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QUARTERLY EXAMINATION- 2023

CLASS : 11

COMMERCE

TIME : 3.00 hrs

PART - I

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MARKS : 90

I Choose the correct answer.

20 X 1 = 20

- Hindrance of place is removed by
a) Transport b) Warehouse c) Salesman d) Insurance
- Occupation of a Doctor is
a) Employment b) Business c) Profession d) Sole proprietors
- Normally high level risk involved in
a) Industry b) Commerce c) Trade d) All the above
- A major disadvantage of sole proprietorship is
a) Limited Liability b) Unlimited liability
c) Easy formation d) Quick decision
- The firm of Hindu undivided family is managed by whom?
a) Owner b) Karta c) Manager d) Partner
- Table A of the companies Act is a
a) Model minutes book b) Model form Balance c) Model of AOA d) Model of MOA
- Rochdale society of equitable pioneers was started by
a) Robert Owen b) H.C. Calvert c) Talmaki d) Lambert
- Coca - cola company is an example of
a) MNC b) Government company c) Joint venture d) Public company
- The oldest form of organisation of public sector
a) Public sector undertaking b) Departmental undertaking
c) Multi-National corporation d) Statutory corporation
- The Central Bank of India is
a) PNB b) SBI c) ICICI d) RBI
- The Local Area Banks are promoting
a) Rural savings b) Business savings
c) Industrial development d) Agricultural development
- Electronic banking can be done through
a) Computers b) Mobile phones c) ATM d) All the above
- warehouses are used for storing perishable goods live fruits, vegetable etc
a) Banded b) Private c) Cold storage d) Co-operative
- Which is the fastest means of transport?
a) Rail b) Road c) Sea d) Air
- is not a type of general insurance
a) Marine insurance b) Life insurance c) Fidelity insurance d) Fire insurance
- Buying and selling of goods through electronic network is known as
a) E - commerce b) Internet c) Website d) Trade
- The main benefit of logistics is
a) Productivity b) Cost reduction c) Skill d) Units
- Which type of responsibility gives the benefit to the society out of its profits earned?
a) Legal b) Ethical c) Moral d) Economic

QUARTERLY EXAMINATION – ANSWER KEY – 2023-2024**XI STANDARD – COMMERCE – ENGLISH MEDIUM**

Time Allowed : 2.30 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer **20 x 1 = 20**

1	A	Transport	11	A	Rural Savings
2	C	Profession	12	D	All the above
3	A	Industry	13	C	Cold Storage
4	B	Unlimited Liability	14	D	Air
5	B	Karta	15	B	Life Insurance
6	C	Model of AOA	16	C	Website
7	A	Robert Owen	17	B	Cost Reduction
8	A	MNC	18	C	Moral
9	B	Departmental Undertaking	19	C	Sustainability
10	D	RBI	20	D	All of them

II. Answer any seven questions. Question No.30 is compulsory. **7 x 2 = 14**

21) Barter System:

- Goods were exchanged for goods prior to invention of money.

22) Commerce – Definition:

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

23) Two schools of Hindu Law:

1. Dayabhaga which is prevalent in Bengal and Assam.
2. Mitakshara prevalent in the rest of the country.

24) Co-operative organization – Meaning:

- * A co-operative is a form of business organization which is owned and controlled by the people who use its products, supplies or services.

25) Examples of Departmental Undertaking:

- 1) All India Radio
- 2) Doordarshan

26) Foreign Banks

- ★ Banks which have registered office in a foreign country and branches in India are called foreign banks.
- ★ **Examples:**
 - ♣ Bank of America - The USA
 - ♣ Barclays Bank - The UK
 - ♣ Deutsche Bank – Germany

27) Five important types of policies:

1. Whole Life Policy
2. Endowment Life Assurance Policy
3. Joint Life Policy (JLP)
4. Annuity Policy
5. Children's Endowment Policy

28) Various types of Warehouses.

- 1) Private Warehouse
- 2) Government Warehouses
- 3) Public Warehouses
- 4) Co-operative Warehouses
- 5) General Warehouses

29) Logistics - Meaning

- Logistics can be viewed as a logical extension of transportation and related areas to achieve an efficient and effective goods distribution system.

30) Social Power – Meaning:

- * Businessmen have considerable social power.
- * Their decisions and actions affect the lives and fortunes of the society.
- * Businessmen should assume social obligations commensurate with their social power.

III. Answer any seven questions. Question No.40 is compulsory. 7 x 3 = 21**31) Human activities - Explanation:**

- **Human Activities - Meaning:**

An activity performed by a human being to meet his/her needs and wants or may be for personal satisfaction. It can be categorized into 1) Economic and 2) Non-economic Activities.

1. **Economic Activities:**

Activities undertaken with the object of earning money are called economic activities.

2. **Non-Economic Activities:**

Activities undertaken to satisfy social and psychological needs are called non-economic activities.

32) Some examples of Sole trading business.

- Fruit sellers *Retail trade
- Handicrafts *Tailoring shops
- Beauty parlor

33) Government Company:

- a) A public enterprises incorporated under the Indian Companies Act, 1956 is called Govt. Company.
- b) These companies are owned and managed by the Central or the State Government.
- c) 51% of the paid-up share capital of the company should be held by Central of State Governments.

34) List of Indian Multinational Companies

Company	Headquarter
Micromax Informatics	Gurgaon
Hero Motocorp	New Delhi
Bajaj	Pune

35) Functions of RBI:

- ♣ Leadership and Supervisory Functions
- ♣ Traditional Functions and
- ♣ Promotional Functions.

36) E-Banking?

- ♣ Banking through internet is called E-Internet banking.
- ♣ It can also be called as electronic banking.
- ♣ To performing banking operation through internet by using computer and mobilephone.
- ♣ Money banks have their own websites.

37) Bill of Lading – Meaning:

- 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.

38) Types of Franchising:

- Product/ trade name franchising:
 - ✓ In this type, the franchisee exclusively deals with a manufacture's product.
 - ✓ Examples: Kidzee, French Loaf outlets, Bharat Petroleum bunks, Patanjali products, etc.

- **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.,

39) The reasons for so many MNC's in Indian are as follows:

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

40) 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.

IV. Answer any seven questions. Question No.30 is compulsory. 7 x 5 = 35

41) .a. Hindrances of Commerce:

1. **Hindrance of place**

- i. Production takes place in one centre and consumers are spread throughout the country and world.
- ii. Rail, air, sea and land transports bring the products to the place of consumer.

2. **Hindrance of time**

- i. Consumers want products whenever they have money, time and willingness to buy.
- ii. Goods are produced in anticipation of such different regional centers.
- iii. So that they can be distributed at the right time to the consumers.

3. **Hindrance of risk of loss**

- i. Fire, theft, floods and accidents may bring huge loss to the business.
- ii. Insurance companies serve to cover the risk of such losses.

4. **Hindrance of knowledge**

- i. Advertising and communication help in announcing the arrival of new products and their uses to the people.

5. **Hindrance of finance**

- i. Banks and other financial institutions provide funds and help in transfer of funds to enable the functioning of business smoothly.

[OR]

41. b. Need for Social Responsibility:

Business is expected to be responsible to society due to the following reasons

1. Self-Interest

- ★ A business unit can sustain in the market for a longer period only by assuming some social obligations.
- ★ Normally businessmen recognise that they can succeed better by fulfilling the demands and aspirations of society.

2. Creation of Society

- ★ Business is a creation of society and uses the resources of society. Therefore, it should fulfil its obligations to society.

3. Social Power

- ★ Businessmen have considerable social power. Their decisions and actions affect the lives and fortunes of the society.

4. Image in the Society

- ★ A business can improve its image in public by assuming social obligations. Good relations with workers, consumers and suppliers help in the success of business.

5. Public Awareness

- ★ Now-a-days consumers and workers are well informed about their rights. Consumers expect better quality products at reasonable prices.

42) a. Comparison of business with profession and employment :

Sl. NO	Transaction	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 essential	Education and trainings in specialized fields	Minimum qualification is essential
3	Capital	Capital required as per size of the firm	Limited capital necessary for establishment	No capital required
4	Risk	Profits are uncertain and irregular	Fee is regular and certain, never negative	Fixed and regular pay, no risk
5	Transfer of interest	Transfer of interest is possible with some formalities	Not possible	Not transferable

[OR]

42.b. Advantages of Franchising**a) Reduced risk:**

- ★ The franchisee will acquire the right of running an already established business, thus eliminating the risk of starting a new business.

b) Business expansion:

- Franchising provides an opportunity to expand business at regional, national and global levels without incurring additional expenditure.
- Thus rapid growth of franchisor's business is facilitated.

c) Cost of advertising:

- ♣ The cost of advertising for the franchisor will be reduced since this cost will be shared by the franchisee.
- ♣ Moreover, it enables the franchisor to reap the benefits of increased visibility across regional and national boundaries.

d) Operational support:

- ★ The franchisee is provided assistance in not only obtaining finance, but also in deciding business location, decor /design, staff training, and handling day to day operations.

43) a. Short notes on:**a. Analytical industry:**

- ✎ Analytical Industry which analyses and separates different elements from the same materials, as in the case of oil refinery.

b. Genetic Industry:

- ✎ These industries remain engaged in breeding plants and animals for their use in further reproduction.
- ✎ Example: The seeds, nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary etc

c. Construction Industry:

- ✎ These industries are involved in the construction of building, dams, bridges, roads, as well as tunnels and canals.

[OR]

43.b. Various types of Insurance

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.

★ Life insurance policies are of many kinds. Some of them are given below:

- 1) Whole Life Policy
- 2) Joint Life Policy (JLP)
- 3) Annuity 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

* 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.

* 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

* In mid 80's, most of the hospitals in India were government owned and treatment was free of cost.

* Presently the health insurance exists primarily in the form of 'Mediclaime policy'.

vi). Miscellaneous Insurance

- ★ Motor Vehicle Insurance
- ★ Burglary Insurance
- ★ Cattle Insurance
- ★ Crop Insurance
- ★ Sports Insurance

44) a. Advantages of Sole Trading Business:**i) Easy Formation:**

- ✓ No legal formalities are required to initiate a sole trading concern.
- ✓ Any person capable of entering into a contract can start it, provided he has the necessary resources for it.

ii) Incentive to Work hard:

- ✓ There is a direct relationship between effort and reward.
- ✓ The fact that the entire profit can be taken by himself without sharing with anybody else induces him to work ceaselessly.

iii) Small Capital:

- ✓ Small capital is an important as well as specific advantage of sole proprietorship.
- ✓ Sole proprietor can start business with small capital.

iv) Credit Standing:

- ✓ Since his private properties are held liable for satisfying business debts.
- ✓ He can get more financial assistance from others

v) Flexibility:

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

[OR]

44.b. Types of transport:

- ✱ Transport system can be classified in different ways depending on the types of transport, the ways and means of transport and also the motive power used in transport.

A. Surface Transport

- Transport of people and goods by land vehicles is known as Surface transport.
- It is also called as 'Land Transport'.
- Pack Animals - horse, mule, donkey camel, and elephant etc.,
- Bullock Carts
- Road Transport
- Motor Lorries and Buses
- Tramways
- Railway Transport

B. Water Transport

- "Water is a free gift of nature".
- Water transport is the process of moving people, goods etc. by barge, boat, ship or sailboat over a sea, ocean, lake, canal, river, etc.,
- Water Transports are of two types
 1. Inland Waterways
 2. Ocean Waterways

C. Air Transport

- Air transport is the fastest and the costliest mode of transport.
- Commercial air transport is now one of the most prominent modes of overseas transport.
- The modern air transport has its growth with the invention of Airplane by Wright Brothers.
- Air transport is a form of travel in vehicles such as helicopters, hot air balloons, blimps, gliders, hang gliding, parachuting, airplanes, jets or anything else that can sustain flight.

45) a. Contents of Partnership Deed:

- ▲ Name of the Firm
- ▲ Nature of the proposed business
- ▲ Duration of partnership
- ▲ Capital contribution
- ▲ Withdrawal from the firm
- ▲ Interest on capital
- ▲ Loan from partners
- ▲ Retirement
- ▲ Goodwill valuation

[OR]

45. b) Types of Warehouses:

1. Private Warehouses

- It's built and owned by private business enterprises in order to store the products produced by them.
- They are exclusively for their use and are not meant for other manufacturing or business units.

2. Government Warehouses

- They are created and operated by the Government to implement the programmes of the Government.
- Their services mostly available to government only.
- A detailed study on all the above warehouses is given at the end of this chapter.

3. Public Warehouse

- ✱ It is open for public at large.
- ✱ They may be owned by an individual or some agency.
- ✱ These warehouses operate as per the rules and regulations formed by the Government.

4. Co-operative Warehouses

- There are warehouses owned and managed by the marketing co-operative societies or agricultural co-operative societies.
- They are set up to provide warehousing facilities to their members.

5. General Warehouses

- They are ordinary warehouses which are useful for storing most of the dry food grains, fertilizers.
- Protective measures against rat, insects, etc. are undertaken by them.

46) a. Principles of Co-operatives:

i. Voluntary and Open Membership:

- Cooperatives are voluntary organizations, open to all people able to use its services without gender, social, racial, political or religious discrimination.

ii. Democratic Member:

- Control Cooperatives are democratic organizations controlled by their members.
- Those who buy the goods or use the services of the cooperative.
- Who actively participate in setting policies and making decisions.

iii. Member's Economic Participation:

- Members contribute equally to, and democratically control, the capital of the cooperative.
- This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

iv. Autonomy and Independence:

- ❖ Cooperatives are autonomous, self-help organizations controlled by their members.
- ❖ If the co-operative organization enters into agreements with other organizations or raises capital from external sources.

v. “Education, Training, and Information”

- Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative.
- Members also inform the general public about the nature and benefits of cooperatives.

[OR]

46.b. Various primary functions performed by the commercial banks.

The primary functions of a commercial bank are of three types. They are:

- *Accepting Deposits*
- *Granting Loans and Advances.*
- *Creation of Credit*

I. Accepting Deposits

- ➔ In these days banks compete with each other to attract customers by adding facilities.
- ➔ Broadly deposit accounts can be classified into demand deposits and time deposits.

A. Demand Deposits

These deposits are repayable on demand on any day.

- ✱ **Savings Deposits**
- ✱ **Current Deposits**

B. Time Deposits

They include fixed deposits and recurring deposits which are repayable after a period.

- ♣ **Fixed Deposits (FD)**
- ♣ **Recurring Deposits (RD)**

II. Granting Loans and Advances

- ⊙ It is lending money in order to earn interest income.
- ⊙ Banks provide specific sums as loans which are repayable along with interest.
- ⊙ But both terms are used interchangeably.

i). Advances

- ⤴ **Overdraft**
- ⤴ **Cash Credit**
- ⤴ **Discounting of Bills**

ii). Loans

Generally commercial banks provide the following loans.

- ➔ **Housing Loan**
- ➔ **Consumer Loans**
- ➔ **Vehicle Loans**
- ➔ **Educational Loan**
- ➔ **Jewel Loan**

III. Creation of Credit

- ✱ Credit money of commercial banks is far greater in volume than the currency money.
- ✱ The volume, the purposes and the sector to which this credit money is to be channelized.

47) a. Advantages of MNC's:

Advantages of MNCs:

- Low Cost Labour
 - ✎ MNC set up their facilities in low cost countries and produce goods/service at cost.
 - ✎ It gains cost advantage and sells its products and services of good quality at low cost.
- 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.
- 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.
- 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.
- Technical Development
 - ✎ MNCs carry the advantages of technical development to 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.

[OR]

47.b. Advantages of Departmental undertaking:

1. Easy Formation:

- It is easy to set up a departmental undertaking.
- The departmental undertaking is created by an administrative decision of the Government, involving no legal formalities for its formation.

2. Direct and Control of Parliament or State Legislature:

- The departmental undertaking is directly responsible to the Parliament or the State legislature through its overall head i.e. the minister concerned.

3. Secrecy Maintained:

- Strategic industries like defense and atomic power cannot be better managed other than government departments.
- Department undertakings can maintain secrecy in their working.

4. Lesser Burden of Tax on Public:

- Earnings of departmental undertaking are entirely paid into Government treasury, resulting in lesser tax burden on the public.

5. Instrument of Social Change:

- Government can promote economic and social justice through departmental undertakings.

***** All the Best *****