

HALF YEARLY EXAMINATION - DECEMBER – 2024 - ANSWER KEY**XI STANDARD – COMMERCE – ENGLISH MEDIUM****DR.A.VENNILA****PRINCIPAL**MYDEEN MATRIC. HR.SEC. SCHOOL
MELACAUVEY – KUMBAKONAM.

CELL NO.: 8220179521

8608481579

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	Airway
9	A	Bill of Lading	19	C	Reasonable Price
10	B	Departmental Organisation	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) Employment – Meaning:

- It refers to the occupation in which people work for others and get remuneration in the form of wages or salaries.

23) Reciprocal Promise.

- * Promises which form consideration or part of consideration for each other are called ‘Reciprocal Promise’.
- * **For example:** X promises to sell his house to Y for Rs.5,00,000. The promises are reciprocal. X is the promisor to give the house and a promise to receive Rs.5,00,000. Y is the promisee to receive the house and a promisor to pay Rs. 5,00,000.

24) Assessment Year:

- * The term has been defined under section 2(9).
- * The year in which tax is paid is called the assessment year.
- * It normally consisting of a period of 12 months commencing on 1st April every year and ending on 31st March of the following year.

25) Special Drawing Rights:

- * DR was created by the IMF in the year 1969 as supplementary international reserve asset.
- * It is described as paper gold.

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 founder of 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) Minor Partner - 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 indirect taxes levied in India.

- 1) Goods and service tax
- 2) Exercise duty

30) According to Mitakshara law, there is a son’s right by birth in the property of joint family

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) 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.

35) Types of Business Agents or Mercantile Agents**i). Broker:**

- * A Broker is one who bargains for another and receives commission for his service.
- * He is paid 'brokerage' for his services.

ii). Factor:

- * A factor is a mercantile agent to whom goods are entrusted for sale by a principal.

iii). Commission Agents:

- * A commission agent buys and sells goods on behalf of the principal for a fixed rate of commission for all his transactions.

36) Voidable Contract :

- ✘ An agreement which is enforceable by law at the option of one or more parties but not at the option of the other or others is a voidable contract.
- ✘ This is the result of coercion, undue influence, fraud and misrepresentation.

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 or State Governments.

38) Mobile Banking Meaning:

- With this app in the smart phone a customer can operate his account transactions from anywhere.
- This service is known as mobile banking.

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) Mudra Bank works for growth of Micro Industries.

PART - IV**IV. Answer all questions.****7 x 5 = 35****41.a. Hindrances of Business:****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.

[OR]**41.b. Key Elements Of Business Ethics (Or) Components 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 be 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.

42.a. Functions of Reserve Bank of India. (Any 5)

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

A. Leadership and Supervisory Functions

B. Traditional Functions and

C. 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.
 - 1) India's Representative in World Financial Institutions
 - 2) Regulator and Supervisor of Indian Banking System
 - 3) Monetary Authority
 - 4) Closely Monitoring Economic Parameters
 - 5) 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

[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 Articles of Association:

- ❖ Amount of shares, capital, value and type of shares.
- ❖ Rules regarding issue of shares and debentures.
- ❖ Manner of transfer of shares.
- ❖ Declaration of dividends.
- ❖ Borrowing powers of the company.
- ❖ Seal of the company.

44.a. Features of Factoring**a) Maintenance of book-debts**

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

b) Credit coverage

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

c) Cash advances

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

d) Collection service

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

e) 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.

[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. . 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.

[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) Damages – Meaning:

- Damages are a monetary compensation awarded by the court to the injured party for the loss or injury suffered by him.
- As per contract, one party can claim damages if other party breach the contract.
- The main purpose of awarding the damages is to make good the loss suffered by him.
- It is known as doctrine of restitution.
- The Section 73 of the Indian Contract Act, 1872 deals with the compensation for loss or damages caused by a party for breach of contract.

Types of Damages:

- There are mainly four types of damages, such as
 - 1) Ordinary damages
 - 2) Special damages
 - 3) Vindictive or exemplary damages and
 - 4) Nominal damages.

[OR]

47.b)

- ✎ 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.

Advantages of Air Transport (Any 5)

- a) It provides a regular, convenient, efficient and quick service.
- b) Perishable goods like fruits, vegetables, egg, meat, etc., can be transported quickly.
- c) It does not require huge investment for construction and maintenance of track like railways.
- d) They provide comfortable services for passengers and safety for their goods.
- e) It can be used to move goods to areas, which are inaccessible to other means of transport.
- f) It is very much helpful for flood or landslide and war rises to the occasion to save human life from danger.

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