

**11th
STD**

**INSTANT SUPPLEMENTARY EXAM - JULY 2023
COMMERCE**

Reg. No.

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TIME ALLOWED : 3.00 Hours]

PART - III (with Answers)

[MAXIMUM MARKS : 90

Instructions :

- 1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
- 2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams

PART - I

Note : (i) Answer **all** the questions. [20 × 1 = 20]
 (ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

1. In Pandiyas Dynasty, the place where the goods are sold is called as _____.
 (a) Angadi (b) Market
 (c) Nalangadi (d) Allangadi
2. World Bank is located at :
 (a) Washington DC (b) New York
 (c) Tokyo (d) Hongkong
3. Consumers Co-operation was first successful in _____.
 (a) England (b) USA
 (c) Switzerland (d) India
4. Which of the following is created by a Special Act of Parliament or in the State Assemblies?
 (a) Chartered Company (b) Foreign Company
 (c) Government Company (d) Statutory Company
5. Which bank has the power to issue currency notes?
 (a) Central Bank (b) Commercial Banks
 (c) Co-operative Banks (d) Foreign Banks
6. How much minimum amount can be transferred through RTGS?
 (a) Any amount (b) ₹50,000
 (c) ₹2 lakhs (d) ₹5 lakhs
7. Air consignment note is prepared in ____ original parts.
 (a) One (b) Two (c) Three (d) Four
8. _____ is not a type of general insurance.
 (a) Marine Insurance (b) Life Insurance
 (c) Health Insurance (d) Fire Insurance
9. _____ warehouses are used for storing perishable goods like fruits and vegetables etc.
 (a) Bonded (b) Private
 (c) Cold storage (d) Co-operative
10. _____ bond is a special type of bond issued by the companies in the currency other than the home currency.
 (a) Government Bonds
 (b) Foreign Currency Convertible Bond
 (c) Corporate Bonds (d) Investment Bonds
11. Micro, Small and Medium Enterprises Development (MSMED) Act was enacted in the year :
 (a) 2004 (b) 2007 (c) 2006 (d) 2008
12. _____ acts as a connective link between the producer and consumer.
 (a) Trade (b) Industry
 (c) Commerce (d) Business
13. _____ are agents who merely bring the buyer and the seller into contact.
 (a) Broker (b) Commission agent
 (c) Selling agent (d) Stockist
14. Small shops which deal in a particular line of products are called as :
 (a) Market traders (b) Single line stores
 (c) General stores (d) Street stalls
15. Movement of goods, services among the countries :
 (a) International Trade (b) International Business
 (c) Entrepot Trade (d) Internal Trade
16. An _____ is a document prepared by importer and sent to the exporter to buy the goods.
 (a) Invoice (b) Indent
 (c) Enquiry (d) Charter Party
17. Income tax is :
 (a) a business tax (b) a direct tax
 (c) an indirect tax (d) service tax
18. 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

- 19. The oldest form of organisation in public sector :
 - (a) Public sector undertaking
 - (b) Departmental undertaking
 - (c) Multi-national Corporation
 - (d) Statutory corporation
- 20. Equity shareholders are the _____ of a company.
 - (a) creditors
 - (b) owners
 - (c) debtors
 - (d) employees

PART - II

Note : Answer any seven questions. Question No. 30 is compulsory. 7 × 2 = 14

- 21. What is employment?
- 22. Who is called KARTA?
- 23. Give the meaning of Commercial Banks.
- 24. What is ethical responsibility?
- 25. Name any two sources of funds, classified under borrowed funds.
- 26. What is Depository Receipt?
- 27. What are speciality stores?
- 28. Mention the types of Indent.
- 29. What is Central Goods and Service Tax (CGST)?
- 30. What is meant by Contract?

PART - III

Note : Answer any seven questions. Q.No. 40 is compulsory. 7 × 3 = 21

- 31. State the meaning of Maruvurpakkam and Pattinapakkam.
- 32. What is Unlimited Liability?
- 33. Explain National Electronic Funds Transfer (NEFT).
- 34. What is cold storage warehouse?
- 35. Explain any three disadvantages of co-operatives.
- 36. Explain any three disadvantages of Foreign Direct Investment (FDI).
- 37. Explain any three characteristics of super markets.
- 38. What are the components of capital account?
- 39. What is meant by voidable contract?
- 40. Explain the features of Entrepot trade.

PART - IV

Note : Answer all the questions. 7 × 5 = 35

- 41. (a) What are the hindrances of commerce? (any 5)
 - (OR)
 - (b) Elucidate the features of factoring.

- 42. (a) What are the contents of Partnership Deed? (any 5)
 - (OR)
 - (b) What is meant by damages and what are its types?
- 43. (a) Classify the various functions of Reserve Bank of India in detail. (any 5)
 - (OR)
 - (b) Explain the features of Departmental Stores.
- 44. (a) Distinguish between Internal trade and International trade. (any 5)
 - (OR)
 - (b) What are the types of co-operative society? (any 5)
- 45. (a) What are the benefits of Corporate Governance? (any 5)
 - (OR)
 - (b) Discuss the different kinds of Goods and Service Tax (GST).
- 46. (a) Explain various types of Land transport. (any 5)
 - (OR)
 - (b) What are the disadvantage of sole trading business?
- 47. (a) What are the characteristics of retailers?
 - (OR)
 - (b) Explain the various types of Insurance. (any 5)



ANSWERS

PART - I

- 1. (a) Angadi
- 2. (a) Washington DC
- 3. (a) England
- 4. (d) Statutory Company
- 5. (a) Central Bank
- 6. (c) ₹ 2 lakhs
- 7. (c) Three
- 8. (b) Life Insurance
- 9. (c) Cold storage
- 10. (b) Foreign Currency Convertible Bond
- 11. (c) 2006
- 12. (a) Trade
- 13. (a) Broker
- 14. (b) Single line stores
- 15. (a) International Trade
- 16. (b) Indent
- 17. (b) a direct tax
- 18. (b) By Birth
- 19. (b) Departmental undertaking
- 20. (b) owners

PART - II

21. (i) Employment refers to the occupation in which people work for others and get remuneration in the form of wages or salaries.
(ii) The one who is employed by others are called employees, and the one who employs others is called employer.
(iii) **For Example :** Managers, Clerks, Bank officials, Factory workers, etc.
22. All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as 'Karta' or 'Manager'. The Karta is the senior most male member of the family.
23. (i) Banks which accept deposits from the public and grant loans to traders, individuals, agriculture, industries, transport, etc., in order to earn profit.
(ii) Their lending is in comparatively small amounts and mostly for short and medium period.
(iii) **Examples :** State Bank of India, Karur Vysa Bank, Standard Chartered Bank
24. (i) This includes the behaviour of the firm that is expected by society but not codified in law.
(ii) **For Example :** Respecting the religious sentiments and dignity of people while advertising for a product. There is an element of voluntary action in performing this responsibility.
25. (i) The term 'borrowed funds' denotes the funds raised through loans or borrowings.
(ii) **For Example :** debentures, loans from banks and financial institutions, public deposits, trade credit, lease financing, commercial papers, etc.
26. (i) A Depository receipt is a negotiable financial instrument issued by a bank to represent a foreign company's equity shares or securities.
(ii) They are issued to attract a greater amount of investment from other countries.
27. Specialty stores deal in particular type of product under one product line only. For example, Sweet shops specialised in Tirunelveli Halwa, Bengali Sweets etc.
28. There are three types of indent namely,
(i) Open indent (ii) Closed indent
(iii) Confirmatory indent.
29. CGST means Central Goods and Service Tax. It replaces the existing tax like Service Tax, Excise Duty. It is levied by the Central Government.

30. As per the Indian contract Act, 1872 a 'contract' is an agreement enforceable by law. The agreement not enforceable by law are not contracts.

PART - III

31. (i) Big cities like Poompuhar had two towns called 'Maruvurappakkam' (inland town) and Pattinappakkam (Coastal town).
(ii) These towns had market and bazaars where many merchants met one another for the purpose of selling or buying different kinds of commodities and food stuff.
(iii) Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with marts and markets with related activities of imports and Exports.
(iv) In such a brisk trade, people of the coastal region engaged themselves in coastal trade and developed their inter-continental trade contracts.
32. (i) The liability of the proprietor for the debts of the business is unlimited.
(ii) The creditors have the right to recover their dues even from the personal property of the proprietor incase the business assets are not sufficient to pay their debts.
(iii) This is known as unlimited liability.
33. (i) Under this National Electronic Funds Transfer (NEFT) system, bulk transfer of transactions are settled in batches during specific timings across India.
(ii) It is a Nation-wide funds transfer system to facilitate transfer of funds from any bank branch to any other bank branch in the country.
(iii) The NEFT is an electronic system for transfer of funds from any bank branch to any individual, firm, or corporate body having an account with any other bank branch in the country.
(iv) Transactions do not occur under real time basis. There is no minimum or maximum limit of funds that can be transferred under the NEFT for holders of bank account. For others, there is a maximum limit, which is less than ₹ 50,000.
34. (i) Some of the products are to be stored in cold storages which uses the technique of refrigeration to extend the period of marketing. Goods are transported in refrigerated containers and stored in refrigerated warehouses.

- (ii) These warehouses are used for storing perishable goods like fruits, vegetables, eggs, butter, fish, meat, etc. Goods stored in cold storages without deterioration in quality, can be made available throughout the year.
35. (i) **Limited Funds :**
- Cooperative societies have limited membership and are promoted by the weaker sections. The membership fees collected is low.
 - The principle of one-man one-vote and limited dividends also reduce the enthusiasm of members.
- (ii) **Over reliance on Government Funds :**
- Co-operative societies are not able to raise their own resources.
 - Their sources of financing are limited and they depend on government funds.
- (iii) **Imposed by Government :**
- In the Western countries, cooperative societies were voluntarily started by the weaker sections.
 - Therefore the benefit of the cooperatives has still not reached many poorer sections.
36. (i) **Heavy outflow of capital :**
- (1) Foreign companies are said to take away huge funds in the form of dividend, royalty fees, etc.
 - (2) This causes a huge outflow of Capital from the host country.
- (ii) **Exploiting Cheap Labour :**
- (1) Foreign enterprises employ cheap labour force at a lower pay in developing countries.
 - (2) They do not employ local people for higher posts in the management.
- (iii) **Creating Monopolistic Environment :**
- Multi-national companies (MNCs) which enter the host country through FDI route create monopolistic conditions in the host countries through their market power.
37. The important characteristics of Super Market are listed below:
- (i) Super markets are generally situated at the main shopping centres.
 - (ii) The goods kept on racks with clearly labelled price and quality tags in such stores.
 - (iii) The goods are sold on cash basis only. No credit facilities are made available.

- (iv) Super Markets are organised on departmental basis.
 - (v) It requires huge investment.
38. The Capital Account consists of three components:
- (i) Private Capital
 - (ii) Banking Capital
 - (iii) Official Capital
39. (i) An agreement which is enforceable by law at the option of one or more parties but not at the option of the other or others is a voidable contract. This is the result of coercion, undue influence, fraud and misrepresentation.
- (ii) Examples of voidable contracts are those which are induced by coercion, undue influence, fraud, or misrepresentation.
40. The following are the special feature of Entrepot Trade.
- (i) Import duty is not levied on such goods
 - (ii) These goods are reprocessed and repacked for re-export.
 - (iii) Such goods are kept in the Bonded warehouse till they are re-exported.

PART - IV

41. (a) The various hindrances removed by business are as follows.
- (i) **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.
- (ii) **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.
- (iii) **Hindrance of time :**
- Consumers want products whenever they have money, time and willingness to buy.
 - Goods are produced in anticipation of such demands.
- (iv) **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.
- (v) **Hindrance of knowledge : Advertising and communication** help in announcing the arrival of new products and their uses to the people.

(OR)

- (b) (i) **Maintenance of book-debts :** A factor takes the responsibility of maintaining the accounts of debtors of a business institution.
- (ii) **Credit coverage :** The factor accepts the risk burden of loss of bad debts leaving the seller to concentrate on his core business.
- (iii) **Cash advances :** Around eighty percent of the total amount of accounts receivables is paid as advance cash to the client.
- (iv) **Collection service :** Issuing reminders, receiving part payments, collection of cheques form part of the factoring service.
- (v) **Advice to clients :** From the past history of debtors, the factor is able to provide advices regarding the credit worthiness of customers, perception of customers about the products of the client, etc.
42. (a) (1) Name of the Firm
(2) Nature of the proposed business
(3) Duration of partnership
(4) Capital contribution
(5) Withdrawal from the firm
(6) Profit/loss sharing
(7) Interest on capital
(8) Rate of interest on drawing
(9) Loan from partners
(10) Account keeping
(11) Salary and Commission to Partners
(12) Retirement
(13) Goodwill valuation
(14) Distribution of responsibility
(15) Dissolution procedure
(16) Arbitration of dispute

(OR)

- (b) The term “Damage” means monetary compensation payable by the defaulting party to the aggrieved party in the event of the breach of a contract for the loss suffered by him.
- (i) **Ordinary damages:** Damages that arise in the ordinary course of events from the breach of contract are called ordinary or general damages.
- (ii) **Special damages:** Special damages are those damages that are payable for the loss arising on account of some special or unusual circumstances.
- (iii) **Vindictive or exemplary damages:** These damages are awarded against the party who has committed a breach of the contract with the object of punishing the erring as defaulting party and to compensate the aggrieved party.

- (iv) **Nominal damages:** Nominal damages are awarded to the aggrieved party when there is only technical violation of the legal rights.

43. (a) The functions of RBI can be grouped into under three heads.
- (i) Leadership and supervisory functions
(ii) Traditional functions; and
(iii) Promotional functions

- (i) **The 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 the 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.

- (ii) **Traditional functions are as follows :**

- (1) Banker and financial advisor to the government.
(2) Monopoly of note issue
(3) Banker’s Bank
(4) Controller of credit and liquidity

- (iii) **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 Co-operative sector.

(OR)

- (b) (i) **Large Size :** A departmental store 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 low priced to very expensive goods (pin to car) to satisfy all the expected human needs under one roof.

- (iii) **Departmentally organised :** Goods offered for sale are classified into various departments. Each department specialises 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) **Centralised purchasing :** All the purchases are made centrally and directly from the manufacturers and operate separate warehouses whereas sales are decentralised in different departments.

44. (a)

Sl. No.	Basis	Internal Trade	International Trade
1	Meaning	It refers to business transactions transacted within the geographical boundaries of a country.	International business refers to the business transactions involved in beyond the boundaries of a country.
2	Participants in the business	With in the country people	Outside of the country people
3	Mode of transport	It is mainly transported by roadways and railways.	It is mainly transported by the water and airways.
4	Currency used	Local currency of a country.	Foreign currencies.
5	Risk Exposure	The risks are relatively less.	This risks are high

(OR)

- (b) (I) The Cooperatives can be broadly classified into two viz., Credit Cooperatives and Non-Credit Cooperatives.
 - (II) The credit cooperatives can be further classified into Agricultural credit and non-Agricultural credit cooperatives.
 - (i) **Consumers Cooperatives :**
 - (1) Consumer cooperatives are organized by consumers that want to achieve better prices or quality in the goods or services they purchase.
 - (2) Credit unions are essentially cooperatives of people that use banking services.
 - (3) Students' cooperative stores, Cooperative provision stores and supermarkets set up on cooperative societies of India are examples of this type.
 - (ii) **Producers Cooperatives :**
 - (1) Producer cooperatives are established and operated by producers.
 - (2) Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.
 - (3) They are organized to process, market, and distribute their own products.
- Example :** Cooperative weavers societies, Cooperative carpentering units, Cooperative match factories.
- (iii) **Marketing Cooperatives :**
 - (1) Cooperative marketing societies are associations of small producers formed for the purpose of marketing their produce.
 - (2) The marketing cooperatives perform certain marketing functions such as grading, warehousing, advertising etc.,
 - (iv) **Credit Cooperatives :**
 - (1) Cooperative credit societies are those formed for the purpose of providing short-term financial help to their members.
 - (2) Agriculturists, artisans, industrial workers, salaried employees, etc., form these credit societies.
 - (v) **Housing Cooperatives :**
 - (1) These cooperative housing societies are meant to provide residential accommodation to their members on ownership basis or on rent.
 - (2) Housing building societies, on the other hand, construct houses for their members instead of granting loans to them.

45. (a) Some of the benefits of Corporate Governance are:
- (i) Good corporate governance enables corporate success and economic development.
 - (ii) Ensures stable growth of organisations.
 - (iii) Aligns the interests of various stakeholders.
 - (vi) Improves investors' confidence and enables raising of capital.
 - (v) Reduces the cost of capital for companies.

(OR)

(b) **GST is of three kinds :**

- (i) **CGST**
 - (ii) **SGST/UGST and**
 - (iii) **IGST**
- (i) **CGST** : Central Goods and Services Tax imposed and collected by Central Government on all supply of goods within a State (intra - state) under CGST ACT 2017.
- (ii) (1) **SGST** : State Goods and Services Tax imposed and collected by the State Governments under State GST Act. (Tamil Nadu GST Act 2017 passed by Tamil Nadu Government)
- (2) **UGST** : Union Territory Goods and Services Tax - imposed and collected by five Union Territory Administrations in India under UGST Act, 2017.
- (iii) (1) **IGST** : Inter - State Goods and Services Tax - imposed and collected by the Central Government and the revenue shared with states under IGST Act 2017.
- (2) **IGST on exports :**
- On exports - All exports are treated as Inter-State supply under GST. Since exports are zero rated.
 - GST is not imposed on all goods and services exported from India.
 - Any input credit is paid already on exports will be refunded.

46. (a) (i) **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.

- Generally, the pack animals serve areas which are inaccessible to modern means of transport.
- Animal transport has also played a significant role where there is no road and railway transport.

(ii) **Bullock Carts :**

- It constitutes the predominant form of rural transport in India for goods traffic and to some extent for passengers' traffic.
- It links up the villages with the nearby markets and railway stations. It carries the produce for sale to the market and consumer goods to the villages.

(iii) **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.
- The credit of revolutionizing the road transport and introducing the elements of speed and greater carrying capacity into the system goes to motor Lorries and buses.

(iv) **Tramways :**

- It made their appearance in the 19th century as a form of transport suitable for big cities.
- Tramways were initially horse drawn later steam-powered and now electrically operated. Its carrying capacity is large.
- They are able to cope up with the peak hour traffic in big cities with the greater popularity of motor buses, tramways slowly declined.

(v) **Railways :**

- The invention of steam engine by James Watt, revolutionized the mode of transport all over the world.
- Railway, as a mode of transport is the most organized transport undertaking all over the world.
- Railways are the cheapest and quickest means of transport for carrying heavy goods over long distance.

(OR)

(b) The following are the disadvantages of a Sole trader:

- (i) **Limited Capital** : Since the capital is contributed by one individual only, business operations have necessarily to be on a limited scale.
- (ii) **Limited Managerial Skill** :
 - Single person's intelligence and experience may not help him beyond a certain stage.
 - Since he has to focus on each and every activity, his managerial ability is bound to be limited.
- (iii) **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.
- (iv) **Lack of Specialisation** : Since the business unit is small and the financial resources are limited, experts in different fields cannot be employed to secure maximum advantages.
- (v) **Hasty Decisions** : Sole proprietor is more likely to take hasty decision as he need not consult anybody else.

47. (a) The following are the characteristics of retail traders.

- (i) Retailers generally involves dealing in a variety of items. A retailer makes purchases from producer or wholesalers in bulk for sale to the end consumers in small quantities.
- (ii) Retail trade is normally carried on in or near the main market area.
- (iii) Generally, retailers involve buying on credit from wholesalers and selling for cash to consumers.
- (iv) A retailer has indirect relation with the manufacturer (through wholesalers) but a direct link with the consumers.

(OR)

(b) (I) **Life Insurance** : Life Insurance may be defined as a contract in which the insurance company called insurer undertakes to insure the life of a

person called assured in exchange of a sum of money called premium which may be paid in one lump sum or monthly, quarterly, half yearly or yearly and promises to pay a certain sum of money either on the death of the assured or on expiry of certain period.

- (i) Life insurance policies are of many kinds. Some of them are given below:
 - (ii) Whole Life Policy
 - (iii) Endowment Life Assurance Policy
 - (iv) Joint Life Policy (JLP)
 - (v) Annuity Policy
 - (vi) Children's Endowment Policy
- (II) **Non - Life Insurance** : It refers as the insurance not related to human but related to properties.
- (III) **Fire Insurance** : Fire insurance is a contract whereby the insurer, in consideration of the premium paid, undertakes to make good any loss or damage caused by a fire during a specified period upto the amount specified in the policy.
- (IV) **Marine Insurance** :
 - (1) It is a contract of insurance under which the insurer undertakes to indemnify the insured in the manner and to the extent thereby agreed against marine losses.
 - (2) The insured pays the premium in consideration of the insurer's guarantee to make good the losses arising from marine perils or perils of the sea.
- (V) **Health Insurance** :
 - (1) In mid 80's, most of the hospitals in India were government owned and treatment was free of cost.
 - (2) With the advent of Private Medical Care, the need for Health Insurance was felt and various Insurance Companies introduced Health Insurance as a Product.
 - (3) Presently the health insurance exists primarily in the form of 'Mediclaim policy'.

