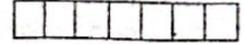


HMD

HALF YEARLY EXAMINATION - 2023

11 - Std

COMMERCE



Time : 3.00 hrs.

Madurai Dist 18/12/23

Marks : : 90

## Section - I

Answer all questions.

(20x1=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 Proprietor
- Which is the oldest form of Business organisation?  
a. Sole Proprietorship      b. Partnership      c. Co-operative Society      d. Company
- The members in the joint hindu family are called \_\_\_\_\_  
a. Karta      b. coparceners      c. generations      d. partners
- On the valid performance of the contractual obligation by the parties, the contract  
a) is discharged      b) Becomes Enforceable  
c) Becomes void      d) None of these
- Which of the following persons can perform the contract?  
a) Only the promisor      b) Legal representatives of the promisor  
(c) Agent of the promisor      d) All of these
- Table - A of the Companies Act  
a) Model minutes book      b) Model form of balance sheet  
c) Model of AOA      d) Model of MOA
- Consumers Co-operation was first successful in \_\_\_\_\_  
a) England      b) USA      c) Switzerland      d) India
- The \_\_\_\_\_ receipt is an acknowledgement of receipt of goods on the ship issued by the captain  
a) Bill of lading      b) Shipping bill      c) Mate's Receipt      d) Consular invoice
- The oldest form of organization in Public Sector \_\_\_\_\_  
a) Public Sector Undertaking      b) Departmental Organization  
c). Multinational company      d) Statutory company
- Goods are imported for the purpose of re-export to another country is termed as \_\_\_\_\_  
a) Import Trade      b) Export Trade      c) Entrepot Trade      d) International trade
- A person who buys goods from manufacturers and sells them to retailers is \_\_\_\_\_  
a) Manufacturer      b) Wholesaler      c) Retailer      d) Consumers
- \_\_\_\_\_ warehouses are used for storage of perishable goods like fruits, vegetables etc.  
(a) Bonded      (b) Private      (c) Cold storage      (d) Cooperative
- The largest commercial bank of India  
a) RBI      b) SBI      c) PNB      d) ICICI
- MSMED Act was enacted in the year  
a) 2004      b) 2007      c) 2006      d) 2008
- Match the following:  
1) Place Hindrance      -      i) Transportation  
2) Time Hindrance      -      ii) Warehousing  
3) Risk Hindrance      -      iii) Insurance  
4) Knowledge Hindrance      -      iv) Advertising  

1	2	3	4	1	2	3	4
a) I	ii	iii	iv	b) ii	iii	iv	i
c) iv	iii	I	ii	d) iii	I	ii	iv
- Assertion (I):** Goods and Services Tax is an indirect tax  
**Assertion (II):** Total income is the addition of income under five heads.  
a) Both the statements are correct      b) Both the statements are false  
c) Statement (I) is true but statement (II) is false  
d) Statement (I) is false but statement (II) is correct



18. **Find odd one out:**  
 a) Marine insurance b) Land insurance c) Medical insurance d) Fire insurance
19. Socially Responsible business provides goods at  
 a) High price b) Low price c) Reasonable price d) Moderate price
20. \_\_\_\_\_ bond is a special type of bond issued in the currency other than the home currency.  
 a) Government Bonds b) Foreign Currency Convertible Bond  
 c) Corporate Bonds d) Investment Bonds

#### Section - II

**Note: Answer any seven questions. Question no. Compulsory Answer 30.**

**(7x2=14)**

21. What is meant by Nalangadi?  
 22. What is Goods and Service Tax?  
 23. What is Profession?  
 24. What is income tax?  
 25. Write short notes on Genetic Industry.  
 26. Who is called Karta?  
 27. Who were the Rochadale Pioneers?  
 28. Who is a minor partner?  
 29. Give any two examples of Multinational Corporation.  
 30. \_\_\_\_\_ gives complete freedom to exporter to choose type of goods, price, quality, method of packing etc.

#### Section - III

**Note: Answer any seven questions. Question no. 40 is Compulsory. (7x3=21)**

31. What are the ports developed by Pandiya kingdom?  
 32. Write any three differences between direct tax and indirect tax.  
 33. What are service industries?  
 34. What is unlimited liability?  
 35. Who will perform the contract?  
 36. What do you mean by agreement?  
 37. What is a Government Company?  
 38. What is Electronic Banking?  
 39. What do you know about channel of distribution?  
 40. Sudha Sarangan, a resident of Sitalangudi village, meets a sculptor to install an idol of Murugan in his temple and enters into an agreement to pay Rs 500,000 to make the idol within a month. The sculptor dies within ten days of the contract. Can the heir of the sculptor execute this contract in this situation? Give an explanation.

#### Section - IV

**Answer all questions.**

**(7x5=35)**

41. What are the hindrances of business? **(OR)**  
 Compare business with profession and employment.
42. Write any five features of income tax. **(OR)**  
 Explain the ways of discharge of contract.
43. What are the characteristics of sole proprietorship? **(OR)**  
 What are the contents of partnership deed?
44. Point out the objectives of WTO? **(OR)**  
 Distinguish between balance of payments and balance of trade
45. Distinguish between Bill of lading and Charter party. **(OR)**  
 Describe the advantages of Multi-national Corporation.
46. What are the characteristics of government enterprises? (Any five only) **(OR)**  
 What are the different types of warehouses?
47. What are the objectives of Self Help Groups? **(OR)**  
 Explain the various important components of business ethics.

**+1 Com Half Yly Exam – Dec 2023 Mdu Dist**

**Sec A Choose the Correct Answer: 20x1=20**

1. A Transport
2. C Profession
3. A Sole Proprietorship
4. B Coparceners
5. A is discharged
6. D All the these
7. C Model of AOA
8. A England
9. A Bill of lading
10. B Departmental Organisation
11. C Entrepot
12. B Wholesaler
13. C Cold Storage
14. B SBI
15. C 2006
16. A i, ii, iii, iv
17. A Both the statements are correct
18. B Land insurance
19. C Reasonable Price
20. B Foreign Currency Convertible Bond

**Section – B Answer any 7 7 x 2 = 14**

**21.Nallangadi:** The place where the goods were sold is called Angadi. Day market was called Nallangadi. Night Market was called as Allangadi.

**22.GST.** Goods and Services Tax (GST) is the tax imposed on the supply (consumption) of goods and services. It is a destination based consumption tax and collected on those valueadded items at each stage of the supply chain.

**23. Profession:** Professions are those occupations which involve rendering of personal services of a special and expert nature. A profession is something which is more than a job. It is a career for someone who is competent in their respective areas.

**24.Income Tax:** Income tax is a direct tax under which tax is calculated on the income, gains or profits earned by a person such as individuals and other artificial entities (a partnership firm, company, etc.)

**25.Genetic Industries:** These industries remain engaged in breeding plants and animals for their use in further reproduction. The seeds, nursery companies, poultry, diary, piggery, hatcheries, nursery, fisheries, apiary etc are classic examples of genetic industries.

**26.Karta** In a joint family firm, only Karta has the implied authority to enter into a contract for debts

and pledge the property of the firm for the ordinary purpose of the businesses of the firm.

**27.Rochdale Pioneers:** The cooperative movement was started by Robert Owen, in the year 1844. He formed a consumer's cooperative society in England with 28 workers as members, called "Rochdale Society of Equitable ioneers".

**28. Minor Partner:** Under the Indian Majority Act, person who has not completed 18 years of age is a minor. However, he will continue to be a minor till he completes 21 years if a guardian has been appointed to the minor. He can be admitted to the benefits of partnership.

**29. Examples of MNC:**

Foreign Multinational	Indian Affiliate / Subsidiary
Colgate Palmolive	Colgate India
Bata Corporation	Bata India
Sony Corporation	Sony India
Suzuki	Maruthi Suzuki

**30. OPEN INDENT** it gives complete freedom to exporter to choose type of goods, price, quality, method of packing etc.

**Section – C Answer any 7 7x 3 = 21**

**31.Ports Developed by Pandya Kingdom:**

Thondi, Korkai, Saliyur, Kayalpattinam, Puhar, Muziri, Maruvurappakam.

32.Basis	Direct Taxes	Indirect Taxes
1. Meaning	If a tax levied on the income or wealth of a person is paid by that person (or his office) directly to the Government, it is called direct tax.	If tax is levied on the goods or services of a person is collected from the buyers by another person (seller) and paid by him to the Government it is called indirect tax.
2. Incidence and Impact Falls on the same person.	Imposed on the income of a person and paid by the same person. Falls on different persons.	Imposed on the sellers but collected from the consumers and paid by sellers.
3. Evasion	Tax evasion is possible.	Tax evasion is more difficult
4. Inflation	Direct tax helps in reducing the inflation.	Indirect tax contributes to inflation

**33. Tertiary industries or Service 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.

### Classification of Tertiary industries

**i. Personalised service:** Individuals and private institutions selling their services to others. E.g. plumber, servant maid, etc. **ii. Public Service:** Government hospitals, schools, police, Government offices, etc. provide services to the people on behalf of the Government without profit motive. **iii. Distributive Service:** Transportation, warehousing, logistics, salesmanship, etc. come under this type of service. **iv. Financial Service:** Banking, factoring, accounting, and insurance, etc. are grouped under this type of service.

**34. 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.

**35. Who will perform the contract:**  
i) Promisor himself (Section 40) ii) Agent (Section 40) iii) Representations (Section 37) iv) Third Person (Section 41) v) Joint Promisors (a) Devolution of Joint Liabilities (Section 42) (b) Devolution of Joint Rights (Section 45) vi) Time and place of Performance of Promise.

**36. Agreement 2(e) Meaning:** Every promise and set of promises forming consideration for each other is an agreement. In short, Agreement = Offer + Acceptance. **Definition:** An Agreement is every promise or every set of promises forming consideration.

**37. Government Companies:** A public enterprise incorporated under the Indian Companies Act, 1956 is called a government company. These companies are owned and managed by the central or the state government. Section 617 of the Companies Act, 1956 defines "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.

**38. E-Banking:** It reduce cost & time and makes banking service convenient to the customer. It is operated through internet. This service is substitute for draft, cheque and other paper based transfer of funds.

**39. Channels of Distribution: Meaning** A channel is the route through which the goods are passed on to the ultimate consumer. There are

direct channels or routes of distribution without middlemen. Indirect channel consists of one or more middlemen performing different functions. **Definition** According to Cundiff E.W and Still, a channel of distribution may be defined as "a path traced in the direct or indirect transfer of title to a product as it moves from the producer to ultimate consumers.

**40.** Even the heir of Sculptor knows additional knowledge & skill of doing that work then he will do the work.

**Sec D Answer ALL the Questions 7 x 5 = 35**

### 41.A) Elimination of Hindrances of Commerce

Business consists of all industries and commerce. It serves to remove several hindrances and solve many problems while facilitating the production and distribution of goods. The various hindrances removed by business are as follows., 1. **Hindrance of person** anufacturers do not know the place and face of the consumers. It is the retailer who knows the taste, preference and location of the consumers. The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the producers and consumers. 2. **Hindrance of place** Production takes place in one centre and consumers are spread throughout the country and world. Rail, air, sea and land transports bring the products to the place of consumer. 3. **Hindrance of time** Consumers want products whenever they have money, time and willingness to buy. Goods are produced in anticipation of such demands. They are stored in warehouses in different regional centres so that they can be distributed at the right time to the consumers. 4. **Hindrance of risk of loss** Fire, theft, floods and accidents may bring huge loss to the business. Insurance companies serve to cover the risk of such losses. 5. **Hindrance of knowledge** Advertising and communication help in announcing the arrival of new products and their uses to the people.

41. B. 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 is essential	Education and training in specialized field	Minimum qualification is essential
3. Capital: Capital investment required as per size of the firm	Limited capital necessary for establishment	No capital required

4. Reward: Profits	Professional fee	Salary or wages
5. Risk: Profits are uncertain and irregular	Fee is regular and certain, never negative	Fixed and regular pay, no risk
6. Transfer of Interest: Transfer possible with some formalities	Not possible	Not transferable

#### 42.A) Features of Income Tax Act 1961

Some of the salient features of the Income Tax Act 1961 are as follows:

- Income tax is a form of direct tax that needs to be borne by the taxpayer. It cannot be transferred to another individual.
- The Central Government of India controls this form of taxation.
- It is applicable to the taxpayer's income which was earned in the previous year.
- Tax calculation is applicable based on the assessee's income tax slab.
- The government levies a progressive income tax rate so that rich and economically powerful individuals have to pay taxes at higher rates.
- Deductions apply to a maximum limit per financial year in certain cases.

**42.B) Discharge of Contract** implies termination of the contractual relationship between the parties. A contract is discharged if it ceases to operate and when the rights and obligations created by it come to an end. Sometimes, other rights and obligations may arise as a result of discharge of the contract. These are independent of the original contract.

**Modes of Discharge Of Contract** Different modes of discharge of contract have been provided under different sections of the Act.

**1. Discharge by Performance:** Performance implies carrying out the obligation of the contract. Performance must be completed according to the real intentions of the agreement. Performance must be done according to time and manner prescribed. Performance of contract may be of two types namely (i) Actual performance (ii) Attempted performance

**2. By Agreement on Consent:** Agreement between the parties comes to an end by mutually agreeing for it. Any contract is created by an agreement, hence in the same way, it can be discharged by an agreement. In this connection the rule of law is as follows. "Eodem modo quod et quide constituitur, eodem modo destruitur," the meaning of which is that a thing may be destroyed in the same manner, in which, it is

constituted. The consent may be of the following types **(i) Express:** Express consent may be given at the time of formation of the contract or subsequent to its formation. **(ii) Implied:** The contracts are also discharged by implied consent, different modes of discharge by implied consent are mentioned below **(a)** Novation, **(b)** Alteration, **(c)** Recession, **(d)** Remission, **(e)** Accord and Satisfaction, **(f)** Waiver and **(g)** Merger

**3. By Impossibility of Performance** A contract may be discharged if its performance becomes impossible. The rule of impossibility of performance is based on the following maxims **i)** the law does not recognize what is impossible and **ii)** what is impossible does not create an obligation. **According to the Section 56** of the Act, all acts to do impossible acts are void. There are two types of impossibility of performance such as – **i)** Impossibility existing at the time of agreement. **ii)** Impossibility arising subsequent to the formation of contract. On the other hand, impossibility of performance existing at the time of performance of a contract may be either **(a)** known to the parties or **(b)** not known to the parties. Likewise impossibility arising subsequent to the formation of a contract or supervening impossibility may be **a) By some event** beyond the control of the parties or **b) By some act** either of the promisor or of the promisee. **4. By Lapse of Time** According to the Limitation Act, 1963 a contract must be performed within a specified time. If it is not performed within this specified time limit and against which if no action is taken by the promisee in the Court of Law within specified time, then the promisee is deprived of his remedy at law. In such cases, the contract is discharged.

**5. By Operation of Law:** A contract can be discharged by the operation of law. The operation of law by which contract can be discharged are as follows **i) By Death:** If the contracts depend on the personal skill or ability, then such contract may be discharged on the death of the promisor **ii) By Merger:** Merger will take place when an inferior right accruing to the same party either under the same or another contract. **iii) By Insolvency:** An insolvent is discharged from all liabilities incurred prior to his adjudication. **iv) Unauthorized Alteration of the Terms of a Contract:** If one party makes any material alteration in the contract without the consent of the other party, then the other party can avoid the contract..

**43.A) characteristics of a Sole Trader.** i. Ownership by one man This is owned by single person. The sole trader contributes the required capital. He is not only the owner of the business but also manager of the entire affairs. ii. Freedom of work and Quick Decisions Since the individual is himself as a owner, he need not consult anybody else. Hence he can take quick decisions. iii. Unlimited Liability When his business assets are not sufficient to pay off the business debts he has to pay from his personal property. iv. Enjoying Entire Profit He strives tirelessly for the improvement and expansion of his business and enjoys all the benefits of his hard work. v. Absence of Government Regulation A sole proprietor concern is free from Government regulations. No legal formalities are to be observed in its formation, management or in its closure. vi. No Separate Entity The sole trading concern comes to an end with death, disability, insanity and insolvency of the individual. vii. Maintenance of Secrecy Since he/she manages all the affairs of the business, the secrecy can be maintained easily.

**43.B) Contents of Partnership Deed** i. **Name of the Firm** ii. **Nature of the proposed business** iii. **Duration of partnership** Duration of the partnership business whether it is to be run for a fixed period of time or whether it is to be dissolved after completing a particular venture. iv. **Capital contribution** The capital is to be contributed by the partners. It must be remembered that capital contribution is not necessary to become a partner for one who contributes his organising power, business acumen, managerial skill etc., instead of capital. v. **Withdrawal from the firm** The amount that can be withdrawn from the firm by each partner. vi. **Profit/loss** sharing The ratio in which the profits or losses are to be shared. If the profit sharing ratio is not specified in the deed, all the partners must share the profits and bear the losses equally. vii. **Interest on capital** Whether any interest is to be allowed on capital and if so, the rate of interest. If the deed is silent on interest on capital, the rules for interest on capital in partnership act will take effect. viii. **Rate of interest on drawing:** Whether any interest is to be allowed on drawing, the rate of interest is to be specified. ix. **Loan** from partners Whether loans can be accepted from the partners and if so the rate of interest payable thereon. x. **Account keeping** Maintenance of accounts and audit

#### 44.A) Objectives of WTO:

Objectives of WTO The objectives of WTO include the following. 1. Improving the standard of living of people in member countries 2. Making optimum utilization of world's resources for sustainable development of member countries. 3. Promoting an integrated more viable and durable trading system in the sphere of international business 4. Expansion of trade in goods and services 5. Ensuring full employment and large steady growth volume of real income and effective demand 6. Protecting the environment

44. B. Nature	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 and 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 merchandise, i.e. goods transactions
3. Capital Transactions	It records capital transactions	It does not record capital transactions
4. Structure	It includes balance of trade, balance of services, balance of unilateral transfer and balance of capital transactions	It is part of current account of BOP
5. Net Position	It always remains balanced in the sense that receipt side is made equal to payment side	It may be at favorable or unfavourable or in equilibrium state.
6. Indicator Economic Status	It is true indicator of economic performance of an economy	It is not true indicator of economic prosperity or economic relations of country.
7. Correcting Unfavourableness	Unfavourable balance of payment leads to deficit in balance of payment situation.	Unfavourable balance of trade can be converted into favorable balance of payment

45 .a. Basis	Bill of Lading	Charter Party
1. Meaning	This represents a document acknowledging receipt of goods on board for carrying them over to specified port of destination	It refers to an agreement to hire a whole or major part of ship when the goods take exported is heavy.
2. Transferable	It can be transferred to third party by endorsement and delivery	It cannot be transferred to third party
3. Loan	Loan can be raised against it	Loan cannot be raised against it
4. Crew	Master and crew remain the agent of ship owner	Master and crew become the agent of exporter for a temporary period
5. Lease	It is not a lease of ship	It is a lease of ship

**45.B) Advantages of MNC:** i. **Low Cost Labour** MNC set up their facilities in low cost countries and produce goods/service at lower cost. It gains cost advantage and sells its products and services of good quality at low cost. This is not available to smaller companies which operate at regional level. ii. **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. iii. **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. iv. **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. v. **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.

**46.A) Features of Government Company** i. **Registration Under the Companies Act** A Government company is formed through registration under the Companies Act, 1956; and is subject to the provisions of this Act, like any other company. However, the ii. **Executive Decision of Government** A Government company is created by an executive decision of the Government, without seeking the approval of the Parliament or the State Legislature. iii. **Separate Legal Entity** A Government company is a legal entity separate from the Government. It can acquire property; can make contracts and can file suits, in its own name. iv. **Whole or Majority Capital Provided by Government** The whole or majority (at least 51%) of the capital of a Government company is provided by the Government; but the revenues of the company are not deposited into the treasury. v. **Majority of Government Directors** Being in possession of a majority of share capital, the Government has authority to appoint majority of

directors, on the Board of Directors of a government company.

**46.B) Types of Warehouses** Warehouses can be classified as follows: A. On the Basis of Ownership (a) Private Warehouses (b) Government Warehouses (c) Public Warehouses (d) Co-operative Warehouses (e) Bonded Warehouses (f) Institutional Warehouses (g) Distribution Centre Warehouses B. On the Basis of Commodities Stored (a) General Warehouses (b) Special Commodity Warehouses (c) Cold Storages or Refrigerated Warehouses (d) Climate Controlled Warehouses.

#### 47.A) Objectives of Self Help Groups

Following are the objectives of Self Help Groups 1. Focusing on empowerment of women. 2. Saving people from the clutches of money lenders 3. Building capacity of women and to enable them to participate in generating activities. 4. Creating the habit of saving in the minds of the people who are economically backward. 5. Promoting entrepreneurship skills among women.

#### 47.B) Key Elements Of Business Ethics Some of the basic elements of business ethics while running a business enterprise are:

**1. Top Management Commitment** Top management has a very important role to guide the entire organization towards ethical behaviour. The top level personnel in any organisation should work openly and strongly committed towards ethical conducts and guide people working at middle and low level to follow ethical behaviour. **2. Publication of a "Code"** Generally organisations formulate their own ethical codes for the conduct of the enterprise; it should followed by the employees of the organisation. The organisation principles are defined in the written document called code. The code of conduct covers various areas such as health and safety in the work place, fair dealing in selling and marketing activities, ethical practices in the business etc. **3. Establishment of Compliance Mechanism** To make sure that actual decisions match with a firm's ethical standards, suitable mechanism should be established. Any organisation following ethical codes in training, recruitment, selection etc., is sure to be profitable. The organisation must provide for an environment where the employees are free to report about the matters of unethical behaviour. **4. Involving Employees at All Levels** It is the employees at different levels who implement ethics policies to make ethical business a reality. Therefore, their involvement in ethics programmes becomes a must. For example small group of employees can be formed to discuss the important ethics policies of firms and examine attitudes of employees towards these policies. **5. Measuring Results** The organisations from time to time keep a check on ethical practise followed. Although it is difficult to accurately measure the end results of ethics programmes, the firms can certainly audit to monitor compliance with ethical standards. The top management team and other employees should then discuss the results for further course of action.