

Padasalai

XI COMMERCE

Study Notes-2 marks

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CHAPTER-1:

1. What is meant by Barter system?

Goods were exchanged for goods prior to invention of money. It is called barter system.

2. What is meant by Nallangadi?

*The place where the goods were sold was called 'Angadi'

*Day market was called as Nallangadi.

3. What is meant by Allangadi?

*The place where the goods were sold was called 'Angadi'

*Night market was called as Allangadi.

CHAPTER- 2:

1. Define Economic Activities

Economic activities are those activities which are undertaken to earn money or financial gain for livelihood. e.g., Fruit seller selling fruits.

2. What do you mean by Business?

Business refers to any human activity undertaken on a regular basis with the object to earn profit through production, distribution, purchase and sale of goods and services.

3. Define Profession?

Professions are those occupations which involve rendering of personal services of a special and expert nature. Examples Doctors, Lawyers Etc

4. What do you mean by Employment?

It refers to the occupation in which people work for others and get remuneration in the form of wages or salaries. Examples Managers, Clerks Etc.,

CHAPTER-3:

1. 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".

2. What do mean by industry?

Industry refers to economic activities, which are connected with conversion of resources into useful goods.

3. What is trade?

Trade is an essential part of commerce. The term 'trade' is used to denote buying and selling. It helps in making the goods produced available to ultimate consumers or users.

4. Write a short note on transportation

The medium which moves men and materials from one place to another is called transport.

CHAPTER – 4:

1. Who is called a Sole Trader?

The person who invests capital and manages the business himself is called as sole trader or sole proprietor.

2. What are the Non-corporate enterprises?

The enterprise and its owners are considered as having the same entity .Ex Sole proprietorship, Partnership, Joint hindu family.

3. What are the Corporate enterprises?

The legal entity of enterprise is distinct from its owners. Example Government company, Private company, cooperative societies.

4. For which of the following types of business do you think a sole proprietorship form of organisation would be more suitable, and why?

The following types of business are more suitable because low capital and quick decision possible.

- | | |
|------------------|------------------|
| a. Grocery store | b. Medical store |
| c. Craft centre | d. Internet café |

CHAPTER- 5 :

1. 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'. The Karta is the senior most male member of the family.

2. What are the two schools of Hindu law?

*Dayabhaga Law prevalent in Bengal and Assam

*Mitakshara Law prevalent in rest of the country.

3. Who is a called a Partner?

The persons who enter into partnership are individually called 'Partners' and collectively known as 'Firm'.

4. Who is a Sleeping partner?

A partner contributes capital and shares in the profits or losses of the firm but does not take part in the management of the business. He is called sleeping partner.

5. Who is a Minor?

Under the Indian Majority Act, person who has not completed 18 years of age is a minor.

6. How many types of Dissolution?

Dissolution of Partnership firm means putting an end to the relationship among the Partners. This may be of two types.

(a) Dissolution of Firm (b) Dissolution of Partnership

*without the order of the court (or) order of the court

CHAPTER- 6:

1. What are the different types of companies?

On the basis of Incorporation – eg Chartered company

On the basis of Membership – eg Private company

On the basis of Liabilities – eg Company limited by shares

On the basis of control – eg Government company

On the basis of Nationality – eg MNCs

2. Define a Company

“A company is an artificial person created by law having a separate entity with a perpetual succession and a common seal”.

- Sec 2 of Companies Act 2013

3. What is meant by Limited liability?

*The liability of the members of the company is limited to contribution to the assets of the company.

*If the assets of the company are not sufficient to pay liabilities, the personal properties of the shareholders are not held responsible.

4. Explain any two characteristics of a company

Limited Liability- The liability of the members of the company is limited to contribution to the assets of the company

Common seal – It's the official signature of the company.

5. What is meant by Chartered Company?

Chartered companies are established by the King or Queen of a country. Powers and privileges of chartered company are specified in the charter.

CHAPTER – 7:

1. What do you mean by cooperative organization?

A cooperative is a private business organisation that is owned and controlled by the people who use its products, supplies or services.

2. Define cooperatives

Cooperation is “better farming, better business and better living”

- Sir Horace Plunkett

3. What is Credit cooperatives?

*Cooperative credit societies are those formed for the purpose of providing short term financial help to their members.

*Agriculturists, artisans, industrial workers, salaried employees, etc., form these credit societies.

4. Is low taxes possible in Cooperative society?

Yes possible, When various farmers in a village pool their land together and agree to treat the pooled piece of land as one big farm for the purpose of cultivation.

5. Who are Rochdale Pioneers?

The cooperative movement was started by Robert Owen, in the year 1844. He formed a consumer's cooperative society in England with 28 workers as members, called "Rochdale Society of Equitable Pioneers"

CHAPTER-8:

1. Define Multinational Company

"A multinational corporation owns and manages business in two or more countries."

- Neil H.Jacoby

2. Write any two advantages of MNC

- * MNCs help to improve the standard of living of people of host countries
- * Its products and services of good quality at low cost

3. Give two examples of MNC

- *Bata Corporation
- *Sony Corporation
- *Suzuki

4. Name the type of business enterprise which operates in more than one country

- *Microsoft Corporation
- *Nokia Corporation
- *Coca-Cola
- *Sony Corporation

CHAPTER-9:

1. State the different types of public sectors enterprises

- *Departmental Undertaking – Indian Railway
- *Public Corporation – Food corporation of india
- *Government company – Coal India Limited

2. What is the basic feature of a Departmental undertaking?

- * Minister is responsible to the Parliament or State Legislature for the affairs of the departmental Undertaking.
- * The departmental undertaking is financed through annual budget appropriations by the Parliament.
- * The departmental undertaking is managed by civil servants.

3. Give two examples for each of the following:

- (i) Private sector enterprises (ii) Global enterprises (iii) Public enterprises

(i) Private sector enterprises:

- 1.Reliance Industries Ltd 2.Wipto Ltd

(ii) Global enterprises:

- 1.Unilever limited 2.Coca-Cola Corporation

(iii) Public enterprises:

- 1.Air India 2.Indian Railways

4. State the form of public enterprises which is most suitable for projects related to National Security

- 1.Hindustan Aeronautical Ltd
- 2.Bharat Dynamix Ltd

5. The Industrial Policy Resolution 2001 exclusively reserved for few industries for the public sector. Name these industries

- 1.Hindustan Aeronautical Ltd
- 2.Bharat Dynamix Ltd

CHAPTER-10:

1. What are the services included in Service businesses?

*Banking Service *Insurance Service *Transportation Service *Warehousing Service

2. Write the meaning of 'Bank.'

Banking service is the nerve center of industry and commerce in a country. It plays a vital role by providing the money required for their regular functioning and development.

3. Briefly explain about Central Bank

Every nation has one central bank. It is owned by the Government of the country.

The control over the entire banking system of a country, In India the Reserve Bank of India (RBI) is the central bank.

CHAPTER-11:

1. 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

2. What do you mean by Industrial Banks?

Huge finance required for investment, expansion and modernisation of big industries and others are granted by a separate type of banks called development Banks. They are also called industrial banks.

3. Briefly explain about Correspondent Banks?

They are retail agents engaged by banks for providing banking services at low cost in locations other than a bank branch/ATM. They are not separate banks recognized by the RBI.

4. What are Foreign Banks?

Banks which have registered office in a foreign country and branches in India are called foreign banks.

Examples:

- i. Bank of America - The USA
- ii. Barclays Bank - The UK
- iii. Deutsche Bank – Germany

CHAPTER-12:

1. What is Mobile Banking?

Bank apps which can be downloaded in smartphones. With this app in the smartphone a customer can operate his account transactions from anywhere. This service is known as mobile banking.

2. Briefly explain the need for Debit card

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.

3. Briefly explain the term credit card

Banks issue credit cards to customers and other eligible persons. With this card, the holder can purchase goods and services on credit at any shop in India. The credit limit is fixed by the issuing bank based on the income of the cardholder.

4. What do you mean by ATM?

A customer can withdraw money anytime, anywhere in India from the ATM (Automated Teller Machine) machine using the ATM card given by his/her bank.

5. Write a note on - ECS.

ECS was launched by the RBI in 1995. It is an electronic method of fund transfer from a bank to another bank. ECS credit can be used to credit salary, dividend, etc.,

CHAPTER-13:

1. What is Warehouse?

It is a place where goods are stored for future use and act as distribution centres. According to J. Stephenson, "a warehouse is an establishment for the storage or accumulation of goods".

2. List the various types of Warehouses. Give any three functions of Warehouses.

- (a) Private Warehouses
- (b) Government Warehouses
- (c) Public Warehouses
- (d) Co-operative Warehouses
- (e) Bonded Warehouses

3. Give any three functions of Warehouses.

- *The surplus goods are stored properly.
- *Warehousing ensures price stabilization
- *Warehousing equalizes the demand and supply of goods

4. Tabulate the three differences between warehouse warrant and warehouse receipt.

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

5. Give a note on FCI.

It provides storage facilities for food grains. Food Corporation of India also hires storage capacity from other sources such as Central Warehousing Corporation, State Warehousing Corporation and private parties.

CHAPTER-14:

1. 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".

2. State any two services rendered by transport

- *It increase the efficiency of production
- *It helps to economic growth
- *It develops and expands the market.

3. Write any two advantages of water transport

- *It is the cheapest mode of transport
- *It is most suitable for heavy goods
- *There is lesser pollution in water transport.

CHAPTER-15:

1. List any five important type of policies.

- *Whole life Policy *Endowment life assurance policy
- *Joint life policy *Annuity policy
- *Children's endowment policy

2. What is health insurance?

Health insurance policy is a contract between an insurer and an individual or group, in which the insurer agrees to provide specified health insurance at an agreed upon price (premium).

CHAPTER-16:

1. Who is a franchisee?

The individual who acquires the right to operate the business or use the trademark of the seller is known as the franchisee.

2. State 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.

3. Who is a factor?

The factor is an agent who buys the accounts receivables (Debtors and Bills Receivables) of a firm and provides finance to a firm to meet its working capital requirements

4. Define outsourcing

- *Recently a new type of business in service sector has become popular in the world.
- *BPO refers to outsourcing the work which is routine in nature, to an outside agency.

5. What is need for outsourcing?

- *To focus on key function
- *Economic growth and development
- *Increasing profit
- *Cost cutting

6. State the importance of BPO

- *Transferring Non-Core Activities to Outsiders
- * Outsourcing Involves Contracting
- * Operational Efficiency through Outsourcing
- * Improved Customers Satisfaction

7. What are the benefits of KPO?

1. Usage of best skills
2. Ultimate use of knowledge
3. Finding solution to complex problem
4. Reduction of expenditure

8. Define Logistics.

Logistics Management is defined as 'Design and operation of the physical, managerial, and informational systems needed to allow goods to overcome time and space (from the producer to the consumer)'.

9. What is the need for Logistics?

- *Logistics is an industry and a vital part of any business model
- *It is the control of the flow and storage of goods into and out of a business.
- *Meeting customer demand and providing superior service.

10. Write about the importance of Logistics

- *Logistics important for creating visibility into a company supply chain.
- *It is the control of the flow and storage of goods into and out of a business.
- *Meeting customer demand and providing superior service.

11. What are the types of Logistics Applications?

1. Decision-wise
2. Actor-wise
3. Inbound logistics and Outbound logistics

12. What do you mean by e-commerce?

E - Commerce or Electronic Commerce is the buying and selling of goods and services through electronic networks like internet.

CHAPTER-17:

1. What do you mean by Social Responsibility?

Every businessman earns prosperity from business and should give back the benefit of this prosperity to society. It can be said to be social responsibility of business.

2. Give the meaning of Social Power

Businessmen have considerable social power. Their decisions and actions affect the lives and fortunes of the society. Businessmen should assume social obligations commensurate with their social power.

3. What is a free enterprise?

A business enterprise which accepts and discharges social obligations enjoys greater freedom. Social responsibilities are essential for avoiding governmental action against business.

4. Who are called Stakeholders?

A business organisation is a coalition of several interest groups or stakeholders.

Example – shareholders, customers, employees, suppliers, etc are stakeholders.

5. What is ethical Responsibility?

This includes the behaviour of the firm that is expected by society but not codified in law.

For example, respecting the religious sentiments.

CHAPTER-18:

1. What is ethics?

Ethics is derived from the Greek word 'ethos' which means a person's fundamental orientation towards life. It governs the behaviour, derived from the moral standards which help to determine right or wrong, good or evil.

2. What do you mean by code?

The organisation principles are defined in the written document called code. It should followed by the employees of the organisation.

3. State two ways by which ethics influences behaviour

*To offer goods at fair prices.

*To supply quality goods

*To listen to consumer's complaints and to reduce them.

4. What is need for Corporate Governance?

1. Balanced economic development is made possible through transparent management under corporate governance.

2. Ensures stable growth of organizations

3. Reduces the cost of capital for companies.

5. What are MNCs?

MNC is defined to be an enterprise operating in several countries but managed from one country. Eg Sony, Nokia

CHAPTER-19:

1. Write a short notes on debentures.

Debentures are an important instrument for raising long term debt capital. A company can raise funds through issue of debentures which bear a fixed rate of interest.

2. What do you mean by public deposits?

Public deposits are more beneficial than the fixed deposit in the bank, in the matter of yielding good return. The investors who are willing to invest for long term can opt for public deposits.

3. Name any two sources of funds classified under borrowed funds

1. Debentures 2. Loan from Banks 3. Public Deposits

4. Name any two internal sources of business finance

*Retained Earnings *Bills Receivable *Trade Debtors

5. State any two factors that affect the choice of source of finance

*Financial Capacity of the Firm

* Credit Worthiness of Firms

* Forms of Organisation

CHAPTER-20:

1. Who are Foreign Institutional Investors?

The FII can be defined as an investment made by a Non-resident in equity of domestic company without intention of acquiring management control. Organisations like hedge funds, insurance companies, pension funds and mutual funds can be called as institutional investors.

2. What is a Depository Receipt?

A depository receipt is a negotiable financial instrument issued by a bank to represent a foreign company's equity shares or securities.

3. What is a GDR (Global Depository Receipt)?

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.

4. What is an American Depository Receipt (ADR)?

ADR is a dollar denominated negotiable certificate representing a non-US company in US market which allows the US citizens to invest in overseas securities.

5. What is a Foreign Currency Convertible Bond?

Foreign currency convertible bond is a special type of bond issued in the currency other than the home currency. companies issue foreign currency convertible bonds to raise money in foreign currency.

CHAPTER-21:

1. What do you understand by the manufacturing enterprises?

They refer to the enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951. The manufacturing enterprises are defined in terms of investment in plant and machinery.

2. Give some examples for micro enterprises.

*Clay Pot Making	*Fruits and Vegetable Vendors	* Repair Shops
* Cottage Industries	* Handlooms	*Handicraft Works

3. What is the aim of NEEDS?

*To providing entrepreneurship development training to educated young entrepreneurs.
* Preparing business plans
* Helping them to tie up with financial institutions to set up new business ventures.

4. What is a Self Help Group?

*Self Help Group is a small informal voluntary association.
*It's created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity, and joint responsibility.

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5. State the investment limit for small enterprise in manufacturing and service sector.

- * Manufacturing sector - More than ₹25 lakhs but not exceeding ₹5 Crores.
- * Servicing Sector - More than ₹10 lakhs but not exceeding ₹2 Crores .

CHAPTER-22:

1. Give the meaning of Trade?

- *The buying and selling of goods and services consists of trade.
- * Trade acts as an intermediary in the exchange of commodities between the producer and consumer.

2. What is Internal Trade?

Buying and selling of goods and services within the boundaries of a nation are called internal trade.

3. Mr. Vikram who runs a textile industry regularly procures cotton from Germany. Name the type of trade he is engaged in.

This is example for Import Trade.

4. When Vikram of India sells cotton shirts to Amal of England, what type of trade he is engaged in?

This is example for Export Trade

5. How do you classify Trade?

On the basis of geographical location of buyers and sellers, trade can be broadly classified into two categories;

- (i) Internal trade and
- (ii) External trade

6. What are the classifications of internal trade?

Home trade consists of two main subdivisions namely

- 1. Wholesale trade and 2. Retail trade

7. What is import trade?

Import trade means buying goods from a foreign country for domestic use.

Example: India imports petroleum products from Gulf Countries.

8. Explain the meaning of Entrepot trade.

Entrepot trade means importing of goods from one country and exporting the same to foreign countries. It is also known as 'Re export trade'.

9. TVS is selling motor bikes in Europe. Under which type of trade can this be classified?

Export Trade

10. What is the currency used in India in internal trade?

In India the currency used for Indian Rupees.

CHAPTER-23:

1. Who is a middleman?

The term 'Middlemen' refers to all those who are in the link between the primary producer and the ultimate consumer in the exchange of goods or service.

2. Define Wholesaler.

According to Cundiff and still "wholesaler buys from the producer and sell merchandise to the retailers and other merchants and not to the consumers".

3. Define Retailer.

According to Cundiff and Still “a retailer is a merchant or occasionally an agent whose main business is selling directly to the ultimate consumers”.

4. 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.

5. What are the classifications of the merchant middlemen?

1. Wholesaler 2. Retailer

*Drop Shippers, Truck jobbers, Rack Jobbers etc.,

6. Who are the mercantile agents?

A businessman appoints a person to buy and sell goods on his behalf and gives him the right to borrow money on the security of goods. He is known as mercantile agent. Eg
Brokers, Factors, Commission Agents.

CHAPTER-24:

1. What is retailing?

Retailing is the process of selling the goods and services directly to the ultimate consumers in small quantities.

2. State the meaning of multiple shops.

A number of identical retail shops with similar appearance normally deal in standardised and branded consumer products established in different localities owned and operated by manufacturers or intermediaries are called as Chain stores or Multiple shops.

3. Mention any two benefits of Vending machines.

*Automatic vending machine is a new form of direct selling.

* It is a machine operated by coins or tokens.

* It's are placed at a convenient location such as railway stations, airports, petrol pumps, etc.

4. What are specialty stores?

Speciality Stores deal in a particular type of product under one product line only.

For example, Sweets shop specialised in Tirunelveli Halwa, Bengali Sweets, etc.

CHAPTER-25:

1. What do you mean by international business?

International business denotes all those business activities which take place beyond the geographical limits of the country.

2. What is meant by Export Trade?

Export trade indicates selling of goods and services from the home country to a foreign country.

3. What is meant by Import Trade?

business firm of a country purchases goods from the firm of another country it is called import trade.

4. What is meant by Entrepot Trade?

When the firm of country imports goods for the purpose of exporting the same goods to the firms of some other country with or without making any change in the goods meant for export it is known as entrepot trade.

5. Give any two reasons for International Business.

- *International business generates employment opportunities
- * This enables them to earn higher profit.
- * sell their goods and services on a large scale in the international market.

CHAPTER-26:

1. What is meant by Indent?

An indent actually points to an order received from abroad for export of goods. i.e. sale of goods.

2. Write any two export promotion institutions.

- *Export Promotion Council
- * State Trading Corporation

3. Mention the types of Indent.

There are three types of indent, namely open indent, closed indent and confirmatory indent.

4. What is the Letter of credit?

It simply represents a guarantee given by the importer bank to the foreign dealer (exporter) that the amount in the bill will be honoured upon its presentation by the exporter /his agent.

CHAPTER-27:

1. What is WTO?

- *It is a forum for negotiation and formalization of trade agreement among the member countries.
- *The World Trade Organisation (WTO) was established on 1st January 1995.
- *The GATT was renamed as WTO with some changes.

2. What do you mean by World Bank?

- *International Bank for Reconstruction and Development is commonly known as World Bank.
- *It was set up in 1944 in order to reconstruct and rehabilitate first world war affected countries of Europe and assist in the development of developing countries.

3. What is Special Drawing Rights?

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

4. What is SAARC?

- *South Asian Association for Regional Cooperation is the regional inter governmental organization and geo-political union of nations in South Asia.
- * The member countries include Afghanistan, Bangladesh, Bhutan, India, Nepal, Srilanka, Pakistan and Maldives.
- * It was established on 8th December 1985. It was founded at Dhaka in Bangladesh.

5. What is GATT?

- *A keen need then was felt to establish separate mechanism for regulating and controlling trade relation across the countries around the world.
- *As a result, the General Agreement on Tariffs and Trade.
- *GATT was signed at Geneva on 30th October 1947 by 23 countries.

CHAPTER-28:

1. What do you mean by Balance of payments?

Balance of payment refers to a systematic record of all economic transactions between the residents of one country and the residents of foreign countries during a particular period of time.

2. What do you mean by Balance of trade?

Balance of trade denotes the difference between the value of import and the value of export during a year. If the export of a country exceeds its imports, it shows favourable balance of trade.

3. Define Balance of payments

According to International Monetary Fund, “The balance of payments for given period is a systematic records of all economic transactions taken place during the period between residents of the reporting countries.”

4. What is the composition of private capital?

Private capital consists of foreign investments, long term loan and foreign currency deposits.

5. Mention the components of banking capital.

Banking capital includes movement into external financial asset and liabilities commercial and co-operative banks authorized to dealing in foreign exchange.

6. Mention the components of official capital.

It includes RBI's holdings of foreign currency and special drawing rights (SDR) held by the Government.

CHAPTER-29:

1. What is law?

Law means a 'set of rules' which governs our behaviour and relating in a civilized society. So there is no need of Law in a uncivilized society.

2. Why should one know law?

One to should know the law to which he is subjected to because ignorance of law is no excuse.

3. Can a minor enter into a Contract?

Persons legally capable of making an agreement only can enter into a contract. Legally a minor cannot enter into a contract.

4. Who can enter into a Contract?

The Indian contract Act specifies that every person is competent to contract provided he

(i) Is of the age of majority according to the Law which he is subject to, and

ii) Who is of sound mind and

(iii) Is not disqualified from contracting by any law

5. Define Contract

As per the Indian Contract Act, 1872, a “contract” is an agreement enforceable by law. An “agreement” means ‘a promise or a set of promises’ forming consideration for each other.

Contract = Agreement + Enforceability by law.

CHAPTER-30:

1. State the ways of Performing a Contract.

There are mainly two ways of performing a contract such as:

i. Actual Performance: When the party has done what he had undertaken to do.

ii. Attempted Performance: When the party offers to perform his obligation, it is not accepted by the promisee

2. Who is a Legal Representative?

One who represents or stands in the place of another under authority recognized by law especially with respect to the other's property or interests.

3. Who is an agent?

According to Para 2 of Section 40, the promisor may employ a competent person such as agent to perform the promise, if the contract is not formed on personal condition.

4. Define 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 promise to receive the house and a promisor to pay Rs. 5,00,000.

5. By whom must contracts be performed?

- i) Promisor himself
- ii) Agent
- iii) Representations
- iv) Third Person
- v) Joint Promisors

CHAPTER-31:

1. What are the kinds of consent?

The consent may be of the following types

(i) Express: Express consent may be given at the time of formation of the contract or subsequent to its formation.

(ii) Implied: The contracts are also discharged by implied consent.

2. What are the types of Impossibility of Performance?

There are two types of impossibility of performance such as

- i) Impossibility existing at the time of agreement.
- ii) Impossibility arising subsequent to the formation of contract.

3. What is Quantum merit?

The claim for quantum merit may arise if a contract performed by one party has become discharged by breach of the other party. The meaning of the phrase quantum merit is 'as much as earned'.

CHAPTER-32:

1. What is Income tax?

Income tax is a direct tax under which tax is calculated on the income, gains or profits earned by a person such as individuals and other artificial entities (a partnership firm, company, etc.)

2. What is meant by previous year?

The year in which income is earned is called previous year. It is also normally consisting of a period of 12 months commencing on 1st April every year and ending on 31st March of the following year. It is also called as financial year immediately following the assessment year.

3. Define the term person?

The term 'person' includes the following (i) an individual, (ii) a Hindu Undivided Family (HUF),

(iii) a company, (iv) a firm, (v) an Association Of Persons or a Body Of Individual, whether incorporated or not, (vi) a local authority, and (vii) every artificial juridical person e.g., an idol or deity.

4. Define the term assessee?

Assessee means a person by whom any tax or any other sum of money is payable under this Act. It includes every person in respect of whom any proceeding has been taken for the assessment of his income or assessment of fringe benefits.

5. What is an 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.

CHAPTER-33:

1. Define Indirect tax.

Indirect Tax is levied on the goods and services. It is collected from the buyers by the sellers and paid by the sellers to the Government. Ex GST - Goods and Services Tax, Excise duty.

2. List out any four types of indirect taxes levied in India.

Before GST: VAT, Sales Tax, Service Tax, Entertainment Tax.

After GST: GST, Excise duty, Customs duty.

3. What do you mean by Goods and Services Taxes?

Goods and Services Tax (GST) is the tax imposed on the supply (consumption) of goods and services. It is a destination based consumption tax and collected on those value added items at each stage of the supply chain.

4. Write a note on SGST.

SGST - State Goods and Services Tax - imposed and collected by the State Governments under State GST Act. (Tamil Nadu GST Act 2017 passed by Tamil Nadu Govt.)

5. What is CGST?

CGST - Central Goods and Services Tax - imposed and collected by the Central Government on all supply of goods within a state (intra-state) under CGST Act 2017.