

PUBLIC EXAMINATION - ANSWER KEY – MARCH - 2025**XI STANDARD – COMMERCE – ENGLISH MEDIUM****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

A			B		
1	D	Assessment Year	1	A	2006
2	A	Cold Storage	2	B	Wholesale Trade
3	C	Salary or Wages	3	C	Industry
4	D	All of the above	4	D	Single Line Store
5	A	2013	5	D	All of the above
6	D	Two	6	A	Cold Storage
7	A	Indirect Tax	7	A	2013
8	C	Industry	8	D	Two
9	D	All of the above	9	D	Assessment Year
10	D	Single Line Store	10	B	Sole Proprietorship
11	D	Should be performed by A and B along with C's legal representatives	11	A	A Depository Receipt
12	D	Life Insurance	12	D	Should be performed by A and B along with C's legal representatives
13	B	Sole Proprietorship	13	B	Exports are more than the Imports
14	A	2006	14	D	Life Insurance
15	B	Wholesale Trade	15	C	Cost Minimisation
16	B	Serve the People	16	A	Indirect Tax
17	D	Bill of Lading	17	B	Serve the People
18	A	A Depository Receipt	18	D	Bill of Lading
19	C	Cost Minimisation	19	C	Salary or Wages
20	B	Exports are more than the Imports	20	D	All of the above

II. Answer any seven questions. Question No.30 is compulsory.

7 x 2 = 14**21) Economic Activities:**

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

22) Two schools of Hindu Law:

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

23) Short notes on Debit Card:

- * ATM card is also called debit card.
- * This card is more useful in purchase of goods and services anywhere in India.

24) Two disadvantages of franchising:

- * The initial franchising fee and the subsequent renewal fees can be very high.
- * The franchisee does not have the freedom to run his business in an independent manner.

25) Two Examples of Seasonal production but regular consumption (Any 2)

1. Wheat,
2. Sugar,
3. Pulses, etc.

26) Two examples for micro – enterprises: (Any 2)

1. Clay pot making,
2. Fruits and vegetable vendors,
3. Transport (three wheeler tempos and autos),
4. Repair shops,
5. Cottage industries,
6. Small industries,
7. Handlooms,
8. Handicraft works etc.

27) Speciality Stores:

- * Speciality Stores deal in a particular type of product under one product line only.
- * **For example**, Tirunelveli Halwa, Bengali Sweets, etc.

28) Export Trade:

- The firm of country sells goods and services to a firm of another country it is called export trade.
- **Example:** The sale of handicraft, Leather products, Electronic goods Herbal products, etc.,

29) Contract:

- * A “contract” is an agreement enforceable by law.
- * The agreements not enforceable by law are not contracts.

30) Important Ancient Trade Centres in Tamilnadu (Any 2)

- 1) Alagankulam (Ramanathapuram)
- 2) Mylarphan (Mylapore, near Chennai),
- 3) Keberis (Kaveripumpattinam),
- 4) Poduke or Poduce (Arikamedu, Puducherry),
- 5) Soptana (Marakanam),
- 6) Nikam (Nagapattinam),
- 7) Periyapattinam,
- 8) Kayalpattinam,
- 9) Colchi (Korkai)
- 10) Comari (Kanyakumari)

PART - III**III. Answer any seven questions. Question No.40 is compulsory.****7 x 3 = 21****31) Concept of Business Ethics:**

- ▲ Business ethics may be defined as a set of moral standards to be followed by owners, managers and business people.
- ▲ These standards determine the conduct and behaviour of business people.
- ▲ Business ethics reflects the conduct in the context of business.

32) Minimum and maximum number of members in the partnership concern:

- ✎ Minimum numbers of persons are 2.
- ✎ Maximum number of partners 50.

33) Insurance – Definition:

“Insurance is a plan by themselves which large number of people associate and transfer to the shoulders of all, risk that attacks to individuals”.

- According to John Merge

34) Public Corporation – Meaning:

- ✎ A public corporation is that form of public enterprise which is created as an autonomous unit, by a special Act of the Parliament or the State Legislature.
- ✎ Since a public corporation is created by a Statute;
- ✎ It is also known as a statutory corporation.

35) Disadvantages of Foreign Direct Investment (FDI):

- 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.

36) Three examples of India's import and export items.

Export items	Import items
1. Petroleum products	1. Mineral fuels including oil
2. Jewelry	2. Gem, precious metals
3. Automobile	3. Electrical machinery and equipments

37) Credit items shown in Currents Accounts:

- ★ Goods Export (visible)
- ★ Invisible Exports
 1. Transport service sold abroad
 2. Banking service sold abroad
 3. Insurance service sold abroad
 4. Income received on loan and investment made in foreign countries
 5. Expenses incurred by foreign tourists in India

38) Kinds of Reciprocal Promises

1. Mutual and Independent
2. Mutual and Dependent
3. Mutual and Concurrent

39) Three features of Self Help Group.

- The motto of every group members should be “saving first – credit latter”
- The groups need not be registered.
- Each group should have only one member from one single family.
- A group is to be formed with only men or only with women.

40) Advantages of inland waterways (Any 2)

- a) The cheapest mode of transport among the other modes of transport.
- b) It carries goods smoothly due to the absence of shaking and jolting during transit.
- c) It is most suitable for heavy loads.
- d) There is lesser pollution in water transport.
- e) Initial investment on river services, expenditure and maintenance is much lesser as compared to road and rail transport.

PART - IV**IV. Answer all questions.****7 x 5 = 35****41.a. Hindrances of business:****1) Hindrance of place**

- a. Production takes place in one centre and consumers are spread throughout the country and world.
- b. Rail, Air, Sea and Land transports bring the products to the place of consumer.

2) Hindrance of time

- a. Consumers want products whenever they have money, time and willingness to buy.
- b. Goods are produced in anticipation of such different regional centers.
- c. So that they can be distributed at the right time to the consumers.

3) Hindrance of risk of loss

- a. Fire, theft, floods and accidents may bring huge loss to the business.
- b. Insurance companies serve to cover the risk of such losses.

4) Hindrance of knowledge

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

5) Hindrance of finance

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

[OR]

41.b. Need for Social Responsibility:

Business is expected to be responsible to society due to the following reasons

1. Self-Interest

- ★ A business unit can sustain in the market for a longer period only by assuming some social obligations.
- ★ Normally businessmen recognise that they can succeed better by fulfilling the demands and aspirations of society.

2. Creation of Society

- ★ Business is a creation of society and uses the resources of society. Therefore, it should fulfill its obligations to society.

3. Social Power

- ★ Businessmen have considerable social power. Their decisions and actions affect the lives and fortunes of the society.

4. Image in the Society

- ★ A business can improve its image in public by assuming social obligations. Good relations with workers, consumers and suppliers help in the success of business.

5. Public Awareness

- ★ Now-a-days consumers and workers are well informed about their rights. Consumers expect better quality products at reasonable prices.

42.a. Advantages / Benefit of Outsourcing:**1. Focusing on Core Activities**

- ✎ Companies can focus on their core competence, a few areas where the company has distinct capability.
- ✎ The rest of the activities (non core) can be outsource to outside agencies.

2. To Fill up Economic Development

- ✎ Outsourcing stimulates entrepreneurship, encourages employment opportunities, expands exports, enables tremendous growth of the economy.

3. Encourages Employment Opportunities

- ✎ Companies that are outsourcing their non core activities provide chances for other small business units to take up the activities.
- ✎ This paves way for more job opportunities and new employment avenues.

4. Reduction in Investment

- ✎ Companies through outsourcing avails the services of outsiders which in turn reduces the investment requirements.
- ✎ The amount so available can be utilized productively and this increases the profits.

5. Quest for Excellence

- ✎ Outsourcing enables the firms to pursue excellence in two ways namely excelling themselves in the activities they do and excel outsiders by extending their capabilities through contracting out.

[OR]

42.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.

43.a. Features of Government Company:**i) Registration under the Companies Act:**

- ♣ A Government company is formed through registration under the Companies Act, 1956; and is subject to the provisions of this Act, like any other company.

ii) Executive Decision of Government:

- ♣ A Government company is created by an executive decision of the Government, without seeking the approval of the Parliament or the State Legislature.

iii) Separate Legal Entity:

- ♣ A Government company is a legal entity separate from the Government.
- ♣ It can acquire property; can make contracts and can file suits, in its own name.

iv) Own Staff:

- ♣ A Government company has its own staff; except Government officials who are sent to it on deputation.
- ♣ Its employees are not governed by civil service rules.

v) Free from Procedural Controls:

- ♣ A Government company is free from budgetary, accounting and audit controls, applicable to Government undertakings.

[OR]

43.b. Kinds of source of short term finances.**i). Bank Overdraft**

- * It refers to an arrangement whereby the bank allows the customers.
- * To overdraw the required amount from its current deposit account within a specified limit.

ii). Trade Credit

- * Trade credit is very simple and convenient method of raising short term finance.

iii). Mortgage

- * This is a type of loan taken from the bank by lodging with the banker title deeds of immovable assets like land and building.

iv). Loans against the Securities

- * Banks accept various types of securities like fixed deposit receipt, book debts, insurance policies, supply bills, shares, debentures, bonds of company, document of title to the goods and so on.

v). Clean Loan

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

44.a. Distinction Between Wholesaler and Retailer : (Any 5)

Sl.No.	Basis	Wholesaler	Retailer
1	Link	A wholesaler serves as a link between producers and retailers.	A retailer provides a link between wholesalers and consumers.
2	Scale of Operations	A wholesaler carries on business on a large scale and requires huge capital.	A retailer deals generally on a small scale and capital invested in retail trade is relatively small.
3	Range of Goods	A wholesaler generally deals in one commodity.	A retailer deals in a large variety goods and caters to the diverse needs of his end customers.
4	Dealings	A wholesaler generally sells goods to retailers on credit.	A retailer usually sells goods to end consumers on cash basis.
5	Purpose of Selling	A wholesaler sells goods for resale.	A retailer sells goods for ultimate consumption or use.
6	Source of Supply	A wholesaler buys goods from manufacturers and their agents in large quantities.	A retailer generally buys goods from wholesalers and their agents in small quantities.
7	Location	A wholesaler operates his business in big commercial cities and expand his business to different areas.	A retailer operates in a smallest village and also big cities and locates his business in particular place of area.

[OR]

44.b. 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.

45.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]

45.b. 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.

46.a. Advantages of MNCs:**1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

[OR]

46. b. Advantages of Railway Transport (Any 5)

1. Railways are well suited for carrying heavy and bulky goods over long distances.
2. It can provide long distance travel throughout the day and night with unbroken services.
3. It can provide better production and safety to the goods than motor transport.
4. The goods generally carried in closed wagons are not exposed to sun, rain etc.
5. It has regular schedule of timing and is available throughout the year.
6. It provides unaffected services whether rainy or shinny weather conditions.

47.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]

47.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.

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