

Section - I

(20x1=20)

Answer all questions.

1. Hindrance of place is removed by _____
 a) Transport b) Warehouse c) Salesman d) Insurance
2. Occupation of a Doctor is _____
 A. Employment b. Business c) Profession d. Sole Proprietor
3. Which is the oldest form of Business organisation?
 a. Sole Proprietorship b. Partnership c. Co-operative Society d. Company
4. The members in the joint hindu family are called _____
 a. Karta b. coparceners c. generations d. partners
5. 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
6. 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
7. Table - A of the Companies Act
 a) Model minutes book b) Model form of balance sheet
 c) Model of AOA d) Model of MOA
8. Consumers Co-operation was first successful in _____
 a) England b) USA c) Switzerland d) India
9. 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
10. The oldest form of organization in Public Sector _____
 a) Public Sector Undertaking b) Departmental Organization
 c). Multinational company d) Statutory company
11. 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
12. A person who buys goods from manufacturers and sells them to retailers is _____
 a) Manufacturer b) Wholesaler c) Retailer d) Consumers
13. _____ warehouses are used for storage of perishable goods like fruits, vegetables etc.
 (a) Bonded (b) Private (c) Cold storage (d) Cooperative
14. The largest commercial bank of India
 a) RBI b) SBI c) PNB d) ICICI
15. MSMED Act was enacted in the year
 a) 2004 b) 2007 c) 2006 d) 2008
16. 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
<input checked="" type="checkbox"/> a)	I	ii	iii	iv		ii	iii	iv	i
<input type="checkbox"/> c)	iv	iii	I	ii		iii	I	ii	iv
17. **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.

HALF YEARLY EXAMINATION - 2023 - ANSWER KEY

XI STANDARD – COMMERCE – ENGLISH MEDIUM

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Time Allowed : 3 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	C	Entrepot Trade
2	C	Profession	12	B	Wholesaler
3	A	Sole Proprietorship	13	C	Cold Storage
4	B	Coparceners	14	B	SBI
5	A	Is Discharged	15	C	2006
6	D	All of these	16	A	(i) (ii) (iii) (iv)
7	C	Model of AOA	17	A	Both the statements are correct
8	A	England	18	B	Land Insurance
9	A	Bill of Lading	19	C	Reasonable price
10	B	Departmental Organization	20	B	Foreign Currency Convertible Bond

II. Answer any seven questions. Question No.30 is compulsory.

7 x 2 = 14

21) Nalangadi – Meaning:

- The place where the goods were sold was called “Angadi”.
- The Day market was called as “Nalangadi”.

22) Goods and Services Taxes:

- * **Goods and Services Tax (GST) is the tax imposed on the supply (consumption)of goods and services.**
- * **GST Act was passed on April 12, 2017.**
- * **GST came into effect from 1st July, 2017.**

23) Profession:

- ♣ **Professions are those occupations which involve rendering of personal servicesof 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 Industry:

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

26) KARTA:

- All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as “KARTA”.

27) Rochdale Pioneers:

- ★ In 1844 England, Robert Owen was the formed a consumer’s co-operative society with 28 workers as members, called “Rochdale Society of Equitable Pioneers”.
- ★ He is the father of co-operative movement.

28) MinorPartner - Meaning

- 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.

29) Two examples of MNC:

1. *Bata Corporation
2. *Sony Corporation

30) Open Indent gives complete freedom to exporter to choose type of goods, price, quality method of packing etc.

PART - III

III. Answer any seven questions. Question No.40 is compulsory.

7 x 3 = 21

31) The ports developed by Pandiya Kingdom:

- Tondi, korkai, puhar and Muziri were the port towns developed in Pandiya Kingdom.
- People were engaged in different kinds of finishing pearls and conches and produced salts and build ships.
- Various check posts were installed to collect customs along the highways and the ports.

32) Difference between Direct Taxes and Indirect Taxes: (any 3)

<u>Basis</u>	<u>Direct Taxes</u>	<u>Indirect Taxes</u>
1. 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.
2. Evasion	Tax evasion 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

33) Service industries or 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.

34) Definition of Sole Trading Business:

- “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*

35) Unlimited liability:

- * When his business assets are not sufficient to pay off the business debts he has to pay from his personal property.
- * It is called unlimited liability.

36) Perform the Contract:

i) Promisor himself:

- ★ X promises to sketch a site map of Y's house. X will have to perform this promise himself. Because it requires the skill of X.

ii) Agent

- ★ According to Para 2 of Section 40, the promisor may employ a competent person such as agent to perform the promise, if the contract is not formed on personal condition.

iii) Representations

- ★ M promises to sell his car for (Rs.1,00,000) to N after a week. But, M dies after 5 days of the contract. M's representative will be liable to sell the car to N and N will be liable to pay Rs. 1,00,000/- to M's representative.

37) 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.

38) Electronic Banking:

- ✘ **Banking through internet is called Electronic banking.**
- ✘ **It can also be called as e-banking.**
- ✘ **To performing banking operation through internet by using computer and mobilephone.**
- ✘ **Money banks have their own websites.**

39) Channel of Distribution:

- 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.

40) Representations (Section 37)

- ⊙ A contract which involves the use of personal skill or it is found on personal considerations, comes to an end if the promisor dies.
- ⊙ Of course in case of other contracts, the legal representatives of a deceased promisor are bound to perform it as provided in Para 2 of Section 37.

PART - IV

IV. Answer all questions.

7 x 5 = 35

41.a. Hindrances of business:

→ **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.

→ **Hindrance of time**

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

→ **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.

→ **Hindrance of knowledge**

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

→ Hindrance of finance

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

[OR]

41.b. Comparison 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

42.a. Features of Income Tax.

i. Levied as Per the Constitution

- * Income tax is levied in India by virtue of entry No. 82 of list I (Union List) of Seventh Schedule to the Article 246 of the Constitution of India.

ii. Levied by Central Government

- * Income tax is charged by the Central Government on all incomes other than agricultural income.
- * However, the power to charge income tax on agricultural income has been vested with the State Government as per entry 46 of list II, i.e., State List.

iii. Direct Tax

- * Income tax is direct tax.
- * It is because the liability to deposit and ultimate burden are on same person.
- * The person earning income is liable to pay income tax out of his own pocket.
- * It cannot pass on the burden of tax to another person.

iv. Annual Tax

- * Income tax is an annual tax because it is the income of a particular year which is chargeable to tax.

v. Tax on Person

- * It is a tax on income earned by a person.
- * The term 'person' has been defined under the Income tax Act.
- * It includes individual, Hindu Undivided Family, Firm, Company, local authority, Association of person or body of Individual or any other artificial juridical persons.
- * The persons who are covered under Income tax Act are called 'assessee'

[OR]

42.b. Ways of Discharge of Contract:

i). 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 of contract may be of two types namely:
 - * Actual performance
 - * Attempted performance

ii). 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.
- The consent may be of the following types

(i) **Express:** Express consent may be given at the time of formation of the contract 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

iii). 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
- The law does not recognize what is impossible and
- What is impossible does not create an obligation.

iv). 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.
- Then the promisee is deprived of his remedy at law. In such cases, the contract is discharged.

v). 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:
 - ✦ By Death
 - ✦ By Merger
 - ✦ By Insolvency
 - ✦ Unauthorized Alteration of the Terms of a Contract
 - ✦ Rights and liabilities vesting in the same person

43.a. Characteristics of Sole trading business.

i. Ownership by one man:

- ✱ This is owned by single person.
- ✱ The sole trader contributes the required capital.

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. Maintenance of Secrecy”

- ♣ Since he/she manages all the affairs of the business, the secrecy can be maintained easily.

[OR]

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.

44.a. 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) Expansion of trade in goods and services
- 4) Ensuring full employment and large steady growth volume of real income and effective demand
- 5) Protecting the environment

[OR]

44.b.**Differences between Balance of Payment and Balance of Trade**

Nature	Balance of Payment	Balance of Trade
1. 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
2. Capital Transactions	It records capital transactions	It does not record capital transactions
3. 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
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 unfavourable or in equilibrium state.
5. 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.

45.a.**Distinction between Bill of Lading and Charter Party**

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

[OR]**45.b. 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 10 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. Characteristics of Government Enterprises:

→ **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.

→ **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.

→ **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.

→ **Own Staff:**

- A Government company has its own staff; except Government officials who are sent to it on deputation.
- Its employees are not governed by civil service rules.

→ **Free from Procedural Controls:**

- A Government company is free from budgetary, accounting and audit controls, applicable to Government undertakings.

[OR]

46.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.

47.a) Objectives of Self Help Groups:

- ✱ 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 member's families.

[OR]

47.b) Important components Of Business Ethics

Some of the important components 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.

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.

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.

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.

***** All the best Children *****