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QUARTERLY EXAMINATION ANSWER KEY-2024**

GRADE: XI**COMMERCE****MARKS: 90**

1.	a)Pandiya	11.	b)Rural saving
2.	c)Making profit	12.	a)2 Lakhs
3.	c)Processing industry	13.	d)Special commodity warehouses
4.	b)Sole proprietorship	14.	c)Three
5.	b)Agreement	15.	b)Life insurance
6	d)Statutory company	16.	c)B2G –Alibaba
7.	a)Robert owen	17.	d)Timely training and development
8.	c)Head quarters	18.	d)Ethics
9.	c)Serve the people	19.	c)Interest
10	a)Central bank	20.	b)Foreign Currency Convertible bonds

PART-B**II)ANSWER ANY SEVEN OF THE FOLLOWING QUESTIONS:****7X2=14****Q.NO 30 IS COMPULSORY****21) What is meant by Nallangadi?**

- The place where the goods were sold was called "Angadi" in their period.
- Day market was called as Nallangadi.

22) Define Commerce

According to Evelyn Thomas, "Commercial operations deal with the buying and selling of goods, the exchange of commodities and the contribution of finished products".

23) Who is called Karta

All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as 'Karta' or 'Manager'.

24) Give two examples of Departmental Undertaking.

Indian Railway, Department of Food and Public Distribution

25) What is Cold storage Warehouse?

- ✓ Goods are transported in refrigerated containers and stored in refrigerated warehouses.
- ✓ These warehouses are used for storing perishable goods like fruits, vegetables, eggs, butter, fish, meat, etc.
- ✓ Goods stored in cold storages without deterioration in quality, can be made available throughout the year.

26) Define Transport.

According to K.K. Sexena, "the transport system acts with reference to the area it serves in the same way as a candle does in a dark room".

27) Give the meaning of Commercial banks.

Banks which accept deposits from the public and grant loans to traders, individuals, agriculture, industries, transport, etc. in order to earn profit. Examples: i. State Bank of India ii. Karur Vysa Bank

28) What is meant by Business process Outsourcing (BPO)

It refers to outsourcing the work which is routine in nature, to an outside agency.

29) What is a Global Depositary Receipt(GDR)?

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.

30) What is Clean Loan?

- ❖ Banks provide clean loan is loan given without any security or with personal security.
- ❖ It simply grants loan without any physical security.

PART-C**III)ANSWER ANY SEVEN OF THE FOLLOWING QUESTIONS:****7X3=21****Q.NO 40 IS COMPULSORY****31) State the meaning of Maruvurpakkam and Pattinnapakkam.**

- Big cities like Poompuhar had the 'Maruvurappakam' (inland town) and 'Pattinapakkam' (coastal Town), had market and bazaars where many merchants met one another for the purpose of selling or buying different kinds of commodities and food stuff.

32) a)Extractive industry

- These industries extract or draw out products from Natural sources.
- Extractive industries supply some basic raw materials that are mostly products of geographical or natural environment
- Example: Farming ,Mining ,Hunting

b)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

33) What is the meaning of Partnership deed?

Partnership agreement need not necessarily be in writing, it is important to have a written agreement in order to avoid misunderstandings, This agreement called as partnership deed.

34) What is meant by Public corporations?

- It is form of public enterprise which is created as an autonomous unit, by a special Act of the Parliament.
- It is created by a Statute.
- It is also known as a statutory corporation.

❖ Examples: Life Insurance Corporation of India, the Indian Airlines

35) Explain NEFT.

- This was launched by the RBI in 2005.
- Under this electronic funds transfer system, bulk transfer of transactions are settled in batches during specific timings across India.
- Transactions do not occur under real time basis.
- Once in every half hour from 8.00 am to 7.30 pm. 23 settlements are allowed in a day.
- NEFT transfers are not allowed on Sundays and bank holidays

36) Differentiate the Warehouse Warrant from the Warehouse receipts.

SL.NO	Warehouse Warrant	Warehouse Receipt
1	It is a document of title of goods	It is not a document of title of goods
2	It can be negotiated or transferred to others.	It cannot be transferred to others
3	It can be given a collateral security for getting financial assistance	It cannot be given as collateral security.

37) List the kinds of Social responsibility

- a. Run the business efficiently.
- b. Proper utilisation of capital and other resources.
- c. Growth and appreciation of capital.
- d. Regular and fair return on capital invested.

38) What is Pledge?

- ❖ 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) Explain any three disadvantages of Foreign Direct Investment.

- 1. Exploiting Natural Resources:** The FDI Companies deplete natural resources like water, forest, mines etc.
- 2. Exploiting Cheap Labour:** Foreign enterprises employ cheap labour force at a lower pay in developing countries.
- 3. Not Transferring Technology:** Some foreign enterprises do not transfer the technology to developing countries. They mostly transfer second hand technology to the host country.

40) Which is the fastest and the costliest mode of transport? Write its two advantages.

- Air transport is the fastest and the costliest mode of transport.
- It provides regular, convenient, efficient and quick service.
- Perishable goods like fruits, vegetables, egg, meat, etc., can be transported quickly

PART-D

IV. ANSWER ALL THE QUESTIONS

7X5=35

41)a) What are the hindrances of commerce?

1. 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.

2. 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.

3. 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.

4. Hindrance of knowledge

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

5. Hindrance of finance

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

41)b) Compare business, Profession and employment.

S. No	Transaction	Business	Profession	Employment
1	Nature of Work	Goods and services provided to the customer	Personalized service of expert nature	Performing work assigned by the employer
2	Qualification	No qualification is required	Education and specialized training	Minimum qualification is essential
3	Capital	Capital required as per size of the firm	Limited capital necessary for the profession	No capital is required
5	Risk	Profits are uncertain and fluctuate	Fee is regular and certain, never negative	Fixed and regular pay, no risk
5	Transfer of Interest	Possible	Not possible	Not possible

42)a) State any five advantages of Sole trading –Business

i. Easy Formation:

- ❖ No legal formalities are required to initiate a sole trading concern.
- ❖ Any person capable of entering into a contract can start it, provided he has the necessary resources for it.

ii. Incentive to Work hard:

- ❖ There is a direct relationship between effort and reward.
- ❖ The fact that the entire profit can be taken by himself without sharing with anybody else induces him to work ceaselessly.

iii. Small Capital:

- ❖ Small capital is an important as well as specific advantage of sole proprietorship.
- ❖ Sole proprietor can start business with small capital.

iv. Credit Standing:

- ❖ Since his private properties are held liable for satisfying business debts.
- ❖ He can get more financial assistance from others

v. Flexibility:

- ❖ The sole trader can easily adjust himself to the changing requirements of his business.

42)b) What are the 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) Explain any five principles of Insurance

i). Utmost Good Faith

- ❖ According to this principle, both insurer and insured should enter into contract in good faith.
- ❖ Insured should provide all the information that impacts the subject matter.
- ❖ Insurer should provide all the details regarding insurance contract.

ii). Insurable Interest

- ❖ The insured must have an insurable interest in the subject matter of insurance.
- ❖ The insured must have an interest in the preservation of the thing or life insured
- ❖ So that they will suffer financially on the happening of the event against which they are insured.

iii). Indemnity

- ❖ Indemnity means security or compensation against loss or damages.
- ❖ This principle ensures that the insured does not make any profit out of the insurance.
- ❖ This principle of indemnity is applicable to property insurance alone.

iv). Causa Proxima

- ❖ The word 'Causa proxima' means 'nearest cause'.

- ❖ The direct, the most dominant and most effective cause of loss should be taken into consideration.
- ❖ The insurance company is not liable for the mote cause.

v). **Contribution**

- ❖ The same subject matter may be insured with more than one insurer then it is known as 'Double Insurance'.
- ❖ In such a case, the insurance claim to be paid to the insured must be shared on contributed by all insurers in proportion to the sum assured by each one of them.

43)b) Classify the various functions of Reserve Bank of India in detail .

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

- Leadership and Supervisory Functions
- Traditional Functions
- 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

- Banker and Financial Advisor to the Government
- Monopoly of Note Issue
- Banker's Bank
- Controller of Credit and Liquidity

C. Promotional Functions

The RBI performs a wide range of promotional functions to support national objectives.

- Nurturing Banking Habits among the Public
- Grievance Settlement Measures
- Agricultural Development
- Promotion of Small Scale Industries
- Facilitates Foreign Trade
- Supports Cooperative Sector

44)a) Elucidate the features of Factoring

Features of Factoring

Maintenance of book-debts

A factor takes the responsibility of maintaining the accounts of debtors of a business institution.

Credit coverage

The factor accepts the risk burden of loss of bad debts leaving the seller to concentrate on his core business.

Cash advances

Around eighty percent of the total amount of accounts receivables is paid as advance cash to the client.

Collection service

Issuing reminders, receiving part payments, collection of cheques form part of the factoring service.

Advice to clients

From the past history of debtors, the factor is able to provide advices regarding the credit worthiness of customers, perception of customers about the products of the client, etc.

44)b) Explain the key elements of Business Ethics.

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.

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.

45)a) Distinguish 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.

45)b) Explain any five 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.

- ❖ Post Office Savings Account,
- ❖ Post Office Recurring Deposit Account
- ❖ Post Office Fixed Deposit Account
- ❖ National Savings Certificates

46)a) Explain any Five 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.

46)b) Discuss the Various primary functions performed by the Commercial Bank.

The primary functions of a commercial bank are of three types. They are:

- Accepting Deposits
- Granting Loans and Advances.
- Creation of Credit

I. Accepting Deposits

- In these days banks compete with each other to attract customers by adding facilities.
- Broadly deposit accounts can be classified into demand deposits and time deposits.

A. Demand Deposits

These deposits are repayable on demand on any day.

- ✓ Savings Deposits
- ✓ Current Deposits

B. Time Deposits

They include fixed deposits and recurring deposits which are repayable after a period.

- ❖ Fixed Deposits (FD)
- ❖ Recurring Deposits (RD)

II. Granting Loans and Advances

- ❖ It is lending money in order to earn interest income.
- ❖ Banks provide specific sums as loans which are repayable along with interest.

❖ But both terms are used interchangeably.

i). Advances

❖ Overdraft

❖ Cash Credit

❖ Discounting of Bills

❖ ii). Loans

❖ Generally commercial banks provide the following loans.

❖ Housing Loan

❖ Consumer Loans

❖ Vehicle Loans

❖ Educational Loan

❖ Jewel Loan

III. Creation of Credit

❖ Credit money of commercial banks is far greater in volume than the currency money.

❖ The volume, the purposes and the sector to which this credit money is to be channelized.

47)a) Explain various types of Land transport

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.

47)b) Explain any five 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.