals for their use in further reproduction.

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

27. **Rochdale Pioneers** The cooperative movement was started by Robert Owen, in the year 1844. He formed a consumer's cooperative society in

England with 28 workers as members, called "Rochdale Society of Equitable Pioneers".

28. **contents of indents** 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

29. Micromax, Hero, Bajaj, Britannia

30. Franchisee

Answer Any 7 Questions: 7X3=21

31. Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with marts and markets with activities related to imports and exports.

32. Direct Taxes

Indirect Taxes

If a tax levied on the income or wealth of a person is paid by that person (or his office) directly to the Government, it is called direct tax.	If tax is levied on the goods or services of a person is collected from the buyers by another person (seller) and paid by him to the Government it is called indirect tax.
Tax evasion is possible.	Tax evasion is more difficult
Direct tax helps in reducing the inflation.	Indirect tax contributes to inflation.

33. service industries

i. **Personalised service:** Individuals and private institutions selling their services to others. E.g. plumber, servant maid, etc.

ii. **Public Service:** Government hospitals, schools, police, Government offices, etc. provide services to the people on behalf of the Government without profit motive.

iii. **Distributive Service:** Transportation, warehousing, logistics, salesmanship, etc. come under this type of service.

iv. **Financial Service:** Banking, factoring, accounting, and insurance, etc. are grouped under this type of service.

v. **Quaternary Service:** Professional or specialised skills and high technology are used to provide this type of service.

34. unlimited liability The creditors have the right to recover their dues even from the personal property of the proprietor in case the business assets are not sufficient to pay their debts.

35. Who will perform the contract?

i) Promisor himself (Section 40)

ii) Agent (Section 40)

iii) Representations (Section 37)

iv) Third Person (Section 41)

36. Agreement 2(e) Every promise and set of promises forming consideration for each other is an agreement. In short,

Agreement = Offer + Acceptance.

37 Government Company Section 617 of the Companies Act, 1956 defines "Government Companies" as any company in which not less than 51% of the [paid-up share capital] is held by. 1. The Central Government; or 2. Any State Government or Governments; Or 3. Partly by the Central Government and partly by one or more State Governments.

38. Electronic Banking This reduces cost and time and makes banking service convenient to the customers. It is operated through internet. This service is a substitute for drafts, cheques and other paper based transfer of funds.

39. channel of distribution A channel is the route through which the goods are passed on to the ultimate consumer. There are direct channels or routes of distribution without middlemen. Indirect channel consists of one or more middlemen performing different functions. Middlemen help in the flow of goods towards the lakhs or crores of consumers. The products should reach all these consumers living inside the country and throughout the world. There are industrial and consumer goods, perishable and durable goods, pin to plane – different size of goods and so on. Not only the goods but also the services need distribution network.

40. LIC will not give compensation to his legal heir. Because, he did not mention anything about his heart condition while taking insurance.

Answer All : $7 \times 5 = 35$

41.a. 1. Hindrance of person Manufacturers do not know the place and face of the consumers. It is the retailer who knows the taste, preference and location of the consumers. The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the producers and consumers.

2. 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.

3. Hindrance of time Consumers want products whenever they have money, time and willingness to buy. Goods are produced in anticipation of such demands. They are stored in warehouses in different regional centres so that they can be distributed 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.

6. Hindrance of finance Producers and traders may not have the required funds at the time of their need. Banks and other financial institutions provide funds and help in transfer of funds to enable the functioning .

41 b. Business	Profession	Employment
1. Nature of Work: Goods and services provided to the public	Personalized service of expert nature	Performing work assigned by the employer
2. Qualifications: No minimum qualification is essential	Education and training in specialized field	Minimum qualification is essential
3. Capital: Capital investment required as per size of the firm	Limited capital necessary for establishment	No capital required
4. Reward: Profits	Professional fee	Salary or wages
5. Risk: Profits are uncertain and irregular	Fee is regular and certain, never negative	Fixed and regular pay, no Risk

42.a. i. Assessee [(Sec. 2(7))]

Assessee means a person by whom any tax or any other sum of money is payable under this Act.

ii. Person [Sec.2 (31)]

The term 'person' includes the following

- (i) an individual,
- (ii) a Hindu Undivided Family (HUF),

- (iii) a company,
- (iv) a firm,
- (v) an Association Of Persons or a Body Of Individual, whether incorporated or not,
- (vi) a local authority, and
- (vii) every artificial juridical person e.g., an idol or deity.

iii. Assessment Year (A.Y) [Sec.2 (9)]

The term has been defined under section 2(9). The year in which tax is paid is called the assessment year. It normally consisting of a period of 12 months commencing on 1st April every year and ending on 31st March of the following year.

iv. Previous Year (P.Y)[Sec.(3)]

The year in which income is earned is called previous year. It is also normally consisting of a period of 12 months commencing on 1st April every year and ending on 31st March of the following year. It is also called as financial year immediately following the assessment year.

v. Income [Sec.2 (24)]

Income includes the followings;

- i. Profits and gains of business or profession.
- ii. Dividend
- iii. Voluntary contribution received by a charitable / religious trust or university/ education institution or hospital/ electoral trust[w.e.f.01.04.2010]
- iv. Value of perquisite or profit in lieu of salary taxable u/s 17 and social allowance or benefit specifically granted either to meet personal expenses or for performance of duties of an office or an employment of profit.
- v. Export incentives.

42.b. 1. Discharge by Performance

Performance implies carrying out the obligation of the contract. Performance must be completed according to the real intentions of the agreement. Performance must be done according to time and manner prescribed.

Performance of contract may be of two types namely (i) Actual performance (ii) Attempted performance

2. By Agreement on Consent

Agreement between the parties comes to an end by mutually agreeing for it. Any contract is created by an agreement, hence in the same way, it can be discharged by an agreement. In this connection the rule of law is as follows. "*Eodem modo qus and quide constitutor, eodem modo destruitur,*"

the meaning of which is that a thing may be destroyed in the same manner, in which, it is constituted. The consent may be of the following types

(i) *Express*: Express consent may be given at the time of formation of the contract or subsequent to its formation

3. By Impossibility of Performance

A contract may be discharged if its performance becomes impossible. The rule of impossibility of performance is based on the following maxims

- i) the law does not recognize what is impossible and ii) what is impossible does not create an obligation.

4. *By Lapse of Time* According to the Limitation Act, 1963 a contract must be performed within a specified time. If it is not performed within this specified time limit and against which if no action is taken by the promisee in the Court of Law within specified time, then the promisee is deprived of his remedy at law. In such cases, the contract is discharged.

5. *By Operation of Law*: A contract can be discharged by the operation of law. The operation of law by which contract can be discharged are as follows

- i) *By Death*: If the contracts depend on the personal skill or ability, then such contract may be discharged on the death of the promisor
- ii) *By Merger*: Merger will take place when an inferior right accruing to the same party either under the same or another contract.

43.a. i. Ownership by one man

This is owned by single person. The sole trader contributes the required capital. He is not only the owner of the business but also manager of the entire affairs.

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. Absence of Government Regulation

A sole proprietor concern is free from Government regulations. No legal formalities are to be observed in its

- 43.b. i. Name of the Firm
 ii. Nature of the proposed business
 iii. Duration of partnership
 iv. Capital contribution
 v. Withdrawal from the firm
 vi. Profit/loss sharing
- 44.a. The objectives of WTO include the following.
1. Improving the standard of living of people in member countries
 2. Making optimum utilization of world's resources for sustainable development of member countries.
 3. Promoting an integrated more viable and durable trading system in the sphere of international business
 4. Expansion of trade in goods and services
 5. Ensuring full employment and large steady growth volume of real income and effective demand
 6. Protecting the environment

44.b. Balance of Payment	Balance of Trade
It is a systematic record of all economic transactions happened between the resident of one country and resident of foreign countries during a particular period.	Balance of trade is statement showing the net effect of export and import of a country
It records both the transactions relating to goods and services	It records only transactions relating to merchandise, i.e. goods transactions
Transactions It records capital transactions	It does not record capital transactions
It includes balance of trade. Balance of services, balance of unilateral transfer and balance of capital transactions	It is part of current account of BOP
It always remains balanced in the sense that receipt side is made equal to payment side	It may be at favorable or unfavourable or in equilibrium state.

45.a Bill of Lading	Charter Party
This represents a document acknowledging receipt of goods on board for carrying them over to specified port of destination	It refers to an agreement to hire a whole or major part of ship when the goods take exported is heavy.
It can be transferred to third party by endorsement and delivery	It cannot be transferred to third party
Loan can be raised against it	Loan cannot be raised against it
Crew Master and crew remain the agent of ship owner	Master and crew become the agent of exporter for a temporary period
It is not a lease of ship	It is a lease of ship

45.b. 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 utilise 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.

46.a. i. Registration Under the Companies Act

A Government company is formed through registration under the Companies Act, 1956; and is subject to the provisions of this Act, like any other company.

ii. Executive Decision of Government

A Government company is created by an executive decision of the Government, without seeking the approval of the Parliament or the State Legislature.

iii. Separate Legal Entity A Government company is a legal entity separate from the Government. It can acquire property; can make contracts and can file suits, in its own name.

iv. Whole or Majority Capital Provided by Government

The whole or majority (at least 51%) of the capital of a Government company is provided by the Government; but the revenues of the company are not deposited into the treasury.

v. Majority of Government Directors

Being in possession of a majority of share capital, the Government has authority to appoint majority of directors, on the Board of Directors of a government company

46.b. A. On the Basis of Ownership

- Private Warehouses
 - Government Warehouses
 - Public Warehouses
 - Co-operative Warehouses
 - Bonded Warehouses
 - Institutional Warehouses
 - Distribution Centre Warehouses
- B. On the Basis of Commodities Stored
- General Warehouses
 - Special Commodity Warehouses
 - Cold Storages or Refrigerated Warehouses
 - Climate Controlled Warehouses

47.a. 1. Focusing on empowerment of women.

- Saving people from the clutches of money lenders
- Building capacity of women and to enable them to participate in generating activities.
- Creating the habit of saving in the minds of the people who are economically backward.
- Promoting entrepreneurship skills among women.

6. Creating awareness about the importance of credit circle or revolving credit and the payment of the circle.

47.b. 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 be followed by the employees of the organisation. The organisation principles are defined in the written document called code. The code of conduct covers various areas such as health and safety in the work place, fair dealing in selling and marketing activities, ethical practices in the business etc.

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. The organisation must provide for an environment where the employees are free to report about the matters of unethical behaviour.

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. For example small group of employees can be formed to discuss the important ethics policies of firms and examine attitudes of employees towards these policies.

5. Measuring Results

The organisations from time to time keep a check on ethical practice 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. The top management team and other employees should then discuss the results for further course of action.
