

**11th
STD****PUBLIC EXAMINATION - MARCH 2025
PART - III
COMMERCE**

Reg. No.

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TIME ALLOWED : 3.00 Hours]

(with Answers)

[MAXIMUM MARKS : 90

- Instructions :** (1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
- (2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams.

PART - I**Note :** (i) Answer **all** the questions. **20 × 1 = 20**(ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

- The year in which income is earned for which tax will be paid in the next year, that tax payable year is :
(a) Light year (b) Previous year
(c) Calendar year (d) Assessment year
- _____ warehouses are used for storing perishable goods like fruits, vegetables etc.
(a) Cold storage (b) Bonded
(c) Co-operative (d) Private
- Which one of the following does not characterise business activity?
(a) Sale or exchange of Goods and Services
(b) Production of Goods and Services
(c) Salary or Wages (d) Presence of Risk
- Which of the following persons can perform the contract?
(a) Legal representatives of Promisor
(b) Agent of the Promisor
(c) Promisor alone (d) All of the above
- Real Time Gross Settlement System was launched by the RBI in the year :
(a) 2013 (b) 2005
(c) 2014 (d) 2003
- Merchant middlemen can be classified into _____ categories.
(a) Five (b) Three
(c) Four (d) Two
- What kind of Tax is GST?
(a) Indirect Tax
(b) Depending upon the type of Goods and Services
(c) Direct Tax (d) All of the above
- Normally high level risk is involved in :
(a) Commerce (b) Trade
(c) Industry (d) All of the above
- Discharge by mutual agreement may involve :
(a) Rescission (b) Alteration
(c) Novation (d) All of the above
- Small shops which deal in a particular line of products are called as _____.
(a) Common markets (b) Market traders
(c) Street stalls (d) Single line stores
- A, B, C jointly promised to pay ₹50,000 to D. Before performance of the contract, C dies. Here, the contract:
(a) should be performed by A and B alone
(b) become void on C's death
(c) should be renewed between A, B and D
(d) should be performed by A and B along with C's legal representatives
- _____ is not a type of General Insurance.
(a) Medical Insurance (b) Marine Insurance
(c) Fire Insurance (d) Life Insurance
- Which is the oldest form of business organisation?
(a) Co-operative society (b) Sole proprietorship
(c) Company (d) Partnership
- Micro, Small and Medium Enterprises Development (MSMED) Act was enacted in the year :
(a) 2006 (b) 2004
(c) 2008 (d) 2007
- Choose the odd one out.
(a) Import Trade (b) Wholesale Trade
(c) Entrepot Trade (d) Export Trade
- The primary objective of the State enterprises is to :
(a) Provide Employment
(b) Serve the people
(c) Earn profit (d) All the above

17. The _____ receipt is an acknowledgement of receipt of goods on the ship issued by the captain.
 (a) Mate's Receipt (b) Shipping Bill
 (c) Consular Invoice (d) Bill of Lading
18. An instrument representing ownership interest in securities of a foreign issuer is called _____.
 (a) a depository receipt (b) an ownership receipt
 (c) an ownership certificate
 (d) None of the above
19. The main benefit of Logistics is :
 (a) Profitability (b) Productivity
 (c) Storage (d) Cost Minimisation
20. Balance of Payments surplus indicates :
 (a) Exports and Imports are above Equilibrium
 (b) Exports are more than the Imports
 (c) Imports are more than Exports
 (d) Exports and Imports are at Equilibrium

PART - II

Note: Answer **any seven** questions. Question No. 30 is **Compulsory**. $7 \times 2 = 14$

21. What is meant by Economic Activities?
 22. What are the two schools of Hindu Law?
 23. Write a short note on Debit Card.
 24. State two disadvantages of Franchising.
 25. Give any two examples of seasonal production but regular consumption.
 26. Give two examples of Micro enterprises.
 27. What are Speciality Stores?
 28. What is meant by Export Trade?
 29. What do you mean by Contract?
 30. Give two examples of Important Ancient Trade Centres in Tamil Nadu.

PART - III

Note: Answer **any seven** questions. Question No. 40 is **Compulsory**. $7 \times 3 = 21$

31. What do you mean by concept of Business Ethics?
 32. What is the minimum and maximum number of members in a Partnership concern?
 33. Define Insurance.
 34. What is meant by Public Corporations?
 35. Explain any three disadvantages of Foreign Direct Investment.
 36. Mention three important items of India's Import and Export.
 37. What are the credit items shown in Current account? (any 3)

38. What are the kinds of Reciprocal Promises?
 39. Explain any three features of Self Help Group.
 40. What are the advantages of inland waterways? (any 3)

PART - IV

Note: Answer **all** the questions. $7 \times 5 = 35$

41. (a) What are the hindrances of Commerce?
 (OR)
 (b) Explain the need for Social Responsibility. (any 5)
42. (a) Enumerate the advantages of Outsourcing. (any 5) (OR)
 (b) Explain the types of dissolution of Partnership firm. (any 5)
43. (a) What are the features of Government Company. (any 5)
 (OR)
 (b) Explain the kinds of sources of Short Term finance. (any 5)
44. (a) Distinguish between Wholesaler and Retailer. (any 5) (OR)
 (b) What is meant by damages and what are its types?
45. (a) Write a short note on : (i) Analytical industry, (ii) Genetic industries, (iii) Construction industries.
 (OR)
 (b) Explain the characteristics of Sole Trading business. (any 5)
46. (a) What are the advantages of MNCs? (any 5)
 (OR)
 (b) Explain the advantages of Railway transport. (any 5)
47. (a) Distinguish between Bill of Lading and Charter Party. (OR)
 (b) Distinguish between Balance of Payment and Balance of Trade. (any 5)

ANSWERS**PART - I**

1. (d) Assessment year
 2. (a) Cold storage 3. (c) Salary or Wages
 4. (d) All of the above 5. (a) 2013
 6. (d) Two 7. (a) Indirect Tax
 8. (c) Industry 9. (d) All of the above
 10. (d) Single line stores

11. (d) should be performed by A and B along with C's legal representatives
12. (d) Life Insurance
13. (b) Sole proprietorship
14. (a) 2006
15. (b) Wholesale Trade
16. (b) Serve the people
17. (d) Bill of Lading
18. (a) a depository receipt
19. (d) Cost Minimisation
20. (b) Exports are more than the Imports

PART - II

21. Activities undertaken with the object of earning money are called economic activities.
22. There are two schools of Hindu Law-one is Dayabhaga which is prevalent in Bengal and Assam and the other is Mitakshara prevalent in the rest of the-country.
23. ATM card is also called debit card. This card is more useful in purchase of goods and services anywhere in India, if the shop maintains a swiping machine facility.
24. (i) **Franchising fees :** The initial franchising fee and the subsequent renewal fees can be very high in case of successful businesses. From the franchisees point of view, this may be deterrent.
- (ii) **Fixed Royalty Payment :** The franchisee has to make payment of royalty to the franchiser on a regular basis. This considerably reduces the income of the franchisee.
25. Wheat, Sugar and Pulses.
26. Micro Enterprises are engaged in low scale activities such as clay plot making, fruits and vegetable vendors, transport (three wheeler tempos and autos) cottage industries, small industries, handloom, handicraft works, etc.
27. Speciality stores deal in a particular type of product under one product line only.
For Example : sweet shops specialised in Tirunelveli Halwa, Bengali Sweets, etc.
28. When the firm of a country sells goods and services to a firm of another country it is called as export trade.
For Example : The sale of handicrafts, leather products, electronic goods, herbal products, etc. by Indian company to other countries is known as export trade.

29. As per the Indian contract Act, 1872 a 'contract' is an agreement enforceable by law. The agreement not enforceable by law are not contracts.

30. (i) Alagankulam (Ramanathapuram)
- (ii) Mylarphan (Mylapore, Near Chennai)

PART - III

31. (i) Business ethics may be defined as a set of moral standards to be followed by owners, managers and business people.
- (ii) These standards determine the conduct and behavior of business people.
- (iii) Business ethics reflects the conduct in the context of business.
32. (i) In the partnership business the minimum number of partners is two.
- (ii) The maximum number of partners has been limited to 10 in the case of banking business and 20 in the case of other business.
33. According to John Merge "Insurance is a plan by themselves which large number of people associate and transfer to the shoulders of all, risk that attacks to individuals".
34. (i) 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.
- (ii) Since a public corporation is created by a Statute; it is also known as a statutory corporation.
- (iii) The Statute defines the objectives, powers and functions of the public corporation..
35. (i) **Heavy outflow of capital :**
 - (1) Foreign companies are said to take away huge funds in the form of dividend, royalty fees, etc.
 - (2) This causes a huge outflow of Capital from the host country.
- (ii) **Exploiting Cheap Labour :**
 - (1) Foreign enterprises employ cheap labour force at a lower pay in developing countries.
 - (2) They do not employ local people for higher posts in the management.

(iii) **Creating Monopolistic Environment :**

Multi-national companies (MNCs) which enter the host country through FDI route create monopolistic conditions in the host countries through their market power.

36. **Import items:**

- (i) Gem, precious metals.
- (ii) Mineral fuels including oil.
- (iii) Organic chemicals.

Export items:

- (i) Petroleum products.
- (ii) Automobile.
- (iii) Bio-chemicals.

37. The following are the Credit items of Current Account :

- (i) Goods Export (Visible)
- (ii) Invisible Exports.

These include:

- (1) Transport services sold abroad
- (2) Banking services sold abroad
- (3) Insurance services sold abroad
- (4) Income received on loan and investment made in foreign countries.
- (5) Expenses incurred by foreign tourists in India.

38. (i) **Mutual and Independent:** Where each party must perform his promise independently without the performance of the other, the promise are mutual and independent. For example Ramu agrees to pay Somu the amount for the rice supplied on 10th June. Somu promises to deliver rice on 18th June.

- (ii) **Mutual and Dependent:** Where the performance of the promise by one party depends upon prior performance of promise by the other party, the promises are conditional and dependent. For example A agrees to construct a building for B. B agrees to supply cement for the construction. Hence A's promise to perform depends on B's promise.

- (iii) **Mutual and Concurrent:** Where the two promises are said to be performed simultaneously, they are said to be mutual and concurrent.

- 39. (i) The motto of every group members should be "save first" - credit latter"

- (ii) Self Help Group is homogeneous in terms of economic status.

- (iii) The ideal size of a Self Help Group ranges between 10 to 20 members

- 40. (1) It is considered as the cheapest mode of transport among the other modes of transport.

- (2) It carries goods smoothly due to the absence of shaking and jolting during transit. It is eminently suitable for the carriage of fragile goods like glassware, earth ware etc., without causing damage.

- (3) It is most suitable for heavy loads.

PART - IV

- 41.(a) The various hindrances removed by business are as follows.

(i) Hindrance of Person :

- (1) Manufacturers do not know the place and face of the consumers.
- (2) It is the retailer who knows the taste, preference and location of the consumers.

(ii) Hindrance of place :

- (1) Production takes place in one centre and consumers are spread throughout the country and world.
- (2) Rail, air, sea and land transports bring the products to the place of consumer.

(iii) Hindrance of time :

- (1) Consumers want products whenever they have money, time and willingness to buy.
- (2) Goods are produced in anticipation of such demands.

(iv) Hindrance of risk of loss :

- (1) Fire, theft, floods and accidents may bring huge loss to the business.
- (2) Insurance companies serve to cover the risk of such losses.

- (v) **Hindrance of knowledge :** Advertising and communication help in announcing the arrival of new products and their uses to the people.

(OR)

(b) Need for Social Responsibility :**(i) Self-Interest :**

A business unit can sustain in the market for a Longer period only by assuming some social obligations.

(ii) Creation of Society :

Business is a creation of Society and uses the resources of society. Therefore, it should fulfill its obligations to society. Businessman should respond to the demands of society.

(iii) Social Power :

- (1) Businessmen have considerable social power. Their decisions and actions affect the lives and fortunes of the society.
- (2) They collectively determine for the nation such important matters as level of employment, rate of economic progress and distribution of income among various groups.
- (3) Businessman should assume social obligations commensurate with their social power.

(iv) Image in the Society :

- (1) 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.
- (2) Social obligations improve the confidence and faith of people in a business enterprise.

(v) Public Awareness :

Now-a-days consumers and workers are well informed about their rights. Consumers Except better quality products at reasonable prices. Similarly workers desire fair wages and other benefits.

42. (a) Advantages of Outsourcing :**(i) Focusing on Core Activities :**

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

(ii) To Fill up Economic Development :

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

(iii) Encourages Employment Opportunities :

- (1) Companies that are outsourcing their non core activities provide chances for other small business units to take up the activities.

- (2) This paves way for more job opportunities and new employment avenues.

(iv) Reduction in Investment :

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

(v) 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)**(b)**

Dissolution of a partnership firm is taken place in two ways.

- (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 (or if all the partners become 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.

(v) On certain contingencies :

Dissolution of partnership itself may involve the dissolution of the firm unless parties agree to continue it otherwise, it will take place.

(b) Dissolution through court :

The court may order dissolution of a firm at a suit of a partner in any of the following circumstances.

- (a) When a partner becomes insane

- (b) Permanent incapacity of any partner

- (c) Misconduct of any partner

- (d) Breach of agreement which makes the business impracticable
- (e) Transfer of interest to third person
- (f) Continued loss
- (g) When the court finds that it is just and equitable to dissolve the firm.

43. (a)

(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 :

(1) A Government company is a legal entity separate from the Government.

(2) 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.

(v) Free from Procedural Controls :

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

(OR)

(b) (i) **Loans and Advances:** Loan is a direct advance made in lump sum which is credited to a separate loan account in the name of borrower. Loans and advances are usually sanctioned by pledge of specific assets like Fixed Deposit Receipts, Document of Title to the Goods, Shares, Debentures, etc.

(ii) **Bank Overdraft:** Bank overdraft refers to an arrangement whereby the bank allows the customers to overdraw the required amount from its current deposit account within a specified limit. Interest is charged only on the amount actually overdrawn.

(iii) **Discounting Bills of Exchange:** When goods are sold on credit, the suppliers generally draw bills of exchange upon customers who are required to accept it. The duration of such bills of exchange may be ranging from 15 days to 180 days.

(iv) **Trade Credit:** Trade credit is the credit extended by one trader to another for the purpose of purchasing goods and services. Trade credit is very simple and convenient method of raising short term finance.

(v) **Pledge:** A customer transfers the possession of an article with the creditor (banker) and receives loan. If the debtor fails to refund the loan, creditor (banker) will auction the article pawned and adjust the outstanding loan from the sale proceeds.

44.

(a) (i) **Link:** A wholesaler serves as a link between producers and retailers. On the other hand, a retailer provides a link between wholesalers and consumers. Wholesaler is the first link, whereas retailer is the last link in the chain of distribution of goods.

(ii) **Scale of Operations:** A wholesaler carries on business on a large scale and requires huge capital. A retailer, on the other hand, deals generally on a small scale and capital invested in retail trade is relatively small.

(iii) **Range of Goods:** A wholesaler generally deals in one commodity. But a retailer deals in a large variety goods and caters to the diverse needs of his end customers.

(iv) **Dealings:** A wholesaler generally sells goods to retailers on credit. But a retailer usually sells goods to end consumers on cash basis.

(v) **Purpose of Selling:** A wholesaler sells goods for resale. On the other hand, a retailer sells goods for ultimate consumption or use.

(OR)

(b) The term "Damage" means monetary compensation payable by the defaulting party to the aggrieved party in the event of the breach of a contract for the loss suffered by him.

(i) **Ordinary damages:** Damages that arise in the ordinary course of events from the breach of contract are called ordinary or general damages.

(ii) **Special damages:** Special damages are those damages that are payable for the loss arising on account of some special or unusual circumstances.

(iii) **Vindictive or exemplary damages:** These damages are awarded against the party who has committed a breach of the contract with the object

of punishing the erring as defaulting party and to compensate the aggrieved party.

- (iv) **Nominal damages:** Nominal damages are awarded to the aggrieved party when there is only technical violation of the legal rights.

45.

(a) (i) **Analytical Industry :**

- (1) Analytical Industries refers to those manufacturing industries which produce many types of products by analysing and separating different elements from the same materials, as in the case of oil refinery industries,
- (2) In oil refining industry the same crude oil is analysed or separated in to different products like petrol, diesel, kerosene, lubricating oil, etc.

(ii) **Genetic Industry :**

- (1) These Industries remain engaged in breeding plants and animals for their use in further production.
- (2) The seeds nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary, etc. are classic examples of genetic industries.

(iii) **Construction Industry :**

- (1) These Industries are involved in the construction of Buildings, Dams, Bridges, Roads, as well as tunnels and canals.
- (2) It uses the products of manufacturing industries especially cement, iron and steel.

(OR)

(b) (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) **Absence of Government Regulation :**

No legal formalities are to be observed in its formation, management or in its closure.

46. (a) (i) **Low Cost Labour :**

- (1) MNC set up their facilities in low cost countries and produce goods/service at lower cost.
- (2) It gains cost advantage and sells its products and services of good quality at low cost.

(ii) **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.

(iii) **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.

(iv) **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.

(v) **Improvement in Standard of Living :**

By providing super quality products and services, MNCs help to improve the standard of living of people of host countries

(OR)

(b) **Advantages of Railway Transport :**

- (i) Railways are well suited for carrying heavy and bulky goods over long distances.
- (ii) It can provide long distance travel throughout the day and night with unbroken services.
- (iii) It can provide better production and safety to the goods than motor transport.
- (iv) Though initial investment is large, in the long run the operating expenses will be very low in railways and it will prove a cheaper mode of transport.
- (v) It requires less time than motor transport for carrying goods over long distance with greater speed.

47.

(a)

Basis	Bil of Lading	Charter party
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.
Transferable	It can be transferred to third party by endorsement and delivery.	It cannot be transferred to third party.
Loan	Loan can be raised against it.	Loan cannot be raised against it.
Crew	Master and crew remain the agent of the ship owner	Master and crew become the agent of exporter for a temporary period.
Lease	It is not a lease of ship	It is a lease of ship.

(OR)

(b)

Sl. No.	Basis	Balance of Payment	Balance of Trade
1.	Meaning	It is a systematic record of all economic transactions happened between the resident of one country and resident of foreign countries during a particular period.	Balance of trade is statement showing net effect of export and import of a country.
2.	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.
3.	Capital Transactions	It records capital transactions.	It does not record capital transactions.
4.	Structure	It includes balance of trade, balance of services, balance of unilateral transfers and balance of capital transactions.	It is part of current account of Balance of payments.
5.	Net position	It always remains balanced in the sense that receipt side is made equal to payment side.	It may be at favourable or unfavourable or in equilibrium state.
