

**DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI-6.
HIGHER SECONDARY FIRST YEAR EXAMINATION – MARCH 2024
COMMERCE – KEY ANSWER**

NOTE :

1. Answers written only in Black or Blue should be evaluated.
2. Choose the correct answer and write the option code
3. Award marks if students written in their own sentences.

Maximum Marks: 90**PART – I**

Answer all the questions

20×1=20

| TYPE – A | | | TYPE – B | | | MARK |
|----------|---|--------------------------------------|----------|---|--------------------------------------|------|
| 1 | A | Memorandum of Association | 1 | D | A direct tax | 1 |
| 2 | D | A direct tax | 2 | B | Waybill | 1 |
| 3 | B | Trade | 3 | C | 14 | 1 |
| 4 | B | Waybill | 4 | B | Rural Savings | 1 |
| 5 | D | International Business | 5 | C | 51 % | 1 |
| 6 | C | Stranger to the Contract | 6 | A | ₹ 2 Lakhs | 1 |
| 7 | A | ₹ 2 Lakhs | 7 | B | Wholesaler | 1 |
| 8 | B | Wholesaler | 8 | A | Memorandum of Association | 1 |
| 9 | B | Agreement | 9 | D | International Business | 1 |
| 10 | C | Street Traders | 10 | B | Trade | 1 |
| 11 | B | Rural Savings | 11 | B | Robert Owen | 1 |
| 12 | C | 51 % | 12 | D | (1)-(ii), (2)-(iv),(3)-(i),(4)-(iii) | 1 |
| 13 | A | Distribution | 13 | B | Agreement | 1 |
| 14 | D | Foreign Currency Convertible Bond | 14 | D | Owners | 1 |
| 15 | D | Owners | 15 | D | Cost reduction | 1 |
| 16 | D | (1)-(ii), (2)-(iv),(3)-(i),(4)-(iii) | 16 | A | 3 | 1 |
| 17 | D | Cost reduction | 17 | C | Stranger to the Contract | 1 |
| 18 | A | 3 | 18 | A | Distribution | 1 |
| 19 | B | Robert Owen | 19 | C | Street Traders | 1 |
| 20 | C | 14 | 20 | D | Foreign Currency Convertible Bond | 1 |

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

| | | |
|----|--|--------------|
| 21 | “The transport system acts with reference to the area it serves in the same way as a candle does in a dark room”.- K.K. Sexena. | 2 |
| 22 | 1. Sole trader 2.Partnership 3. Joint Hindu Family Business (Any Two) | 2×1=2 |
| 23 | 1.Separate Legal Entity 2. Limited Liability. 3.Perpetual Succession 4. Separate Property 5. Transferability of Shares 6. Common Seal 7. Capacity to Sue and being sued 8. Separate Management 9. One Share-One Vote (Any Two) | 2×1=2 |
| 24 | Micro max Informatics, Hero Motor Corporation, Bajaj, Britannia , TVS, TATA, INFOSYS, Bata Corporation, Colgate Palmolive ,Sony Corporation, Suzuki, Timex. (Give marks if any other example is written) (Any Two) | 2×1=2 |
| 25 | 1.Ultimate Responsibility, 2. Governmental Financing, 3. Accounting and Audit , 4. Managed by Civil Servants, 5. Sovereign Immunity. (Any Two) | 2×1=2 |
| 26 | Promises which form consideration or part of consideration for each other are called ‘Reciprocal Promise’. | 2 |
| 27 | Balance of trade denotes the difference between the value of import and the value of export during a year. | 2 |
| 28 | 1. Open Indent, 2. Closed Indent, 3. Confirmatory Indent (Any Two) | 2×1=2 |
| 29 | GDR is an instrument issued abroad by a company to raise funds in some foreign currencies and is listed and traded on a foreign stock exchange. | 2 |
| 30 | It simply grants loan without any physical security. (Or) Bank provide clean loan to certain customers of outstanding credit worthiness on the basis of their character, capacity and capability. (Any One) | 2 |

PART – III**Answer any seven questions. Question No. 40 is compulsory****7×3=21**

| | | |
|----|---|--------------------------|
| 31 | 1. To provide residential accommodation to their members on ownership basis or on rent. 2. People who intend to build houses of their own join together and form housing societies. 3. These societies advance loans to members, repayable over a period of 15 to 20 years. (Any Two) | 1 ½ + 1 ½ = 3 |
| 32 | 1. When goods are to be consigned in large quantity, it is advantageous to hire the whole or substantial part of the ship. 2. The document through which this contract is made is known as ‘Charter Party’. 3. It is also be known as ‘Voyage Charter’ or ‘Time Charter’. | 3×1=3 |
| 33 | 1.Textile 2. Electronic products 3. Engineering products 4. Auto ancillaries 5. Leather products 6. Chemicals 7. Plastics 8. Garments 9.Jewellery, etc. (Any Three) | 3×1=3 |

| | | |
|----|---|---------------|
| 34 | <ol style="list-style-type: none"> 1. This was launched by the RBI in 2005. 2. Under this electronic funds transfer system, bulk transfers of transactions are settled in batches during specific timings across India. 3. Transactions do not occur under real time basis. 4. Once in every half hour from 8.00 am to 7.30 pm 23 settlements are allowed in a day. 5. NEFT transfers are not allowed on Sundays and bank holidays. <p style="text-align: right;">(Any Three)</p> | 3×1=3 |
| 35 | <ol style="list-style-type: none"> 1. Wholesalers buy goods directly from producers or manufacturers. 2. Wholesalers buy goods in large quantities and sell in relatively smaller quantities. 3. Wholesalers sell different varieties of a particular variety of product. 4. They employ a number of agents or workers for distribution of products. 5. They need large amount of capital to be invested in his business. 6. They generally provide credit facility to retailers. 7. They also provide financial assistance to the producers or manufacturers. 8. In a city or town, they are normally located in one particular area of the market. <p style="text-align: right;">(Any Three)</p> | 3×1=3 |
| 36 | <ol style="list-style-type: none"> 1. A customer transfers the possession of an article with the creditor (banker) and receives loan. 2. Till the repayment of loan, the article is under the custody of the borrower. | 2x1½=3 |
| 37 | <ol style="list-style-type: none"> a. The buying and selling of goods takes place within the boundaries of the same country. b. Payment for goods and services is made in the currency of the home country. c. It involves transactions between the producers, consumers and the middlemen. d. It consists of a distribution network of middlemen and agencies engaged in exchange of goods and services. e. In home trade the risk of transportation is very less. f. In home trade the laws prevailing in that country only have to be followed. g. The aim of home trade is to provide the goods and services economically. h. The goods must be a part of domestic production. i. Goods must be purchased from an individual or a firm established within a country. j. Goods can be delivered using locally available modes of transport. k. It does not involve any custom/import duty. <p style="text-align: right;">(Any Three)</p> | 3×1=3 |
| 38 | <p>It establishes a link between the producers and consumers of goods and maintains a smooth and uninterrupted flow of goods from producers to consumers.</p> <p style="text-align: center;">(Or)</p> <p>Commerce refers to all those activities which are necessary for bringing goods from the place of production to the place of their consumption.</p> <p style="text-align: center;">(Award marks for any other explanation)</p> | 3 |
| 39 | <p>Difference Between direct Taxes and Indirect Taxes</p> <ol style="list-style-type: none"> 1. Meaning 2. Incidence and Impact 3. Evasion 4. Inflation 5. Shiftability 6. Examples. <p style="text-align: right;">(Any Three Differences)</p> | 3×1=3 |

| | | |
|-------------|--|--------------|
| 42 (b) | Features of FCCBs 1. FCCB is issued by an Indian company in foreign currency. 2. These are listed and traded in foreign stock exchange and similar to the debenture. 3. It is a convertible debt instrument. 4. It gives its holders the right to convert for a fixed numbers of shares at a predetermined price. 5. It can be converted into equity or depository receipt after a certain period. 6. The amount received from the issue of FCCB should be utilized as per the guidelines of External Commercial Borrowing (ECB). <p style="text-align: right;">(Any Five Points)</p> | 5×1=5 |
| 43 (a) | Principles of Insurance 1. Utmost Good Faith 2. Insurable Interest 3. Indemnity 4. Causa Proxima 5. Contribution 6. Subrogation 7. Mitigation <p style="text-align: right;">(Any Five with Explanation) (Give 1 mark for Headings only)</p> | 5×1=5 |
| (Or) | | |
| 43 (b) | INCOME 1. Profits and gains of business or profession. 2. Dividend 3. Voluntary contribution received by a charitable / religious trust. 4. Value of perquisite or profit in lieu of salary 5. Export incentives, like duty drawback, etc., 6. Interest, salary, bonus, commission earned by a partner 7. Capital gain 8. Profits and gains from the business of banking carried on by a co-operative society with its members. 9. Winning from lotteries, crossword puzzles, etc., 10. Deemed income 11. Sums received by an assessee such as provident fund, superannuation fund, etc. 12. Amount received from insurance policy including bonus thereon. 13. Amount received under agreement such as patent, copyright etc. 14. Benefit or perquisite received from a company, by a director 15. Gift 16. Others <p style="text-align: right;">(Any Five points)</p> | 5×1=5 |

| | | |
|-------------|---|---------------------------|
| 44 (a) | Functions of RBI (A) Leadership and Supervisory Functions <ul style="list-style-type: none"> • India's Representative in World Financial Institutions • Regulator and Supervisor of Indian Banking System • Monetary Authority • Closely Monitoring Economic Parameters • Promptly Responding to New Challenges (B) Traditional Functions <ul style="list-style-type: none"> • Financial Advisor to the Government • Monopoly of Note Issue • Banker's Bank • Controller of Credit and Liquidity • Lender of the Last Resort • Clearing House Services • Custodian of Foreign Exchange Reserves • Maintenance of Foreign Exchange Rate • Collection and Publication of Authentic Data (C) Promotional Functions <ul style="list-style-type: none"> • Nurturing Banking Habits among the Public • Grievance Settlement Measures • Agricultural Development • Promotion of Small Scale Industries • Facilitates Foreign Trade • Supports Cooperative Sector <p style="text-align: right;">(Any Five Headings)</p> | 5×1=5 |
| (Or) | | |
| 44 (b) | MUDRA Bank | (Explain) 5 |
| 45 (a) | Procedure for Registration of a Firm <ol style="list-style-type: none"> 1. Name of the firm. 2. The principal place of business. 3. Name of other places where the firm carried on business. 4. Names and addresses of all the partners. 5. The date on which each partner joined the firm. 6. The duration of the firm. <p style="text-align: center;">This statement signed by all the partners should be produced to the Registrar of Firms.</p> <p style="text-align: right;">(Any Five points)</p> | 5×1=5 |
| (Or) | | |
| 45 (b) | <ol style="list-style-type: none"> 1. Good corporate governance enables corporate success and economic development. 2. Ensures stable growth of organizations. 3. Aligns the interests of various stakeholders. 4. Improves investors' confidence 5. Reduces the cost of capital for companies. 6. Has a positive impact on the share price 7. Provides incentive to managers to achieve organizational objectives. 8. Eliminates wastages, corruption, risks and mismanagement. 9. Improves the image of the company. 10. The organization is managed to benefit the stakeholders. 11. Ensures efficient allocation of resources 12. Creates a strong brand as an ethical business. <p style="text-align: right;">(Any Five points)</p> | 5×1=5 |

| | | |
|-------------|--|--------------|
| 46 (a) | Disadvantages of Multinational Corporations 1. Danger for Domestic Industries 2. Transfer of Outdated Technology 3. No Benefit to Poor People 4. Danger to Independence 5. Deprivation of Job Opportunity of Local People 6. Misuse of Mighty Status 7. Careless Exploitation of Natural Resources 8. Selfish Promotion of Alien Culture 9. Neglect of Industrial and Economic Growth of Home Country <p style="text-align: right;">(Any Five with Explanation) (Give 1 mark for Headings only)</p> | 5×1=5 |
| (Or) | | |
| 46 (b) | Types of Banks based on Ownership Pattern 1. Public Sector Banks : Any bank in which not less than 51 percent of shares are owned by the Government are called Government banks or public sector commercial banks Ex: State Bank of India, IDBI Bank Ltd. 2. Private Sector Banks : All banking companies owned by private people are called private sector commercial banks. Ex: Karur Vysya Bank, Kotak Mahindra bank, City Union Bank 3. Nationalized Banks : Government paid the share capital of those banks to the private owners and took over as Government banks. Ex: Indian bank, Indian Overseas Bank and Other nationalized banks. <p style="text-align: right;">(Explanation Three Marks) (Example Two marks)</p> | 5 |
| 47 (a) | Comparison of Business, Profession and Employment 1. Nature of Work 2. Qualifications 3. Capital 4. Reward 5. Risk 6. Transfer of Interest <p style="text-align: right;">(Any Five Comparisons)</p> | 5×1=5 |
| (Or) | | |
| 47 (b) | Difference between Factoring and Forfaiting 1. Basis of financing 2. Cost 3. Suitability 4. Extent of financing 5. Risk | 5×1=5 |