

Loyola



EC COMMERCE

11

This special guide is prepared
on the basis of New Syllabus
and Govt. Key

Loyola

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HISTORICAL BACKGROUND OF COMMERCE IN THE SUB - CONTINENT

PART - I TEXTBOOK EVALUATION

I. Choose the Correct Answer

1. In Pandiyas Dynasty the place where the goods are sold is.....

QY-2019 HY-2019 AUG-2022

- a) Angadi b) Market
c) Nalangadi d) Allangadi

Ans : a) Angadi

2. Hindrance of place is removed by

QY-2018 June-2019 Sep-2020

- a) Transport b) Warehouse
c) Salesman d) Insurance

Ans : a) Transport

3. Who wrote "Arthasasthra"?

- a) Kautilya b) Kambar
c) Thiruvalluvar d) Elangovadigal

Ans : a) Kautilya

4. Trade and Commerce was common to Dynasty **QY-2018 March-2023**

- a) Pallava b) Chola
c) Pandiya d) Chera

Ans : c) Pandiya

5. was the first Sultan who paved way in the dense forest and helped traders to move from one market place to others place for their commercial caravans.

- a) Balban b) Vascoda Gama
c) Akbar d) Alauddin Khilji

Ans : a) Balban

II. Very Short Answer Questions

1. What is meant by Barter system?

HY-2018 March-2020 May-2022 March-2023

Before the invention of Money, Goods were exchanged for goods is known as "Barter" system

2. What is meant by Nallangadi?

QY-2018 QY-2019 March-2019 Sep-2020

The day Market is known as "Nallangadi"

3. What is meant by Allangadi?

The Night market is known as "Allangadi"

III. Short Answer Questions

1. Explain the meaning of the term "Vanigam"

- The word "Vanigam" or "Vanipam" used in Dravidian origin.
- In ancient days they exchanged their surplus goods which are produced in the lands and thus trade came into existence.
- The term 'Vanigam used in Sangam Literature like Purananuru and Thirukkural.
- The Tamil Brahmin inscriptions from Mangulam Alagarmalai, Pugalur and Srilanka, (Maps) Illustrate the fact that trade in gold, oil, plough, cloth etc. was conducted during the early age.

2. State the meaning of Maruvurapakkam and Pattinapakkam.

- Big cities like Poompuhar had two towns called "Maruvurapakkam (inland town) and "Pattinapakkam (Coastal town)
- These towns had market and Bazaars where many merchants met each other for the purpose of buying and selling different kinds of goods and Food stuff.
- Port towns like Tondi, Puhar, Korkai and Muzuri (TPK M) were always seen as busy with markets, with related activities of Imports and Exports.

3. What are the ports developed by Pandiya Kingdom?

- Trade and commerce was common to Pandiya Dynasty.
- Information collected from the diaries of foreign travellers, voyagers, mariners and adventures of the ancient world highlighted the prosperity of trade in Pandiya kingdom.
- Trade in copper, cloth, salt, flower, Sandal wood, fish, paddy, cereals, pearls etc., flourished during his period.
- Besides Pandiya's expanded infra structure for shipping such as ports, light house, ware house etc., to promote overseas trade.
- Pandiya developed various ports like Korkai, Saliyur, Kayal, Marungavur pattinam and Kumari are important ports among them for foreign trade.

IV. Long Answer Questions

1. What are the hindrances of Commerce?(any 5) **GMQ-2018 QY-2018**

HY-2018 QY-2019 March-2019

Hindrance of Person:

- Manufacturers (Producers) are very few. But consumers are many
- They do not know and meet each other.
- It is known as "Hindrance of person".
- Hindrance of person removed by "Trade(r)" (whole saler - Retailer)

Hindrance of place:

- Goods are produced in one place (Jasmine -Madurai)
- But it is consumed in other place. (Chennai) (throughout the world)
- Both the place of production and consumption are separated by distance and water.

- It is known as "Hindrance of place"
- Hindrance of place removed by "Transport" (Land, Water and Air)
- Transport creates "Place utility"

Hindrance of Time:

- Some goods are produced throughout the year, but it is needed in a particular season. (Rain coat, Umbrella, Crackers)
- Some goods are produced in some season, but is needed - throughout the year (Paddy)

- There is a time gap between production and consumption.

- During the time gap goods may be perished. (fish - Fruits - Vegetables)

- It is known as "Hindrance of Time"

- Hindrance of Time removed by "Warehouse"

- Warehouse creates "Time Utility".

Hindrance of Finance

- Producers, whole salers, Retailers and consumers may not have required funds at the time of their need.

- It is known as "Hindrance of Finance"
- Hindrance of Finance removed by "Banks and Financial Institutions."

Hindrance of Risk (Loss)

- Movement of goods from the place of production to the place of consumption or when the goods are stored in the warehouse goods may be destroyed by Fire, Flood, theft etc.,
- It is known as "Hindrance of Risk"
- Hindrance of Risk removed by "Insurance".

2. State the demerits of barter system

Sep-2020 Aug-2022

(i) Lack of double coincidence of wants:

- a) Unless Two persons have surplus demand for the goods possessed by each other, barter cannot be materialised.
- b) If this "coincidence of wants" does not exist Barter cannot take place.

(ii) Non - existence of common measure of value :

- a) Barter system cannot determine the value of commodities to be exchanged as they lack commonly acceptable measures to evaluate every commodity.
- b) It is difficult to compare the values of all articles in the absence of an acceptable medium of exchange.

(iii) Lack of direct contact between producer and consumers:

- a) It is possible for buyers and sellers to meet face to face in many places for exchanging the commodities for commodities.
- b) This hindered the process of barter in all practical sense.

(iv) Lack of surplus stock:

- a) One of the impediments in barter system was absence of surplus stock
- b) If the buyers and sellers donot have surplus then barter is not possible.

3. Briefly explain the coastal trade in ancient Tamilnadu. May-2022

- The South Coramandel coast mostly with in the territory of Tamil nadu state is thick with history.
- One such place which is said to have flourished from 200 BC onwards in Poompuhar.
- The sea side town which was once the second capital of Chozha Dynasty and major centre of international trade with both Eastern and western people.
- Silk is the important imported goods.
- Big cities like poompuhar had " Maruvurapakkam [In land town] and Pattinapakkam" [coastal town] had markets and Bazaars where many merchants met one another for the purposes of selling and buying different kinds of goods and food stuff.
- Port towns like Thondi, Puhar, Korkai and Muziri were always seen as busy with marts and markets with activities related to Imports and Exports.
- Boats like padagu, Thimil, Thoni, Ambu, Odam punai, and kattumaram were used in Home trade.
- While Large Kalam, Marakalam, Vangam, and Navai were used for Foreign Trade.

15. was the chief port of the kingdom of Chozhas is
- Korkai
 - Saliyur
 - Kayalpattinam
 - Kaveripumpattinam

Ans : d) Kaveripumpattinam

II. Very Short Answer Questions

- What is meant by "Angadi"**
The place where the goods are sold is known as "ANGADI"
- What is "Iruperu Neyamath" according to poet Ilango Adigal?**
According to Saint Poet Ilango Adigal in Silappathigaram, Madurai Kanchi described as "Iruperu Neyamath" meaning sleepless city (Thoonga Nagaram) due to round the clock (24x7) business activities.
- What are the conditions to be satisfied for the working of banker system?** **HY-2019**
 - Each person must have a surplus stock.
 - The needs of both parties must coincide.
 - The buyer and seller should meet personally to effect the exchange.

III. Short Answer Questions

- What are the important Ancient Trade centres in Tamilnadu?**
 - Ramanatha Puram (Alagankulam)
 - Keberies (Kaveripumpattinam)
 - Marakkanam (Soptana)
 - Nikam (Nagapattinam)
 - Comari (Kanyakumari)
 - Kayalpattinam
- What are the important Ancient trade centres in the coastal Regions of Tamilnadu?**
 - Alambarai
 - Alagankulam

- Pumpuhar
- Marakkanam
- Vasava Samudram
- Mylapore

IV. Long Answer Questions

- What do you know about the overseas trading partners of ancient Tamil Nadu?** **March-2020 Sep-2020**
 - Roman and Greek traders frequented the ancient Tamil country and forged trade relationship with ancient Kings of Chera, Chozha and Pandiya dynasties.
 - Chozhas had a strong relationship with China's Song Dynasty.
 - The Chozhas conquered 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 by Vasco da Gama had far-reaching impact on the civilized world.
 - India's Maritime trade was a monopolized one over Europeans and at one stage the global trade share of India was 55% which is just 2% in 21st century.
 - In course of time their commercial motives turned into territorial ambition like the East India Company which became the British Empire here.
 - Britishers put in place policies prohibiting the export of Indian goods textiles, handicrafts to Britain.
 - Between early 1600 and 19th century, the British East India Company led establishment and expansion of foreign trade all over Asia.

OBJECTIVES OF BUSINESS

PART - I TEXTBOOK EVALUATION

I. Choose the correct answer

1. The Primary objective of a business is

QY-2018 HY-2018 HY-2019 Sep-2021

- a. Making Profit
b. Not Making Profit
c. Special Skill
d. None of the above

March-2023

Ans : a. Making Profit

2. Occupation of a Doctor is

QY-2018

- a. Employment
b. Business
c. Profession
d. Sole Proprietor

QY-2019 GMQ-2019

Ans : c. Profession

3. The following does not characterise business activity?

Sep-2020 May-2022

- a. Production of goods and services
b. Presence of Risk
c. Sale or exchange of goods and services
d. Salary or wages

Ans : d. Salary or wages

4. Activities undertaken out of love and affection or with social service motive are termed as :

QY-2019

- a. Economic activities
b. Monetary activities
c. Non-Economic activities
d. Financial activities

March-2020 Aug-2022

Ans : c. Non-Economic activities

II. Very Short Answer Questions

1. What is meant by Economic Activities?

- Activities under taken with the object of earning money are called "Economic Activities".

- (e.g) Fruit seller selling fruit, Workers working in a factory, Doctor attending his patient

2. What do you mean by Business?

- "Business" refers to any human activities under taken on a regular basis with the object to earn profit through production, distribution, purchase and sale of goods and services (e.g) Fruit seller selling fruit

3. What do you mean by Employment?

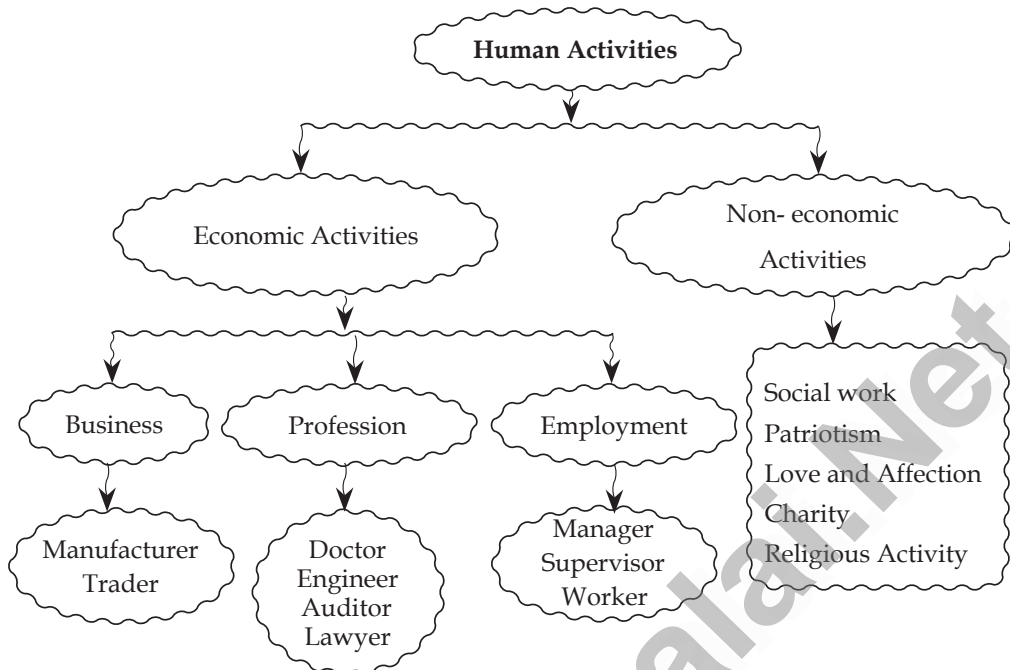
- Employment refers to the occupation in which people work for others and get remuneration in the form of wages or salaries.
- Who employs others - Employer
- Who is employed by others - Employee (e.g) Managers, Clerks.

III. Short Answer Questions

1. What do you mean by human activities? Explain.

March-2023

- Human activity is an activity performed by a human being to meet his or her needs and wants or may be for personal satisfaction.
- Human activities can be classified into economic and non-economic activities.



2. Write a short notes on:

GMQ-2019

June-2019

Sep-2020

a) Business

b) Profession

a. Business:

Aug-2022

- "Business" refers 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.
- (e.g) Fruit seller selling fruits

b. Profession:

May-2022

- "Professions" are those occupations which involve rendering of personal service of a special and expert nature.
- Those engaged in a profession are called "Professionals"
- They earn income by charging "fees".
- It includes the activities which are subject to the code and conduct laid down by the respective bodies.
- (e.g) Doctors, Engineers, Lawyers and Auditors.

3. Explain the classification of 'Business'.

It is classified on the basis of size, ownership and function

a) Activities on the Basis of size:

It is grouped into two categories

- 1) Small scale
- 2) Large scale

b) Activities on the Basis of ownership:

It is grouped into three categories

- 1) Private Enterprises
- 2) Public Enterprises
- 3) Joint Enterprises

c) Activities on the Basis of function:

It is grouped into two categories

- 1) Industry
- 2) Commerce

IV. Long Answer Questions

1. Explain the Characteristics of Business. (any 5)

Aug-2022

Production or procurement of goods:

- Goods must be produced or procured in order to satisfy human wants

Sale, Transfer or Exchange:

- Goods must be sale or exchange of goods and services.
- Goods produced for his personal consumption is not business

Dealing in goods and services:

- It deals with the following. Consumer goods - Pen, Bag, Brush etc.
- producers (capital) goods - plant machinery
- Services- Electricity, Water, Gas, Transport, Banking etc.

Regularity of Dealing:

Buying and selling must be recurrent (Regular) to constitute business.

Profit Motive :

An important feature of business is profit motive.

Element of Risk :

- Profit is said to be reward for risk taking
- Business activities include an element of risk too.

2. Compare business with profession and Employment (any 5)**May-2022**

No	Heading	Business (Trader)	Profession (Doctor)	Employment (Clerk)
1.	Object	Earning profits by satisfying needs of society	Rendering service for fees	Earning wages or salaries by serving the employer.
2.	Reward	Profits	Professional fees	Salary or wages
3.	Qualification	No minimum qualification is essential	Education and training in specialized field	Minimum qualification is essential
4.	Risk	Profits are uncertain and irregular	Fees is regular and certain. No risk	Fixed and Regular pay. No risk.
5.	Capital	Required as per the size of the firm	Limited capital necessary for establishment	No capital required.
6.	Code of Ethics.	No specific code of conduct.	Professional code of ethics	Rules and regulation of employing organisation.
7.	Transfer of interest	Transfer possible with some formalities	Not possible	Not transferable.

3. Discuss the objectives of Business**March-2020****National Objectives:**

- Being an important part of the

country, every business must have the objective of fulfilling national goals like provide employment to its citizens, earn revenue

to exchanger, self-sufficient production, promote social justice etc...

Social Objectives:

- Social objectives are those objectives of business, which are desired to be achieved for the benefit of the society.
- Since business operates in a society by utilising its scarce resources, the society expects some thing in return for its welfare.

Human Objectives:

- The objectives 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.

Organisational Objectives:

- An organisation intends to accomplish during the course of its existence in the economy like expansion and modernization supply of quality goods to consumers, customer's satisfaction, etc.

Economic Objectives:

- The main objective of a business concern is earning profit.
- Creation of customers, regular innovations and best possible use of available resources.

PART II - ADDITIONAL QUESTIONS

I. Choose the Correct Answer

- | | |
|---|--|
| <p>1. Occupation of a Lawyer an Engineer or Doctor or Chartered Accountant is</p> <p>a. Employment b. Business
c. Profession d. Sole Proprietor</p> <p style="text-align: right;">Ans : c. Profession</p> <hr/> <p>2. Fruit seller selling fruit is</p> <p>a. Employment b. Business
c. Profession d. Sole Proprietor</p> <p style="text-align: right;">Ans : b. Business</p> <hr/> <p>3. Performing work assigned by the employer and getting salaries and wages is</p> <p>a. Employment b. Business
c. Profession d. Sole Proprietor</p> <p style="text-align: right;">Ans : a. Employment</p> <hr/> <p>4. Love and affection, social service, visit to temple, mother cooks for her family visit to orphanage are</p> <p>Activities.</p> <p>a. Economic b. Non-Economic</p> | <p>c. Monetary d. Financial</p> <p style="text-align: right;">Ans : b. Non-Economic</p> <hr/> <p>5. Which one of the following is not an economic activity?</p> <p>a. Production b. Exchange
c. Meditation d. Profit</p> <p style="text-align: right;">Ans : c. Meditation</p> <hr/> <p>6. Which one of the following is not non-economic activity?</p> <p>a. Cooking food for family
b. Medical Service by a Doctor
c. Celebrating festivals
d. Doing Meditation</p> <p style="text-align: right;">Ans : b. Medical Service by a Doctor</p> <hr/> <p>7. Reward for doing a business is</p> <p>a. Profit b. Salary
c. Fees d. Goods</p> <p style="text-align: right;">Ans : a. Profit</p> <hr/> <p>8. Reward for doing a profession is</p> <p>a. Profit b. Salary
c. Fees d. Goods</p> <p style="text-align: right;">Ans : c. Fees</p> |
|---|--|

9. Reward for an employment is

- a. Profit b. Salary
c. Fees d. Goods

Ans : b. Salary

10. Activities under taken with the object of earning money are called activities.

- a. Primary b. Secondary
c. Economic d. Non-Economic

Ans : c. Economic

11. Which one of the following comes under Non-economic Activities?

- a. Working as a Lawyer **March-2019**
b. Doctor Charges Consultation Fees
c. Fruit Seller Selling Fruits
d. Visit to a Temple

Ans :d. Visit to a Temple

12. Business refers to 'Economic activities performed for earning profits' is said by : **March-2020**

- a) Wheeler
b) Sprigal
c) James Stephenson
d) H.Haney

Ans : c. James Stephenson

II. Very Short Answer Questions

1. Define Business

"Economic activities performed for earning profit" - James Stephenson

"A human activity directed towards producing or acquiring wealth through buying and selling of goods"
- H. Haney

III. Short Answer Questions

1. Explain the Human Activities:

Economic Activities:

- Activities under taken with the object of earning money are called "Economic Activities".
- Production of goods by manufactures.

- Distribution of goods by Wholesaler
- Selling goods by the retailer.
- Doctors doing medical Services to their patients.
- Engineers doing services to their customers.
- Auditor doing accounting services for their clients.
- Lawyers doing services for their clients
- Employees complete the work given by the employer.

Non-economic Activities:

- Activities under taken to satisfy social and psychological needs are called "Non-economic Activities".
- Cooking food for the family
- Social service
- Doing Meditation
- Celebrating festivals

IV. Long Answer Questions

1. How business activities are classified?

Activities on the basis of size:

Small Scale:

- Small scale units require less capital
- They employ small number of workers and produce the goods on small scale.
- (e.g) Hand looms.

Large Scale:

- Large scale units require huge capital
- They employ large number of workers and produce the goods on large scale.
- (e.g) Raymonds

Activities on the basis of ownership:

Private enterprises:

- It is owned, controlled and managed by private (persons) parties (e.g) TVS & sons.

Public enterprises:

- It is owned, controlled and managed by Government.

➤ (e.g) State Transport Corporation.

Joint enter prises:

➤ It is owned, controlled and managed by both private parties and Government.

➤ (e.g) Maruti; Suzuki

Activities on the basis of function:

Industry:

➤ Conversion of Raw materials into

finished products is known as Industry.

➤ It includes both production and consumption.

Commerce:

➤ It includes all the activities which are engaged in the flow of goods from the producer to the consumer

2. Distinguish between economic and non-economic activities.

QY-2018 June-2019 Sep-2021

Basis	Economic activities	Non-economic activities
1. Definition:	Economic activities are those activities which are undertaken to earn money or financial gain for livelihood. e.g., Fruit seller selling fruits	Non-economic activities are those activities which are undertaken for the sake of pleasure, performed out of love, sympathy, sentiments etc. e.g., Mother cooks for her family
2. Motive:	Sole motive is to earn money or financial gain. e.g., Working as a lawyer.	Undertaken for satisfaction of social, psychological or emotional needs. e.g., Visit to a temple
3. Money Measurement:	All economic activities can be valued in monetary terms. e.g., Doctor charges ₹500 as consultation fee.	Non-economic activities cannot be valued in monetary terms. These are an expression of a thought, feeling or a gesture. e.g., An NGO distributes free clothes to poor children
4. Relationship:	Economic activities are related to creation of wealth. e.g., Ram saved part of his salary to purchase a house of his own.	Non-economic activities do not create wealth. e.g., Money received as donation is spent on charity work.
5. Outcome:	All economic activities result in production, procurement, distribution and consumption of goods and services. e.g., Nokia produces cell phones and sells across India through its distributors.	The end result of a non-economic activity is the mental, emotional or psychological satisfaction of the person doing the activity. e.g., Sona enjoys teaching orphans in an orphanage.

☺ ☺ ☺ ☺ ☺

CLASSIFICATION OF BUSINESS ACTIVITIES

PART - I TEXTBOOK EVALUATION

I. Choose the correct answer

1. The industries engaged in extraction of iron ore are known as

- a) Construction Industries
- b) Manufacturing Industries
- c) Extraction Industries
- b) Genetic Industries

Ans : c) Extraction Industries

2. Production which involves several stages for manufacturing finished products is known as **HY-2018** **Aug-2022**

- a) Analytical Industry
- b) Synthetic Industry
- c) Processing Industry
- b) None of the above

Ans : c) Processing Industry

3. Normally high level risk involved in

QY-2018 **GMQ-2018** **QY-2019** **Sep-2020**
May-2022

- a) Industry
 - b) Commerce
 - c) Trade
 - b) All of the above
- Ans : a) Industry

II. Very Short Answer Questions

1. Define Commerce: **HY-2018** **GMQ-2019**

QY-2019 **Aug-2022**

- “Commercial operations deal with the buying and selling of goods, the exchange of commodities and the contribution of finished products”.

-Evelyn Thomas.

or

- “Commerce is the sum total of those process which are engaged in the removal of hindrances of person, place and time in the exchange of commodities.”

-J.Stephenson

2. What do you mean by Industry?

- Industry which are connected with the conversion of raw materials (resources) into finished products (useful goods).

3. What is Trade?

Trade= Buying Selling

It is classified= Home Trade & Foreign Trade.

Home Trade Classified as= Whole sale & Retail.

Foreign Trade Classified as = Export, Import & Entrepot (or) Re-export

III. Short Answer Questions

1. What do you mean by Tertiary Industries? **QY-2019** **May-2022**

- They do not produce good.
- These industries produce utility services and sell them at a profit (eg.) Education, Banking, Insurance.
- Personalised service:**
- Individual and private institution selling their services to others
- (eg) plumber, servant maid etc.

Public Service:

- Government provide services for the welfare of the people without profit motive.
- (eg) Government – Hospitals, schools, Police station.

Distributive Service:

- Services rendered by Transport, warehouse, salesmen for the supply (Distribution) of goods.

Financial Service:

- Services rendered by Banks, Insurance companies for the industrial development.

2. Write a short note on Transportation.

- Selling all the goods produced at or near the production place is not possible
- Hence, goods are to be sent to different place where they are demanded.
- The medium which moves men and materials from one place to another place is called Transport.

IV. Long Answer Questions**1. Compare Industry, Commerce and Trade (any 5) QY-2018 QY-2019 HY-2018 HY-2019****GMQ-2018 March-2023**

No	Heading	Industry	Commerce	Trade
1	Meaning	The activities which deals with extraction, reproduction and construction of useful products.	The activities involving distribution of goods and services	Buying and selling of goods and services.
2	Scope	In consists of all activities involving conversion of raw-materials into finished goods.	It comprises trade and auxiliaries to trade.	It comprises exchange of goods and services.
3	Risk	Risk is high.	Risk is less	Risk is less.
4	Utility creation	It creates form utility	It creates place utility	It creates possession utility.
5	Side	It represent supply side	It represents demand side.	It represents both supply & Demand side.
6	Capital	It requires huge capital	It requires less capital	It requires small capitals.

2. Write short Notes on
- a) Analytical Industry
b) Genetic Industry and c) Construction Industry

a) Analytical Industry:

- Which analyses and separates different elements from the same materials as in the case of oil refinery
- (eg) Crude oil, Gas, Petrol, Diesel, Kerosene (etc)

b) Genetic Industry:

GMQ-2018 May-2019

- These Industries remain engaged in breeding plants and animals for their use in further production.
- (eg) Poultry, piggery, Fisheries.

c) Construction Industry:

- Cement, Bricks, Iron and steel used to construct Dams, bridges are construction Industries.

PART II - ADDITIONAL QUESTIONS

I. Choose the correct answer

- | | |
|---|--|
| <p>1. Poultry , Rubber Tree, Fisheries, Piggery, Hunting are example for industry.</p> <p>a) Construction b) Manufacturing
c) Extractive b) Genetic</p> <p style="text-align: right;">Ans : b) Genetic</p> <hr/> <p>2. Cement, Bricks, Ironsteel used to construct Dams, Bridges is an example for industry.</p> <p>a) Construction b) Manufacturing
c) Extractive b) Genetic</p> <p style="text-align: right;">Ans : a) Construction</p> <hr/> <p>3. It assembles different components parts to make a new product is an example of Industry</p> <p>a) Assembling b) Manufacturing
c) Extractive b) Genetic</p> <p style="text-align: right;">Ans : a) Assembling</p> | <p>4. The services rendered by plumber, servant maid etc.. are services</p> <p>a) Personalised b) Public
c) Distributive b) Financial</p> <p style="text-align: right;">Ans : a) Personalised</p> <hr/> <p>5. _____ helpful to maintain the price and continuous supply of goods.</p> <p>a) Bank b) Insurance
c) warehouse b) all the above</p> <p style="text-align: right;">Ans: c) warehouse</p> |
|---|--|

II. Very Short answer questions

1. **What is commerce?**
Trade= Buying + Selling
Commerce = Trade + Aids to trade
Aids to Trade = Trader+ Transport + warehouse + Banking + Insurance
-
2. **List the auxiliaries to trade?**
Transport, ware house, Banking and Insurance

III. Short answer questions

1. Write any three Characteristics of Commerce [PEG] QY-2018 HY-2018 QY-2019
- Production:**
- Goods must be produced in order to satisfy human wants.
- Exchange:**
- There must be sale for exchange of goods and services.
 - Goods produced for his personal consumption is not business.
- Goods and services:**
- It deals with the following:
 - Consumer goods - Pen, Bag, Brush etc.
 - Producer [Capital] - Plant and Machinery.
 - Services - Electricity, Water, Gas etc.
-
2. Narrate Commerce with example.
- Consumer refers to those activities which are necessary for bringing goods from the manufacturer to the consumer.
 - "Commercial operations deal with the buying and selling of goods, the exchange of commodities and the construction of finished products".

-Evelyn Thomas
 - Commerce includes not only Trade but also services such as Transport, ware housing, Insurance, Banking, Packaging and sales promotion.
 - Madurai - Jasmine - sold at Chennai
 - Madurai - Jasmine - sold at Singapore.

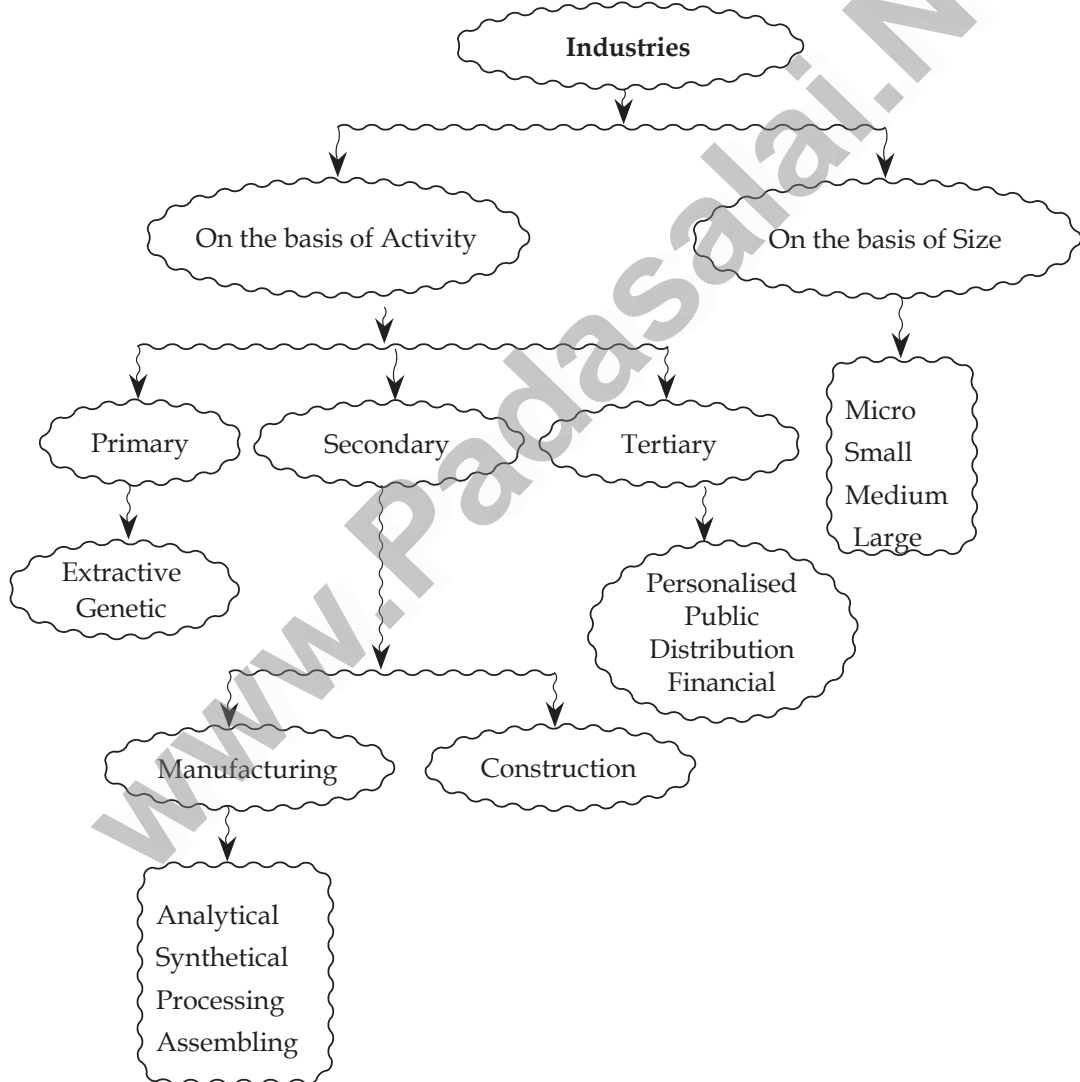
IV. Long answer questions

1. What are the kinds of Secondary Industries?
- Manufacturing Industries:**
- Industries which are connected with the conversion of raw-materials (resources) into finished product [useful goods]
- Analytical Industries:**
- Which analyses and separates different elements from the same materials, and as in the case of oil refinery.
 - (eg) Crude oil, Gas, petrol, Diesel, Kerosene etc)
- Synthetic Industries:**
- Which combines various ingredients into a new product
 - (eg) Polyester - Nylon.
- Processing Industries:**
- Which involves successive stage for manufacturing finished products.
 - (eg) Manufacturing - Cool Drinks, Medicine, Sugar and Paper.
- Assembling Industries:**
- Which assembles different component parts to make new products.
 - (eg) Cycle - Computer - spare parts.

2. Distinguish between Extractive Industries and Genetic Industries: **March-2019**

No	Heading	Extractive Industries	Genetic Industries
1	Meaning	These industries extract or draw out products from natural resources. (water, Soil, etc.)	These industries remain engaged in breeding plant sand animals for their use in further reproduction.
2	Object	For transformed into many other useful goods.	For breeding
3	Examples	Fishing	Fisheries

3. Explain the Various kinds of Industries:



UNIT - II
CHAPTER

4

SOLE PROPRIETORSHIP

PART - I TEXTBOOK EVALUATION

I. Choose the Correct Answer

1. Which is the oldest form of Business organization? **QY-2018 QY-2019**

March-2019 March-2020 Sep-2021 March-2023

- a) Sole Proprietorship
- b) Partnership
- c) Co-operative Society
- d) Company

Ans : a) Sole Proprietorship

2. In which form the owner, establisher and manager is only one? **May-2022**

- a) Joint Enterprise
- b) Government Company
- c) Co-operative Society
- d) Sole Proprietor

Ans : d) Sole Proprietor

3. A Major disadvantage of sole proprietor-ship is _____ **QY-2019**

March-2020 Aug-2022

- a) Limited liability
- b) Unlimited liability
- c) Easy Formation
- d) Quick decision

Ans: b) Unlimited liability

4. From the following which one is Non-corporate form of business? **HY-2018**

- a) Joint stock company
- b) Sole Trading business
- c) Government Company
- d) Co-operatives

Ans : b) Sole Trading business

II. Very Short Answer Question

1. What is Sole Trading business?

- "Sole trader is a type of business unit where a person is solely responsible for providing the capital, for bearing the risk of the enterprise and for the management of business"

- J.L. Hansen

- "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

2. What are the Non-Corporate Enterprises? **Sep-2020**

- Sole Proprietorship
- Partnership
- Joint Hindu Family

3. What are the Corporate Enterprises?

- Joint stock company
- Cooperatives
- Government Organisations

III. Short Answer Question

1. How is it possible to maintain secrecy in Sole Proprietorship?

- Since he or she manages all the affairs of the business, the secrecy can be maintained easily.
- If he or she discloses the business secrets, he or she has to bear the loss.
- So business secrets are well kept.

2. What is Unlimited Liability?

March-2019 Sep-2021

- The liability of the sole trader is unlimited
- If the business properties are not enough to repay the debts, the creditor will recover the personal or private properties of sole trader.

3. Give some examples of Sole trading business

QY-2019

- Small capital → Petty shops ,
Bakery
- Individuals Fashion → Saloon,
Beauty
Parlour
- Limited Risk → Work Shop
- Quick Decision → Doctor,
share Broker

IV. Long Answer Questions

1. Explain the characteristics of Sole trading Business (any 5)

GMQ-2018

June-2019 March-2020 Sep-2020 Sep-2021
May-2022

Ownership by one person:

- This owned by a single person.
- He is the owner of the business and controls the business(Manager)

No Separate entity:

- The business and the owner is one and same
- If the owner dies the business comes to an end
- There is no separate legal entity
- (e.g) Death, Insolvency, Disability etc.

Absence of Government Regulation:

- It is easy to form
- It is easy to close
- No legal formalities [Government Regulations]

Maintenance of Secrecy

- Since he or she manages all the affairs of the business, the secrecy can be maintained easily.
- If he or she disclose the business secrets he or she has to bear the loss.
- So, business secrets are well kept.

Quick Decision [Freedom of Work]

- He is the boss of the business
- He need not consult with others.
- He can take Quick Decision.

Unlimited Liability

- The liability of the sole trader is unlimited.
- If the business properties are not enough to repay the debts the creditors will recover the personal or private properties of the sole trader.

Enjoying Entire Profit

- He works tirelessly for the improvement and expansion of his business and enjoys all the benefits of his hardwork.

2. What are the advantages of Sole Trading Business? (any 5)

QY-2018

March-2020 Sep-2021

Small Capital

- Small capital is an important as well as specific advantage of sole Trade
- He can start business with small capital

Personal Contact with the customers

- He knows each and every customer individually
- So he can supply goods according to their taste and preferences.
- Thus he can cultivate personal relationship with the customers.

GOVT. PUBLIC EXAM - MARCH 2023

Time : 3.00 Hours

Maximum Marks : 90

PART - I

Note : i) Answer All the questions.

ii) Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer. $20 \times 1 = 20$

1. The members in the Hindu undivided family are called _____.
a) Generations b) Karta c) Partners **d) Coparceners**
2. The Board of Directors of a Company is elected by _____.
a) Debenture holders b) Creditors
c) Shareholders (members) d) Debtors
3. ___ buys the goods from the producer and sells it to the retailers.
a) Retailer b) Warehouse-keeper
c) Consumer **d) Wholesaler**
4. Trade and Commerce was common during _____ Dynasty.
a) Pandiya b) Pallava c) Chera d) Chola
5. The first Co-operative Society was started in _____.
a) 1872 b) 1922 c) 1932 **d) 1844**
6. An instrument representing ownership interest in securities of foreign issuer is called _____.
a) A depository receipt b) An ownership receipt
c) An ownership certificate d) None of the above
7. Goods imported for the purpose of re-export to another country is termed as:
a) Entrepot Trade b) Import Trade
c) International Trade d) Export Trade
8. The primary objective of a business is _____.
a) Not making profit b) Special skill
c) Making profit d) None of the above
9. Find out mismatched pair.
a) C 2 B - Monster.com b) B 2 B - Flipkart
c) B 2 G - Alibaba d) C 2 C - OLX
10. Debenture holders are entitled to a fixed rate of _____.
a) Profits **b) Interest** c) Dividend d) None of the above
11. The Headquarters of World Trade Organisation is located at:
a) Geneva b) New York c) Brazil d) London

12. The Reserve Bank of India commenced its operations from April 1 of _____.
a) 1934 b) 1936 c) 1933 **d) 1935**
13. An agreement enforceable by Law is a _____.
a) Approved promise b) Enforceable acceptance
c) Contract d) Accepted offer
14. Transport removes the _____ hindrance.
a) Person b) Time c) Knowledge **d) Place**
15. The year in which income is earned is known as _____.
a) Light year b) Assessment year c) Calendar year **d) Previous year**
16. The oldest form of Business organisation is _____.
a) Co-operative society **b) Sole Proprietorship**
c) Company d) Partnership
17. Investment Limit of a Micro Enterprise under Manufacturing sector does not exceed _____ Lakhs.
a) 25 b) 10 c) 50 d) 20
18. The primary functions of a Commercial Bank does not include _____.
a) Transfer of Funds b) Accepting Deposits
c) Creation of Credit d) Granting loans and advances
19. The statement which discloses a record of transactions between the residents of one country and residents of foreign country:
a) Statement of Receipts and Payments **b) Balance of Payment**
c) Accounting Statement d) Balance of Trade
20. Internal Trade can be classified into _____ categories.
a) Two b) Three c) Five d) Four

PART - II

Answer any seven questions. Question No. 30 is Compulsory.

7 × 2 = 14

21. What is meant by Nallangadi? **Chapter - 1**
22. Who is called a Sole Trader? **Chapter - 4**
23. List any four types of warehouses. **Chapter - 13**
24. What is meant by Business Process Outsourcing (BPO)? **Chapter - 16**
25. Define Corporate Governance. **Chapter - 18**
26. Give any two examples of Micro enterprises. **Chapter - 21**
27. Who is a Middleman? **Chapter - 23**
28. What is World Trade Organisation (WTO)? **Chapter - 27**
29. What is Income Tax? **Chapter - 32**
30. 'S' offers to sell his car for ` 5,00,000 to 'T'. 'T' agrees to buy it. Mention the type of contract and explain. **Chapter - 29**

PART - III

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

7x3=21

- | | |
|--|--------------|
| 31. What do you mean by human activities? Explain. | Chapter - 2 |
| 32. Explain any three characteristics of Hindu Undivided Family (HUF). | Chapter - 5 |
| 33. Who are the persons involved in RBI Administration? | Chapter - 10 |
| 34. What is Charter Party? | Chapter - 14 |
| 35. List out any three kinds of social responsibilities. | Chapter - 17 |
| 36. Classify the sources of Business Finance on the basis of Period. | Chapter - 19 |
| 37. Give three examples of India's important Import and Export items. | Chapter - 22 |
| 38. What are the kinds of reciprocal promise? | Chapter - 30 |
| 39. What are the objectives of Goods and Service Tax (GST)? (Any 3) | Chapter - 33 |
| 40. Write short notes on: | Chapter - 26 |
| i) Document against Payment (D / P) | |
| ii) Document against Acceptance (D / A) | |

PART - IV

Answer all the questions.

7 x 5 = 35

- | | |
|---|--------------|
| 41. a) Compare Industry, Commerce and Trade. | Chapter - 3 |
| (OR) | |
| b) What are the contents of Memorandum of Association? | Chapter - 6 |
| 42. a) Explain any three advantages and three disadvantages of Public Corporations. | Chapter - 9 |
| (OR) | |
| b) What are the Institutional sources of finance for Micro, Small and Medium Enterprises (MSMEs)? | Chapter - 21 |
| 43. a) Explain the various types of banks based on the functions. (Any 5) | Chapter - 11 |
| (OR) | |
| b) Elucidate any five basic concepts of Income Tax. | Chapter - 32 |
| 44. a) What are the differences between Contract and Agreement? | Chapter - 29 |
| (OR) | |
| b) Explain the different key elements of Business Ethics. | Chapter - 18 |
| 45. a) Explain different types of transport. (Any 5) | Chapter - 14 |
| (OR) | |
| b) Write down the functions of International Monetary Fund (IMF). (Any 5) | Chapter - 27 |

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EC IIth COMMERCE

46. a) Distinguish between GDR and ADR. (Any 5) Chapter - 20
(OR)
b) Explain the different types of Retailers. (Any 5) Chapter - 24
47. a) Explain the different types of Foreign Trade. Chapter - 22
(OR)
b) Explain any five special features of Balance of Payments. Chapter - 28



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