

2023-24-XI COMMERCE THREE MARKS**CHAPTER-1:****1. Explain the meaning of the term "Vanigam".**

- The word vanigam or vanipam would have had a Dravidian origin.
- The early Tamils produced their products and goods in their lands and bartered their surplus and that is how trade came into existence.
- The word 'Vanigam' has been widely used in sangam literature like Purananuru and Thirukkural.

2. State the meaning of Maruvurappakkam and Pattinappakkam.

- Big cities like Poompuhar had the 'Maruvurappakkam' (inland town) and 'Pattinappakkam' (coastal town), had market and bazaars where many merchants met one another for the purpose of selling or buying different kinds of commodities and food stuff.

3. What are the ports developed by Pandiya kingdom?

- Pandiyas developed Korkai, Saliyur, Kayal, Marungaur pattinam and Kumari for foreign trade.

CHAPTER-2:**1. What do you mean by human activities? Explain.**

Human activity is an activity performed by a human being to meet his/her needs and Wants or may be for personal satisfaction.

I. Economic Activities: Activities undertaken with the object of earning money

Eg; Selling by retailers

II. Non-Economic Activities: Activities undertaken to satisfy social and psychological needs

Eg: Cooking food for family

2. Write short notes on: a) Business b) Profession

Business: It 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.

Profession: professions are those occupations which involve rendering of personal services of a special and expert nature. Eg Doctor, Lawyer.

3. Explain the classification of business**1. Activities on the Basis of Size :**

i.Small ii. Large

2. Activities on the Basis of Ownership:

- a. Private Enterprises
- b. Public Enterprises
- c. Joint Enterprises

3. Activities on the Basis of Function

A. Industry B.Commerce

CHAPTER-3:**1. What do you mean by tertiary industries?**

- They do not produce goods. These industries produce utility services and sell them at a profit.
- They help trade, industry and commerce. This term also includes auxiliaries to trade like banking, insurance, warehouse, advertisement etc.

2. Write a short note on Transportation

The medium which moves men and materials from one place to another is called transport.

CHAPTER-4:**1. How is it possible to maintain secrecy in sole proprietorship?**

- ✓ He/she manages all the affairs of the business, the secrecy can be maintained easily.
- ✓ Since the individual is himself as a owner, he need not consult anybody else.

2. What is 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.

3. Give some examples of Sole trading business.

*Fruit sellers *Retail trade *Handicrafts *Tailoring shops *Beauty parlour

CHAPTER-5:**1. Write any 3 features of HUF.****i. Governed by Hindu Law:**

Joint Hindu Family is controlled and managed under the Hindu law.

ii. Minor also a co-parcener:

Even a new born baby can be a co-parcener.

iii. Management:

Controlled and managed by one person who is known as 'Karta'

2. What is the minimum and maximum number of members in the partnership concern?

Minimum number of persons required to form a partnership is two. Maximum is restricted to 10 in the case of banking business and to 20 in all other cases.

3. What is the meaning of Partnership Deed?

Partnership agreement need not necessarily be in writing, it is important to have a written agreement in order to avoid misunderstandings, This agreement called as partnership deed.

CHAPTER-6:**1. What are the advantages of Companies? (Any 3)****i. Large Capital:**

A company can secure large capital compared to a sole trader or partnership

ii. Perpetual Succession:

Members may go or new members may come in, but the company continues to exist.

iii. Promotion of Saving and Investment Habit:

Joint stock company system encourages people to save.

2. What is meant by Government Company?

- "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.

3. What is meant by Foreign Company?

- A foreign company means a company which is incorporated in a country outside India under the law of that country.
- After the establishment of business in India, the necessary documents must be filed with the Registrar of Companies within 30 days from the date of establishment.

CHAPTER-7:**1. What are the disadvantages of Co operatives ? (Any 3)****i. Limited funds**

Co-operative societies have limited membership and are promoted by the weaker sections.

ii. Over reliance on Government funds

Their sources of financing are limited and they depend on government funds.

iii. Government intervention

Co-operative societies are subject to excessive government regulation which affects their autonomy and flexibility.

2. Write a note on Housing cooperatives.

These cooperative housing societies are meant to provide residential accommodation to their members on ownership basis or on rent. People who intend to build houses of their own join together and form housing societies.

3. What is meant by Producers cooperative society?

- ❖ Producer cooperatives are established and operated by producers.

- ❖ Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.

CHAPTER-8:

1. Name the type of business enterprises which operates in more than one country.

Nokia, Samsung, Infosys, TATA, Ford, Hyundai.

2. Write any three Indian MNC's.

BAJAJ, TVS, HERO, TATA, MICROMAX.

CHAPTER-9:

1. What is meant by Departmental undertakings.

- It is the oldest form of organization.
- No distinction was made between the routine functions of the Government.
- A public enterprise is run as a separate full-fledged ministry.
- For example, Indian Railways, Post and Telegraph services, All India Radio, Doordarshan.

2. What is meant by Public Corporations?

It is form of public enterprise which is created as an autonomous unit, by a special Act of the Parliament. It is created by a Statute. It is also known as a statutory corporation.

Examples: Life Insurance Corporation of India, the Indian Airlines

3. What is meant by Government Company?

"Any company in which not less than 51% of the paid-up share capital is held by the Central Government or State Government or partly by the Central Government and partly by State Governments.

Examples: Food Corporation of India, ONGC.

CHAPTER-10:

1. What are the functions of RBI? (any 3)

1. India's Representative in World Financial Institutions: RBI represents Government of India in International Bank for Reconstruction and Development
2. Monopoly of Note Issue:
The RBI is the sole authority for the printing and issue of all currency notes in India except one rupee note.
3. Banker's Bank:
The RBI maintains the current accounts of all commercial banks in the country.

2. Explain the origin of RBI.

- ❖ In 1926 the Royal Commission on Indian Currency and Finance made recommendation to create a central bank.
- ❖ As a result, the RBI Act 1934 was passed. RBI launched in operations from April 1, 1935.
- ❖ RBI was established with a share capital of ₹5 crores divided into shares of ₹100 each fully paid up.
- ❖ After independence, the Government of India passed Reserve Bank Act, 1948.
- ❖ From January 1, 1949, RBI started functioning as a government owned central bank of India.

3. Who are the persons involved in RBI administration?

The 21 member board is appointed by the Government of India. It consists of;

- a. One governor and four deputy governors appointed for a period of four years,
- b. Ten directors from various fields
- c. Two Government officials
- d. Four directors - one each from local boards.

CHAPTER-11:

1. Write a short note on Local Area Banks, Give two examples.

- ✓ It was introduced by the RBI in August 1996.
- ✓ LABs are small private sector banks established in rural and semi-urban areas.

- ✓ Each bank serves two or three adjoining districts only.
- ✓ Their main objective is to mobilise rural savings (accept deposits) and invest them in the same areas.

Examples:

- i. Coastal Local Area Bank, Vijayawada, Andhra Pradesh.

2. What are the objectives involved in Regional Rural Banks?

- ✓ Their objective is to develop rural economy and play supplementary role to cooperative societies.
- ✓ They mobilise deposits from the rural public and provide finance to rural artisans, small entrepreneurs and farmers and try to avoid their dependency on money lenders.
- ✓ The RRBs were formed under the Regional Rural Bank Act 1976, jointly by the Central Government, State Government, and a sponsor bank.

Examples:

- i. Pallavan Grama Bank, Salem, Tamil Nadu ii. Pandian Grama Bank, Thirumangalam, Madurai District, Tamil Nadu

CHAPTER-12:

1. What is E-Banking?

Internet banking refers to performing banking operations through internet, using computers and mobile phone. This can be done by a customer from home or office or any part of the world and all 24 hours of 7 days.

2. Write a short note on - RTGS.

- * RTGS - Real Time Gross Settlement Systems.
- * It was launched by the RBI in 2013. The transactions are settled on real time basis.
- * RTGS facility is available between 9.00 am to 4.30 pm on weekdays and up to 2.00 pm on Saturdays.
- * Gross settlement means the transaction is settled between one bank and another bank without adding any other transactions.
- * Minimum limit for RTGS transaction is 2 lakhs.

3. Explain - NEFT.

- * This was launched by the RBI in 2005.
- * Under this electronic funds transfer system, bulk transfer of transactions are settled in batches during specific timings across India.
- * Transactions do not occur under real time basis.
- * 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.

CHAPTER-13:

1. Differentiate the warehouse warrant from the warehouse receipt.

SL.NO	Warehouse Warrant	Warehouse Receipt
1	It is a document of title of goods	It is not a document of title of goods
2	It can be negotiated or transferred to others.	It cannot be transferred to others
3	It can be given a collateral security for getting financial assistance	It cannot be given as collateral security.

2. Comment on cold storage warehouse.

- ✓ Goods are transported in refrigerated containers and stored in refrigerated warehouses.
- ✓ 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.

CHAPTER-14:**1. What is bill of lading?**

- ✓ Bill of Lading is a document containing the terms and conditions of the contract of carriage.
- ✓ It is issued by the shipping company and signed by the captain of the ship.
- ✓ It acknowledges the receipt of the goods described in it on board the ship.
- ✓ It also serves as an official receipt of goods.
- ✓ It is a document of title of goods.

2. What is charter party?

- ✓ When goods are to be consigned in large quantity, it is advantageous to hire the whole or substantial part of the ship.
- ✓ The document through which this contract is made is known as 'Charter Party' may also be known as 'Voyage Charter' or 'Time Charter'.
- ✓ The person who hires the ship is known as 'Charter'.

CHAPTER-15:**1. Define Insurance.**

"Insurance is a plan by themselves which large number of people associate and transfer to the shoulders of all, risk that attacks to individuals"

- According to John Merge

2. Give the meaning of crop insurance

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

3. Write a note on IRDAI

- ✓ IRDAI – Insurance Regulatory Development and Authority of India is the statutory, independent and apex body that governs, regulates and supervises the Insurance Industry in India.
- ✓ It was constituted in the year 2000 by Parliament of India Act called IRDAI Act, 1999.
- ✓ Presently IRDAI headquarters is in Hyderabad.

CHAPTER-16:**1. What are the types of franchising?**

- a) **Product/ trade name franchising:** In this type, the franchisee exclusively deals with a manufacture's product. Examples include Kidzee, French Loaf outlets, Bharat Petroleum bunks, Patanjali products, etc.
- b) **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 are McDonald's, Pizza Hut, KFC, Hot breads, etc.,

2. List the steps in factoring process.

- a) The firm enters into a factoring arrangement with a factor, which is generally a financial institution, for invoice purchasing
- b) Whenever goods are sold on credit basis, an invoice is raised and a copy of the same is sent to the factor.
- c) The debt amount due to the firm is transferred to the factor through assignment and the same is intimated to the customer.
- d) On the due date, the amount is collected by the factor from the customer.
- e) After retaining the service fees, the remaining amount is sent to the firm by the factor

3. What is the impact of e-commerce on buyers?

- ✓ They could buy the products/services round the clock from anywhere in world
- ✓ Electronic and software products could be downloaded immediately after purchase through e – commerce mode
- ✓ Individuals could sell their used products through e – commerce mode with relative ease.

- ✓ Customers could participate in e Auction in a free and fair manner.

CHAPTER-17:

1. Define the Concept of Social Responsibility?

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

– Howard R.

2. What are the social responsibility of business towards owners.

- Run the business efficiently.
- Proper utilisation of capital and other resources.
- Growth and appreciation of capital.
- Regular and fair return on capital invested.

CHAPTER-18:

1. What do you mean by the concept of business ethics?

Business ethics may be defined as a set of moral standards to be followed by owners, managers and business people. These standards determine the conduct and behaviour of business people. Business ethics reflects the conduct in the context of business.

2. Why MNC's in India? (any 3)

- India has a huge market
- It is one of the fastest growing economies in the world.
- Favorable policies of the government towards FDI.

CHAPTER-19:

1. Define Business finance.

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

– R.C. Osborn

2. What is pledge?

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

3. Classify the sources of business finance on the basis of period..

Long Term Finance

- Shares
- Debentures
- Retained Earnings
- Public Deposits
- Long term loan from commercial banks

Short Term Finance

- Loans and Advances
- Bank Overdraft
- Clean Loan
- Trade Credit
- Pledge

CHAPTER-20:

1. Explain the importance of international finance.

- ❖ International finance helps in calculating exchange rates of various currencies of nations and the relative worth of each and every nation in terms thereof.
- ❖ It helps in comparing the inflation rates and getting an idea about investing in international debt securities.
- ❖ It helps in ascertaining the economic status of the various countries and in judging the foreign market.

2. What are Foreign Currency Convertible Bonds?

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.

3. Explain any three disadvantages of FDI

- 1. Exploiting Natural Resources:** The FDI Companies deplete natural resources like water, forest, mines etc.
- 2. Exploiting Cheap Labour:** Foreign enterprises employ cheap labour force at a lower pay in developing countries.
- 3. Not Transferring Technology:** Some foreign enterprises do not transfer the technology to developing countries. They mostly transfer second hand technology to the host country.

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