

**HALF YEARLY EXAMINATION - DECEMBER - 2024 - ANSWER KEY
VELLORE DISTRICT 11TH COMMERCE (EM)**

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PART A : Answer all the questions 20*1=20

1	A	Making Profit
2	A	Industry
3	B	Karta
4	B	International Business
5	D	51%
6	D	RBI
7	B	Co-operation
8	A	Transport
9	A	International Market
10	B	2006
11	A	Import
12	D	State Training Corporation
13	B	Indirect Tax
14	A	Broker
15	C	Both Current and Capital Account
16	B	Void Contract
17	B	Direct Tax
18	C	Owners
19	B	1935
20	D	Air

PART B : Answer any 7 questions.(Question no 30 is compulsory) 7*2=14

21 Define transport

“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

22 Who is a broker?

A broker is one who bargains for another and Receives commission for his service. He is paid “brokerage” for his services

23 Explain the meaning of Entrepot trade.

Importing of goods from one country and exporting the same to foreign countries. Also called “Re-Export trade”.

24 What is meant by Nallangadi?

Day market was called as “Nallangadi”

25 Who is called KARTA?

The Head of the family is known as “KARTA”.

26 Who is sleeping Partner?

The person who contributes capital and does not take active in the conduct of business is called “Sleeping” or “Dormant Partner

27 What do you mean by the concept of business ethics?

- It is a set of moral standards to be followed by owners, managers and business people.
- These standards determine the conduct and behavior of business people.
- Business ethics reflects the conduct in the context of business.

28 What is Law?

Law means a ‘Set of rules” which governs our behavior and relating in a civilized society

29 Write a short note on credit card

- The cardholder can purchase goods and services on credit at any shop in India.
- If the dues are paid within the stipulated time no interest is charged.
- The credit limits fixed by the issuing bank.

30 What is meant by contract?

As per the Indian contract Act 1872, a “Contract is an agreement enforceable by law.

PART c : Answer any 7 questions.(Question no 40 is compulsory) 7*3=21

31 What do you mean by human activities? Explain.

It is an activity performed by a human being to meet his/her needs and wants or may be for personal satisfaction. It can be of economic and non-economic activities.

32 What is meant by Government Company?

Sec 617 of the companies Act 1956 defines, "Govt companies" as any company in which not less than 51% of the paid up capital held by

-The central govt

-Any state govt or Govt

-Partly by the central govt and partly by one or more state govts.

Ex. SAIL, BHEL, ONGC

33 Explain the demerits of multiple shops

LIMITED VARIETY

It deal only in limited range of products

ABSENCE OF SERVICES

Customers do not get credit, home delivery and other facilities

INFLEXIBILITY

All the branches centrally controlled and uniform policies are adopted for all the shops.

34 Explain the types of internal trade

WHOLE SALE TRADE

Purchase of goods in bulk from the manufacturers and selling them in smaller quantities to other intermediaries is known as whole sale trade.

RETAIL TRADE

It deals with the distribution of goods in small quantities to the consumers.

35 Explain cold storage warehouse

Goods are transported in refrigerated containers and stored in refrigerated warehouse.

Used for storing perishable goods like fruits, vegetables, eggs butter, fish, meat etc.

Goods stored in cold storages without deterioration in quality available throughout the year.

36 Mention the functions of SAARC.

- Monitoring and co-ordinating the development Programme
- Determining inter- sectoral priorities.
- Mobilising Co-operation within and outside the region
- Dealing with modalities of financing

37 What is E – Banking?

- It is operated through internet.
- This reduces cost and time and makes banking service convenient to the customers.
- Examples for E –banking services are NEFT, RTGS, and ECS, Mobile banking, Internet banking, IMPS, AIM, Debit and Credit card.

38 Write any three Indian MNC's

Bata corporation
 Sony corporation
 Colgate Palmolive
 Suzuki and Timex

39 What do you mean by agreement?

-Sec 2(a), "Every promise and set of Promiser forming consideration for each other is and agreement".

-In short, Agreement =offer + Acceptance.

40 Write short notes on (i) Direct tax (ii) Indirect tax**(i) DIRECT TAX**

If the tax levied on the income or wealth of a person and is paid by that person directly to the government is called "Direct tax".

Ex – Income tax, wealth tax,

(ii) INDIRECT TAX

- It is collected from the buyers and is paid by seller to the government.

- It is levied on goods or services

- Ex.GST.

PART D : Answer all questions. 7*5=35**41 (a) What are the hindrances of commerce?****HINDRANCES OF PERSON**

-Manufacturers do not know the place and face of the consumers.

-The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the produces and the consumers.

HINDRANCES OF PLACE

- Production takes place in one centre and spread throughout the country.
- Rail, Sea, air and Land transports brings the products to the place of consumers.

HINDRANCES OF KNOWLEDGE

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

HINDRANCES 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.

HINDRANCES OF FINANCE

- Producers and traders may not have the funds at the time of their need.
- Banks and other financial institutions provide funds to enable the smooth functioning of business.

41(b) Compare business with profession and employment.

Business	Profession	Employment
<u>Nature of work</u> Goods and services Provided to the public.	Personalised service of expert nature.	Performing work Assigned by the Employer
<u>Qualification</u> No minimum qualification	Education and training in specialized field	Minimum qualification is essential
<u>Rewards</u> Profits	Professional fee	Salary or wages
<u>Basic motive</u> Earning profits	Rendering service	Earning wages or salary by serving the Employer.
<u>Risk</u> Profits are uncertain and irregular.	Fee is regular and certain	Fixed and Regular pay no risk

42(a) What are the functions of wholesalers?

COLLECTION OF GOODS

Wholesaler collects the goods from manufactures or producers in bulk.

STORAGE OF GOODS

Wholesalers collect and store them safely in warehouses, till they are sold out.

DISTRIBUTION

Wholesalers sell goods to different retailers. Thus he performs the function of distribution.

FINANCING

Wholesalers provide financial support to producers and manufacturers by providing money in advance to them.

GRADING, PACKING AND PACKAGING

Wholesaler grades the goods on the basis of quality. Size and weight etc. He also undertakes packaging on goods and also performs the function of branding.

42(b) Explain the Principles of Insurance.

UTMOST GOOD FAITH

-According to this Principle both insurer and insured should enter into contract in good faith.

-Insured should provide

-Insurer should provide all the details regarding insurance control

INSURABLE INTEREST

-The insured must have an insurable interest

-It means some pecuniary interest in the subject matter of the insurance contract.

INDEMNITY

-It means security or compensation against loss or damages

-It is applicable to property insurance alone.

CAUSA PROXIMA

-The word "Causa proxima" means "Nearest cause".

-When the loss is the result of two or more cause, the proximate cause i.e.the direct.

-The Insurance Company is not liable for the remote cause.

SUBROGATION

-It means "Stepping the shoes on others"

-Once the claim of the insured has been settled, the ownership right of the subject matter of insurance passes on to the insurer.

43(a) Distinguish between Internal and International trade

Basis	Domestic business	International business
Meaning	Transacted within the geographical boundaries of a country	Transacted beyond the boundaries of a country
Participants in business	People /organisation within the country	People/ organisations outside the country
Currency used	Local currency of a country	Foreign currency
Mode of Transport	Transported by roadways and railways	Transported by water and Airways
Scope of market	The scope of market is Limited	The scope of market is unlimited
Risk Exposure	Risk are relatively less	This Risk are high

43(b) Explain different types of transport.

Transport can be divided into three important types

Land Transport

Water Transport

Air Transport

LAND TRANSPORT

Transport of people and goods by land vehicles' is known as surface transport. It is also called

as "Land Transport". The following are the various means of Land transport.

- Pack Animals (Horse, mule, donkey, camel. Elephant)
- Bullock carts
- Motor lorries and buses
- Tram wages
- Railways

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 transport is two types, namely

- Inland waterways
- Ocean waterways

AIR TRANSPORT

- Air transport is the fastest and costliest mode of transport
- Commercial transport is 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 travels such as helicopters, hot air balloons, blimps, gliders, hang gliding, parachuting, airplanes, jet etc.

44(a) Point out the objectives of WTO.

- Improving the standard of living of people in member countries.
- Protecting the environment
- Expansion of trade in goods and services.
- Ensuring full employment and large steady growth volume of real income
- Making optimum utilisations of world's resources for sustainable development of member countries.

44(b) What are the features of Govt. Company?

REGISTRATION

A government company is formed through registration under the companies Act 1956 and is subject to the provisions of this Act.

SEPARATE LEGAL ENTITY

A govt. company is a legal entity separate from the govt. It can make contracts and can file suits, in its own name.

OWN STAFF

A govt. company has its own staff. It's employees are not governed by civil service rules.

ACCOUNTABILITY

The annual report of a govt. company is placed before the parliament or the state legislature.

FREE FROM PROCEDURAL CONTROLS

A govt company is free from budgetary, accounting and audit controls.

45(a) Explain any five personal investment avenues.

PUBLIC PROVIDENT FUND

It is the safest long term investment option for the investors in India.

It is totally tax free.

PPF Account can be opened in the bank or post office. K S .NARENDRAN

M.COM., M.PHIL., B.ED.,

PPF Investor can take loan against PPF account when he/she experiences financial difficulties.

MUTUAL FUNDS

An investor who wants to invest in equities and bond with a balance of risk and return generally can invest in mutual funds.

Systematic investment plan is one of the best investment option in India.

BONDS

The term bond is used for the debt collected by the govt while the term debenture is used when the corporate collect debt capital from the public.

Investment in bonds is totally risk free.

UNIT LINKED INSURANCE PLANS (ULIP)

It 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 stock, bonds or mutual funds.

REAL ESTATE INVESTMENT

It is one of the fastest growing sectors in India.

Buying a flat or plot is supposed to be the best decision amongst the investment option.

The value of real asset may increase depending upon the area of location and other facilities available.

45(b) What are the advantages of MNC's?**LOW COST LABOUR**

MNC setup their facilities in Low cost countries and produce goods/services at lower cost

IMPROVEMENT IN BOP POSITION

MNC help the host countries to increase their Exports to improve upon its balance of payments position

IMPROVEMENT IN STANDARD OF LIVING

MNC help to improve the standard of living of people of host countries

END OF LOCAL MONOPOLIES

-The Entry of MNC'S Leads to competition in the host countries

-MNC's compe domestic companies to improve their efficiency and quality

MANAGERIAL DEVELOPMENT

-MNC's Employ latest management techniques

-It leads to managerial development in host countries

46(a) What are the essentials of valid Tender of performance?

- It must be unconditional
- It must be in proper form
- It must be made to proper person
- It must be made to one of the several joint promises
- It must be at the proper time and place
- It must be by a person who is in a position and willing to perform the promise

46(b) What are the functions of RBI?**Promotion of small scale industries**

Micro small and medium enterprises are included in the priority sector. All scheduled banks are required to open separate branches to specialise the financing of these industries.

Facilitates Foreign trade

The RBI has simplified the rules for credit to exporters through which they can now get long term advance from banks. K S .NARENDRAN M.COM.,M.PHIL.,B.ED.,

Maintenance of foreign exchange rate

The RBI manages the exchange value of the rupee in order to facilitate India's foreign trade and payments.

47(a) Difference between contract and agreement.

Basis	Contract	Agreement
Definition	A contract is an agreement enforceable by law	It is every promise or set of promises forming consideration.
Enforceability	Every contract is enforceable	Every promise is not enforceable
Interrelationship	A contract includes an agreements	An agreement does not includes & contract
Validity	Only legal agreements called contracts	An agreement may be both legal and illegal
Legal obligation	Every contract contains a legal obligation	It is not necessary for every agreement to have legal obligation.

47(b) Distinguish between direct taxes and Indirect taxes

Basis	Direct taxes	Indirect taxes
Meaning	If a tax levied on the income or wealth of a person	If tax is levied on the goods or services.
Incidence and Impact	Falls on same person	Falls on different persons
Evasion	Tax Evasion is possible	Tax evasion is more difficult
Infusion	It helps in reducing the infusion	Indirect tax contributes to infusion.
Shiftability	Cannot be shifted to others	Can be shifted to others
Examples	Income tax, wealth tax	GST, Excise duty