

Dr. A. Vennila - Principal Mydeen Matric Hr. Sec. School
Kumbakonam - Thanjavur (Dt).

QL

QUARTERLY EXAMINATION - 2024

CLASS : 11

COMMERCE

TIME : 3 Hrs

MARKS: 90

PART - A

I. Choose the correct answer with option.

(20 X 1 = 20)

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 Proprietorship
3. The industries engaged in extraction of iron ore are known as
a) Construction Industries b) Manufacturing Industries
c) Extraction Industries d) Genetic Industries
4. A major disadvantage of sole proprietorship is _____
a) Limited liability b) Unlimited liability c) Easy Formation d) Quick decision
5. A partnership is formed by _____
a) agreement b) relationship among persons c) the direction of government d) Friendship
6. The relationship between outsiders and the company is defined in _____
a) Prospectus b) Articles of Association
c) Memorandum of Association d) Certificate of Incorporation
7. Rochdale society of equitable pioneers was started by _____
a) Robert owen b) H.C. Calvert c) Talmaki d) Lambert
8. Centralised control in MNC's implies control exercised by
a) Branches b) Subsidiaries c) Headquarters d) Parliament
9. The share capital of the government company must not be less than
a) 75% b) 60% c) 95% d) 51%
10. The Central bank of India is
a) PNB b) SBI c) ICICI d) RBI
11. Foreign banks are begun their operation since
a) 1978 b) 1979 c) 1980 d) 1981
12. The largest commercial bank of India
a) ICICI b) SBI c) PNB d) RBI
13. A warehouse holds goods as a _____ center.
a) Marketing b) sorting c) distribution d) selling
14. A warehouse holds goods as a _____ center.
a) Marketing b) sorting c) distribution d) selling
15. The basic principle of insurance is _____
a) Insurable Interest b) Co-Operation c) Subrogation d) Proximate causa
16. The main benefit of Logistics is
a) Productivity b) Cost Minimisation c) Profitability d) Storage
17. Socially Responsible business provides goods at
a) high price b) low price c) reasonable price d) moderate price
18. The ethical conduct of employees leading to standard practices results in
a) good behaviour b) bad behaviour c) ethical behaviour d) correct decision making
19. Equity shareholders are the _____ of a company
a) Creditors b) Owners c) Debtors d) Employees

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20. ADRs are issued in
 a) Canada b) China c) India d) The USA

PART - B

II. Answer any 7 Questions: Q.No. 30 is Compulsory.

(7 X 2 = 14)

21. What is meant by Barter System?
 22. What is trade?
 23. What are the two schools of Hindu Law?
 24. Define - Co-operative.
 25. Give two examples of public corporation.
 26. What are Foreign Banks?
 27. What are the different types of warehousing?
 28. List any five important types of insurance policies.
 29. Give the meaning of Social power.
 30. Mention the names of central banks of the following countries. A) Sri Lanka B) Pakistan

PART - C

III. Answer any 7 Questions: Q.No. 40 is Compulsory

(7 X 3 = 21)

31. What do you mean by human activities explain
 32. Give some examples of sole trading business.
 33. What is meant by Government company?
 34. What are the functions of RBI? (any 3)
 35. What do you mean by ATM?
 36. What is Charter Party?
 37. Define the concept of social responsibility.
 38. What is Pledge?
 39. What is meant by Foreign Currency Convertible Bonds?
 40. What do you mean by CASCO insurance? Explain.

PART - D

IV. Answer all the Questions:

(7 X 5 = 35)

41. (a) What are the hindrances of commerce? (any 5) [OR]
 (b) Distinguish between GDR and ADR (any 5).
 42. (a) Discuss the objectives of business. [OR]
 (b) What are the contents of Partnership deed? (any 5)
 43. (a) Explain the characteristics of sole proprietorship business. (any 5) [OR]
 (b) Explain any five personal investment avenues.
 44. (a) What are the types of co-operative society? (any 5) [OR]
 (b) Explain the different types of warehousing. (any 5)
 45. (a) Explain different types of transport. (any 5) [OR]
 (b) What are the advantages of MNC's? (any 5)
 46. (a) Classify the various functions of Reserve Bank of India. (any 5) [OR]
 (b) Explain the various types of Insurance. (any 5)
 47. (a) Write a short notes on (i) Analytical Industry (ii) Genetic Industry
 (iii) Construction Industry [OR]
 (b) What are the advantages of Departmental undertaking? (any 5)

QL-11-COMEM-P-2

QUARTERLY EXAMINATION – ANSWER KEY – SEPTEMBER-2024**XI STANDARD – COMMERCE – ENGLISH MEDIUM**

Time Allowed : 2.30 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	1980
2	C	Profession	12	B	SBI
3	C	Extraction Industry	13	C	Distribution
4	B	Unlimited Liability	14	C	Distribution
5	A	Agreement	15	A	Insurable Interest
6	C	Memorandum of Association	16	B	Cost Minimisation
7	A	Robert Owen	17	C	Reasonable Price
8	C	Headquarters	18	D	Correct Decision Making
9	D	51%	19	B	Owners
10	D	RBI	20	D	The USA

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

21) Barter System:

- Goods were exchanged for goods prior to invention of money.

22) Trade – Meaning:

- Trade means Purchase and sale of goods and services.

23) Two schools of Hindu Law:

1. Dayabhaga which is prevalent in Bengal and Assam.
2. Mitakshara prevalent in the rest of the country.

24) Define co-operation.

- Co-operation is “better farming, better business and better living” – Sir Horace Plunkett.

25) Examples of Public Corporation:

- * Life Insurance Corporation of India
- * The Indian Airlines

26) Foreign Banks

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

★ **Examples:**

- ♣ Bank of America - The USA
- ♣ Barclays Bank - The UK
- ♣ Deutsche Bank – Germany

27) Various types of Warehousing:

- 1) Private Warehouse
- 2) Government Warehouses
- 3) Public Warehouses
- 4) Co-operative Warehouses
- 5) General Warehouses

28) Five important types of Insurance Policies:

1. Whole Life Policy
2. Endowment Life Assurance Policy
3. Joint Life Policy (JLP)
4. Annuity Policy
5. Children's Endowment Policy

29) Social Power – Meaning:

- * Businessmen have considerable social power.
- * Their decisions and actions affect the lives and fortunes of the society.
- * Businessmen should assume social obligations commensurate with their social power.

- 30) A) Sri Lanka - Central Bank of Sri Lanka
B) Pakistan - State Bank of Pakistan

III. Answer any seven questions. Question No.40 is compulsory. 7 x 3 = 21**31) Human activities - Explanation:**▪ **Human Activities - Meaning:**

An activity performed by a human being to meet his/her needs and wants or may be for personal satisfaction. It can be categorized into 1) Economic and 2) Non-economic Activities.

1. **Economic Activities:**

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

2. **Non-Economic Activities:**

Activities undertaken to satisfy social and psychological needs are called non-economic activities.

32) Some examples of Sole trading business.

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

33) 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.

34) Functions of RBI:

- ♣ Leadership and Supervisory Functions
- ♣ Traditional Functions and
- ♣ Promotional Functions.

35) ATM – Meaning:

- ★ A customer can withdraw money anytime, anywhere in India from the ATM machine using the ATM card given by his/her bank.
- ★ The machine also shows the balance available in the customers' account, provides statement print of the few past transactions, etc.
- ★ Withdrawal of money in other bank ATMs is restricted and will be charged beyond the specified number of usage.

36) Charter Party – Meaning:

- When goods are to be consigned in large quantity, it is advantageous to hire the whole or substantial part of the ship.
- The document through which this contract is made is known as 'Charter Party' may also be known as 'Voyage Charter' or 'Time Charter'.
- The person who hires the ship is known as 'Charter'.

37) Concept of Social Responsibility – Definition:

- ★ "Social Responsibility refers to the obligation to pursue those policies to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society." - Howard R.

38) Pledge – Meaning:

- * A customer transfers the possession of an article with the creditor (banker) and receives loan.
- * Till the repayment of loan, the article is under the custody of the borrower.
- * If the debtor fails to refund the loan, creditor (banker) will auction the article pawned and adjust the outstanding loan from the sale proceeds.

39) Foreign Currency Convertible Bonds – Meaning:

- ▲ Foreign currency convertible bond is a special type of bond issued in the currency other than the home currency.
- ▲ In other words, companies issue foreign currency convertible bonds to raise money in foreign currency.

40) CASCO Insurance – Meaning:

- ♣ 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 therein, a breakdown as a result of collision with another vehicle or object on the road etc.

IV. Answer any seven questions. Question No.30 is compulsory. 7 x 5 = 35**41) .a. Hindrances of Commerce:****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]

41. b. Differences Between GDR and ADR

Basis	Global Depository Receipts (GDR)	American Depository Receipts (ADR)
Denomination	It is denominated in terms of any freely convertible currency	It is denominated only in US dollars
To whom it is issued	It is issued to investors in one or across more markets simultaneously	It is issued only to investors, who are residents of the United States of America.
Listed in	Non-US Stock Exchange such as London Stock Exchange or Luxemburg Stock Exchange.	American stock exchange
Approval	Issue of GDR does not require foreign regulatory clearances.	Issue of ADR requires approval from the Securities Exchange Commission (SEC) of United States of America.
Negotiation	It is negotiable all over the World.	It is negotiable only in America.

42) a. Objectives of Business**1) Economic Objectives**

- Economic objectives of business refer to the objective of earning profit and also other objectives that are necessary to be pursued to achieve the profit objective, which includes creation of customers, regular innovations and best possible use of available resources.

2) Social Objectives

- Social objectives are those objectives of business, which are desired to be achieved for the benefit of the society.
- Since business operates in a society by utilizing its scarce resources, the society expects something in return for its welfare.

3) Organizational Objectives

- The organizational objectives denote those objectives an organization intends to accomplish during the course of its existence in the economy like expansion and modernization, supply of quality goods to consumers, customers' satisfaction, etc.

4) Human Objectives

- Human objectives refer to the objectives aimed at the well-being as well as fulfillment of expectations of employees as also of people who are disabled, handicapped and deprived of proper education and training.

5) National Objectives

- Being an important part of the country, every business must have the objective of fulfilling national goals and aspirations.
- Business activities should be conducted keeping these goals of the country in mind, which may be called national objectives of business.

[OR]

42) b. Contents of Partnership Deed:

- ▲ Name of the Firm
- ▲ Nature of the proposed business
- ▲ Duration of partnership
- ▲ Capital contribution
- ▲ Withdrawal from the firm
- ▲ Interest on capital
- ▲ Loan from partners
- ▲ Retirement
- ▲ Goodwill valuation

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. Personal Investment Avenues:****i). Public Provident Fund (PPF)**

- It is the safest long-term investment option for the investors in India.
- It is totally tax free.
- PPF account can be opened in bank or post office.

ii). Mutual Funds

- ★ An individual investor who wants to invest in equities and bond with a balance of risk and return generally can invest in mutual funds.
- ★ Nowadays people invest in stock markets through a mutual fund.

iii). Real Estate Investment

- * Real estate is one of the fastest growing sectors in India.
- * Buying a flat or plot is supposed to be the best decision amongst the investment options.

iv). Unit Linked Insurance Plans (ULIP)

- ULIP is a life insurance linked product, which provides risk cover for the policy holder along with investment options.
- To invest in any number of qualified investments such as stocks, bonds or mutual funds.

v). Post Office Saving Schemes

- * There are different types of postal small savings schemes.
 - 1) Post Office Savings Account,
 - 2) Post Office Recurring Deposit Account
 - 3) Post Office Fixed Deposit Account
 - 4) National Savings Certificates

44) a. Types of Co-operative society: (Any 5)**i). Consumers Cooperatives:**

- Consumer cooperatives are organized by consumers that want to achieve better prices or quality in the goods or services they purchase.
- They also supply essential commodities through Public Distribution System (PDS).

ii). Producers Cooperatives:

- Producer cooperatives are established and operated by producers.
- Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.

iii). Marketing Cooperatives:

- It's are associations of small producers formed for the purpose of marketing their produce.
- It's perform certain marketing functions such as grading, warehousing, advertising etc.,
- They secure better prices for their members by transporting goods even to distant markets.

iv). Credit Cooperatives:

- It's formed for the purpose of providing short-term financial help to their members.
- Agriculturists, artisans, industrial workers, salaried employees, etc., form these credit societies.
- Credit societies may be agricultural credit societies or non-agricultural credit societies.

v). Housing Cooperatives:

- It means to provide residential accommodation to their members on ownership basis or on rent.
- People who intend to build houses of their own join together and form housing societies.
- These societies advance loans to members, repayable over a period of 15 to 20 years.

[OR]

44.b. Types of Warehousing:**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.

45) a. Types of transport: (Any 5)

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

A. Surface Transport

- Transport of people and goods by land vehicles is known as Surface transport.
- It is also called as 'Land Transport'.
- Pack Animals - horse, mule, donkey camel, and elephant etc.,
- 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. by barge, boat, ship or sailboat over a sea, ocean, lake, canal, river, etc.,
- Water Transports are of two types
 1. Inland Waterways
 2. Ocean Waterways

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.

Air transport is a form of travel in vehicles such as helicopters, hot air balloons, blimps, gliders, hang gliding, parachuting, airplanes, jets or anything else that can sustain flight.

[OR]

45. b) Advantages of MNC's: (Any 5)

- 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 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. Various functions of Reserve Bank of India (Any 5)

The functions of the RBI can be grouped under three heads.

- Leadership and Supervisory Functions
- Traditional Functions and
- Promotional Functions.

A. Leadership and Supervisory Functions

- ⊙ India being the fastest growing economy in the world, India is expected to play a major role in the world affairs by many countries.
- ⊙ Such functions get prominence in current scenario.
 - * 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

- 1) Banker and Financial Advisor to the Government
- 2) Monopoly of Note Issue
- 3) Banker's Bank
- 4) Controller of Credit and Liquidity

C. Promotional Functions

- The RBI performs a wide range of promotional functions to support national objectives.
 - 1) Nurturing Banking Habits among the Public
 - 2) Grievance Settlement Measures

- 3) Agricultural Development
- 4) Promotion of Small Scale Industries
- 5) Facilitates Foreign Trade
- 6) Supports Cooperative Sector

46.b. Various types of Insurance

i). Life Insurance

- ★ **Life Insurance** may be defined as a contract in which the insurance company called insurer undertakes to insure the life of a person called assured in exchange of a sum of money called premium which may be paid in one lump sum or monthly, quarterly, half yearly or yearly.
- ★ **Life insurance policies** are of many kinds. Some of them are given below:
 - 1) **Whole Life Policy**
 - 2) **Joint Life Policy (JLP)**
 - 3) **Annuity Policy**

ii). Non – Life Insurance

- * **It refers as the insurance not related to human but related to properties.**

iii). Fire Insurance

- * **Fire insurance is a contract whereby the insurer, in consideration of the premium paid, undertakes to make good any loss or damage caused by a fire during a specified period upto the amount specified in the policy.**

iv). Marine Insurance

- * **It is a contract of insurance under which the insurer undertakes to indemnify the insured in the manner and to the extent thereby agreed against marine losses.**
- * **The insured pays the premium in consideration of the insurer's guarantee to make good the losses arising from marine perils or perils of the sea.**

v). Health Insurance

- * **In mid 80's, most of the hospitals in India were government owned and treatment was free of cost.**
- * **Presently the health insurance exists primarily in the form of 'Mediclaim policy'.**

vi). Miscellaneous Insurance

- * **Motor Vehicle Insurance**
- * **Burglary Insurance**
- * **Cattle Insurance**
- * **Crop Insurance**
- * **Sports Insurance**

47) a. Short notes on:**a. Analytical industry:**

- ✎ Analytical Industry which analyses and separates different elements from the same materials, as in the case of oil refinery.

b. Genetic Industry:

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

c. Construction Industry:

- ✎ These industries are involved in the construction of building, dams, bridges, roads, as well as tunnels and canals.

[OR]

47.b. Advantages of Departmental undertaking:**1. Easy Formation:**

- It is easy to set up a departmental undertaking.
- The departmental undertaking is created by an administrative decision of the Government, involving no legal formalities for its formation.

2. Direct and Control of Parliament or State Legislature:

- The departmental undertaking is directly responsible to the Parliament or the State legislature through its overall head i.e. the minister concerned.

3. Secrecy Maintained:

- Strategic industries like defense and atomic power cannot be better managed other than government departments.
- Department undertakings can maintain secrecy in their working.

4. Lesser Burden of Tax on Public:

- Earnings of departmental undertaking are entirely paid into Government treasury, resulting in lesser tax burden on the public.

5. Instrument of Social Change:

- Government can promote economic and social justice through departmental undertakings.

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