



Ramakrishna Mission Vid. Matric. Hr. Sec. School

Answer key

Std: XI Subject: COMMERCE

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COMMON HALF YEARLY EXAMINATION - 2023-24

COMMERCE

PART - I

I. CHOOSE THE CORRECT ANSWER:-

1	c	Profession
2	a	Industry.
3	c	Model of AOA.
4.	b	Multinational company.
5.	d	RBI
6.	c	Cold storage.
7.	a	Transport.
8.	c	Reasonable price.
9.	c	Ethics.
10.	d	The USA.
11.	b	Group corpus fund.
12.	a	Trade.
13.	a	Small.
14.	b	Bill of Lading.

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15.	c	1.1.1995.
16.	b	Void contract.
17.	d	All of the above.
18.	b	previous year.
19.	a	Integrated Goods and services Tax.
20.	c	1999.

PART - II

7 X 2 = 14

Note: Answer any 7 questions. Question No. 30 is compulsory.

21. Business :-

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.

(or)

According to James Stephenson Business refers to Economic activities performed for earning profits.

22. Corporate Enterprises :-

- * Government Enterprise.
- * Private company.
- * Co-operative company.

23. Foreign Banks :-

* Banks which have registered office in a foreign country and branches in India are called Foreign banks.

24. Two disadvantages of Franchising :-

- * Franchising provides an opportunity to expand business.
- * Eliminating the risk of starting a new business.
- * Franchising Fees.
- * Lack of freedom.
- * Danger of image tarnishing.

25. Corporate Governance :-

* Corporate governance is about promoting fairness, transparency and accountability.

26. Depository Receipt :-

A depository receipt is a negotiable financial instrument issued by a bank to represent a foreign company's equity shares or securities.

27. Entrepot trade :-

* Importing of goods from one country and exporting the same to foreign countries.

* It is also known as 'Re-export trade'.

28. Contract :-

* A "contract" is an agreement enforceable by law.

* The agreements not enforceable by law are not contracts.

29. Assessment year :-

* The year in which tax is paid is called the assessment year.

* It normally consists of a period of 12 months commencing on 1st April every year and ending on 31st March.

of the following year.

30. CASCO Insurance :-

- * The motor casco is a Voluntary Insurance.
- * It covers the motor vehicle against various risks such as Fire, natural disaster, theft of the motor vehicle or the equipment installed there in a breakdown as a result of collision with another vehicle or object on the road etc.

PART - III

7x3 = 21

Note: Answer any 7 questions. Questions NO. 40 is compulsory.

31. 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.

any-3
points

32. The meaning of partnership deed :-

* A partnership firm can be formed through an agreement among two or more persons.

* In India the agreement may be oral or writing.

* Partnership agreement is also known as partnership deed.

33. The origin of RBI :-

* As a result, the RBI Act 1934 was passed.

* RBI launched in operations from April 1, 1935.

* 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.

34. cold storage warehouse :-

* Goods are transported in refrigerated containers and stored in refrigerated warehouse.

* These warehouse 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. Three characteristics of wholesalers :-

* wholesalers buy goods directly from producers or manufacturers.

* They need large amount of capital to be invested in his business.

* They generally provides credit facility to retailers.

36. contents of indents :-

* Quantity of goods sent.

* Design of goods.

* price.

* Mode of shipment.

* Period of delivery.

* Mode of payment.

37. Perform the contract :-

promisor himself

Agent.

Representations.

Third persons.

Joint promisors.

Time and place of performance of promises.

38. Five heads of Income:-

- * Income from 'salaries' (section 15-17)
- * Income from " (House Property) section (22-27)
- * Income from 'profit and Gains of Business or profession' (section 28-44)
- * Income from 'capital Gains' (Section 45-55)
- * Income from 'other sources' (section 56-59)

39. Three demerits of GST:-

- * There is no major reduction in the number of tax layers.
- # A number of retail products currently have only four percent tax on them.
- * After GST, garments and clothes could become more expensive.

40. The types of Bank Deposits:-

- * Savings Bank Account.
- * current Deposit Account.
- * Fixed Deposit Account.
- * Recurring deposit Account.

PART - IV

7X5 = 35

Note: Answer all the questions:-41
a.The constraints in Barter system:-# Lack of double coincidence of wants:-

unless two persons who have surplus have the demand for the goods possessed by each other, Barter could not materialize.

Non-existence of common measure of value:-

It was difficult to compare the values of all articles in the absence of an acceptable medium of exchange.

Lack of direct contact between producer and consumers:-

It was not possible for buyers and sellers to meet face to face in many contexts for exchanging the commodities for commodities.

This hindered the process of barter in all practical sense.

Lack of surplus stock:-

Absence of surplus stock was one of the impediments in barter system. If the buyers and sellers do not have surplus then no barter was possible,

P.T.O

41

b.

Damages and what are its types:-

- # Damages are a monetary compensation awarded by the court to the injured party for the loss or injury suffered by him.
- # As per contract one party can claim damages if other party breach the contract.
- # The main purpose of awarding the damages is to make good the loss suffered by him.
- # It is known as doctrine of restitution.
- # There are mainly four types of damages, such as.
 - * ordinary damages.
 - * Special damages.
 - * Exemplary damages.
 - * Nominal damages.

42
9.

The advantages of co-operative society :-

(i) Voluntary organization :-

The membership of a co-operative society is open to all.

Any person with common interest can become a member.

The membership fee is kept low.

(ii) Easy Formation :-

co-operatives can be formed much easily when compared to a company.

Any 25 members who have attained majority can join together for forming a co-operative society.

(iii) Democracy :-

A co-operative society is run on the principle of 'one man one vote'.

It implies that all members have equal rights in managing.

(iv) Limited Liability:-

* The Liability of the members in a co-operative Society is limited to the extent of their capital contribution.

* They cannot be personally held liable for the debts of the Society.

(v) Each for all and all for each:-

* co-operative societies are formed on the basis of self help and mutual help.

* therefore members contribute their efforts to promote their common welfare.

42
b.

S.NO	Basis	Direct Tax	Indirect Tax
1.	Burden	Tax burden is progressive on people	Tax burden is regressive.
2.	Evasion	Tax evasion is possible	Tax evasion is more difficult.
3.	Inflation	Direct tax helps in reducing the inflation	Indirect tax contributes to inflation.
4.	Shiftability	cannot be shifted to others.	can be shifted to others.
5.	Examples	Income tax, wealth tax	GST, Excise duty,
6.	Meaning	Income tax is direct tax	GST is indirect tax.

43
9.

The Features of public corporations :-

1. special statute :-

A public corporation is created by a special Act of the parliament or the legislature.

2. separate Legal Entity :-

* A public corporation is a separate legal entity with perpetual succession and common seal.

3. capital provided by the Government :-

The capital of a public corporation is provided by the government or by agencies controlled by the government.

4. Financial Autonomy :-

* A public corporation enjoys financial autonomy.

* It prepares its own budget.

5. Management by Board of Directors :-

Its management is vested in a Board of Directors, appointed or nominated by the government.

43
b.

The kinds of sources of short term Finance:-

1. Bank overdraft:-

It refers to an arrangement whereby the bank allows the customers.

To overdraw the required amount from its current deposit account within a specified limit.

2. Trade credit:-

Trade credit is very simple and convenient method of raising short term finance.

3. Mortgage:-

This is a type of loan taken from the bank by lodging with the banker title deeds of immovable assets like land and building.

4. Loans against the securities:-

Banks accept various types of securities like Fixed deposit receipt, book debts, Insurance policies, Supply bills, Shares, debentures, bonds of company, document of title to the goods and soon.

5. Clean Loan:-

Banks provide clean loan is loan given without any security or with personal security.

44

9.

Secondary Functions of Commercial Banks :-

Apart from the basic or primary functions commercial banks render other services which are known as secondary functions.

These services can be broadly classified into Agency services and Utility services.

I. Agency Functions :-

Banks act as agents of customers and provide certain services. They are called Agency Functions which are as follows :-

- # Transfer of funds.
- # collection and payment of cheques.
- # conduct share market transactions.

II. General Utility Functions :-

In addition to primary, secondary and agency functions, commercial banks offer some services for the general welfare of the customers.

- # Safety Lockers.
- # Letter of credit
- # Travelers cheques.
- # Gift cheques.
- # Reference services.

44

b.

Balance of Payment and Balance of Trade :-

S.NO	Basis	Balance of Payment	Balance of Trade.
1	Meaning	It is a systematic record of all economic transactions happened between the resident of one country and resident of foreign countries during a particular period.	Balance of trade is statement showing the net effect of export import of a country.
2.	Nature of Transactions recorded.	It records both the transactions relating to goods and services.	It records only transactions relating to goods transactions.
3.	Capital Transactions.	It records capital transactions	It does not record capital transactions.
4.	NET position	It always remains balanced in the sense that receipt side is made equal to payment side.	It may be at Favorable or unfavorable in equilibrium state.
5.	Indicator Economic Status	It is true indicator of economic performance of an economy	It is not true indicator of economic relations of country.

45
a.

types of transport:-

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

A. Surface transport:-

- * Pack Animals.
- * 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.
- * Inland waterways.
- * Ocean waterway.

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.

* Helicopters, hot air balloons, blimps etc.

45
b.

The objectives of import trade:-

1. Achieving Rapid Industrialization:-

Developing countries can achieve rapid industrialization by importing advanced technology, scarce raw materials, capital goods.

2. Meeting consumer demand:-

Certain goods are either not available or cannot be produced adequately to meet the growing demand in home country.

3. upgrading Standard of Living of the people:-

consumers are able to use a wide variety of goods manufactured in foreign countries and enhance their standard of living through import trade.

4. Strengthening Defense:-

Many countries around the world import defense equipments for its armed force.

Such imports enable the country to ensure its sovereignty and territorial integrity.

5. Meeting shortage situation:-

Food grains, vegetables and other essential commodities are imported from foreign countries and bad situation arising are thus overcome.

46
a.The Social Responsibility:-1. Economic Responsibility:-

A business enterprise is basically an economic entity.

Its primary social responsibility is economic produce goods and services.

2. Legal Responsibility:-

Every business has a responsibility to operate within the laws of the land.

Since these laws are meant for the good of the society, a law abiding enterprise is a socially responsible enterprise as well.

3. Ethical Responsibility:-

This includes the behavior of the firm that is expected by society but not codified in law.

There is an element of voluntary action in performing this responsibility.

4. Discretionary Responsibility:-

This refers to purely voluntary obligation that an enterprise assumes, for instance, providing charitable contributions to educational institutions.

46
b.

The difference type of Foreign trade:-

I. Import Trade:-

Import trade means buying goods from a foreign country for domestic use.

Example:- India imports petroleum products from Gulf countries.

II. Export Trade:-

* Export trade means the sale of domestic goods to foreign countries.

- (i) Export of Iron ore from India to Japan.
- (ii) Selling of Tea from India to England.

III. Entrepot trade:-

Entrepot trade means importing of goods from one country and exporting the same to foreign countries.

(E.g) Indian diamond merchants in Surat.

47

a.

The objectives of SHGS :-

- * Focusing on empowerment of women.
- * Saving people from the clutches of money lenders.
- * Building capacity of women and to enable them to participate in generating activities.
- * Promoting entrepreneurship skills among women.
- * Elevating the economic standard of the members' families.

47

b.

The Features of departmental stores :-I. Large size :-

A department 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 pin to car.

- * To satisfy all the expected human needs under one roof.

(ii) Departmentally Organized:-

* Goods offered for sale are classified into various departments.

* Each department specializes 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) centralized purchasing:-

* All the purchases are made centrally and directly from the manufacturers.

* It operates separate warehouses whereas sales are decentralized in different departments.