

I MID TERM TEST – ANSWER KEY – AUG.2024
XI STANDARD – COMMERCE – ENGLISH MEDIUM

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PRINCIPAL

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Time Allowed : 1.30 Hours

Maximum Mark : 45

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer **10 x 1 = 10**

1	A	Transport	6	D	Shareholders
2	A	Making Profit	7	A	Robert Owen
3	A	Industry	8	C	Head Quarters
4	B	Unlimited Liabilities	9	B	President
5	A	Agreement	10	D	RBI

II. Answer any four questions.

4 x 2 = 8

11) Nallangadi:

- 1) The place where the goods were sold was called “Angadi”.
- 2) The day market was called as “Nallangadi”.

12) Economic Activities:

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

13) Sole Trader:

- * Business organisation which is owned and controlled by a single individual.
- * It is called Sole Trader.

14) KARTA:

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

15) Rochdale Pioneers:

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

16) Central Bank.

- ▲ Every nation has one central bank
- ▲ It is owned by the Government of the country.
- ▲ Central banks are known by the different names in different countries.
- ▲ India central bank is RBI.

III. Answer any four questions.**4 x 3 = 12****17) 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.

18) 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.

19) Some examples of Sole Trading Business.

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

20) 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.

21) Government Company:

- * “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.

22) Three Indian MNC's:**List of Indian Multinational Companies**

Company	Headquarter
Micromax Informatics	Gurgaon
Hero Motocorp	New Delhi
Bajaj	Pune

IV. Answer all the questions.**3 x 5 = 15****23. a. Hindrances of business:****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]**23. b. Comparison of Industry, Commerce and Trade**

S.No.	Transactions	Industry	Commerce	Trade
1	Meaning	Extraction, reproduction, conversion, processing and construction of useful products	Activities involving distribution of goods and Services	Purchase and sale of goods and service
2	Capital	Large Capital	Medium of capital	Small capital
3	Risk	High Risk	Low Risk	No Risk
4	Side	It represents Supply Side	It represents Demand Side	It represents both Supply and Demand
5	Utility Creation	It creates form utility	It creates place utility	It creates possession utility

24. a. Disadvantages of Sole Trading Business:

i. Limited Capital:

- ♣ The capital is contributed by one individual only,

ii. Limited Managerial Skill:

- ♣ Single person's intelligence and experience may not help him beyond a certain stage.
- ♣ Since he has to focus on each and every activity, his managerial ability is bound to be limited.

iii. 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.

iv. Lack of Specialization:

- ♣ Since the business unit is small and the financial resources are limited.
- ♣ Experts in different fields cannot be employed to secure maximum advantages.

v. Hasty Decisions:

- ♣ Sole proprietor is more likely to take hasty decision as he need not consult anybody else.

[OR]

24.b. Types of dissolution of partnership firm:

a. Without the order of the court and

b. By order of the court.

a. Without the order of the court:

i. By agreement or mutual consent:

- A firm may be dissolved when all the partners agree to close the affairs of the firm.
- Just as a partnership is created by contract, it can also be terminated by contract.

ii. By insolvency of all the partners but one:

- If any of the partners adjudged an insolvent it is necessary to dissolve the firm.

iii. When the objective becomes illegal:

- When the business carried on by the partnership becomes illegal, the partnership firm is automatically dissolved.

iv. By notice of dissolution:

- In the case of partnership at will when any partner gives in writing to all the other partners indicating his intention to dissolve the firm, the firm will be dissolved.

b. Dissolution through court:

The court may order dissolution of a firm at a suit of a partner in any of the following circumstances.

1. When a partner becomes insane
2. Permanent incapacity of any partner
3. Misconduct of any partner
4. Transfer of interest to third person
5. Continued loss
6. When the court finds that it is just and equitable to dissolve the firm.

25) 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.

25) b. Features of Public Corporations:

i. Special Statute:

→ A public corporation is created by a special Act of the Parliament or the State Legislature.

ii. Separate Legal Entity:

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

iii. Capital Provided by the Government:

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

iv. Financial Autonomy:

- A public corporation enjoys financial autonomy.
- It prepares its own budget;

v. Management by Board of Directors:

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

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