

VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL



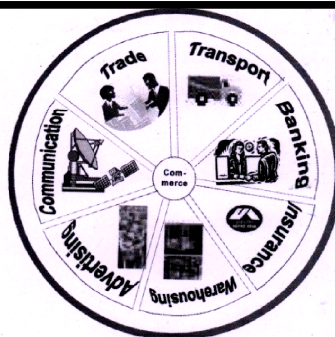
PANNAIKADU PIRIVU

KODAIKANAL



HAND HEART HEAD

COMMERCE



XI STANDARD

COMMERCE 1 MARK & 2 MARKS MATERIALS

NAME : _____

REG NO : _____

PREPARED BY

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மாணவ நண்பர்களுக்கு,

காலாண்டுத் தேர்வு நெருங்கி கொண்டிருக்கும் இவ்வேளையில் வணிகவியல் பாடத்தில் நல்ல மதிப்பெண்களை பெற வேண்டும் என்ற நோக்கத்தில் எளிமையான முறையில் படிப்பதற்கு வசதியாக எனது 4 வருட பணி அனுபவத்தை கொண்டு இந்த **material** - யை தொகுத்துள்ளேன். தமிழ் வழியில் **Padasalai**- யில் கிடைத்த **material** - யை அடிப்படையாக வைத்தே எனது பாணியில் எனது மாணவர்களுக்கு ஏற்றவாறு தயார் செய்த இந்த தொகுப்பை அனைத்து மாணவர்களும் பயன்பெற வேண்டும் என்ற நோக்கத்திலேயே **Padasalai** - யில் வெளியிட்டுள்ளேன். எனது இந்த தொகுப்பில் ஏதேனும் பிழைகள் குறைகள் இருந்தால் சரிசெய்து கொள்ளவும். பின் தங்கிய மாணவர்களும் நல்ல மதிப்பெண்களை பெற வேண்டும் என்ற நோக்கத்திலேயே இதை தொகுத்துள்ளேன்.

தற்பொழுது அரசு வெளியிட்டுள்ள புது பாட புத்தக தொகுப்பு மிகவும் கடுமையான முறையில் உள்ளதால் மாணவர்கள் சிரம பட்டு படிக்க வேண்டிய சூழ்நிலையில் உள்ள இந்தச் சூழலில் என்னால் இயன்ற அளவிற்கு மிக எளிமையாக காலாண்டு தேர்வுக்குரிய பாடத்திட்டத்தை மட்டும் **1 mark 2 mark & 3 mark** வினாக்களை மட்டும் தொகுத்து அனைவரும் தேர்ச்சி பெற வேண்டும் என்ற நோக்கத்தில் உருவாக்கியுள்ளேன்.

விரைவில் **5 mark** வினாக்களை தொகுத்து **Padasalai** இணையதளத்தில் வெளியிடுகிறேன். இதுவரை எனது அத்தனை **Material** - களையும் வெளியிட்டு தந்த **Padasalai & Namma Kalvi** இணையதளத்திற்கு மிக்க நன்றி.

மாணவ நண்பர்களே!! நேரத்தை சரியாக பயன்படுத்தி கொள்ளுங்கள். சரியான நேரத்தில் சரியான முறையில் படித்து வெற்றி பெற்று அடுத்த கட்ட நிலைக்கு செல்ல வேண்டிய இறுதி நிலையில் உள்ளாய். நேரத்தை வீணாக்காதே! அடுத்து என்ன செய்ய போகிறாய் என்பதை முதலில் தீர்மானி. மதிப்பெண்களை பெறுவதிலேயே கவனத்தை வை. முயன்றால் முடியாதது எதுவுமில்லை. கடினமாக தான் இருக்கும். கஷ்டப்பட்டு படித்தால் நல்ல முன்னேற்றத்தை அடைவாய்.

பள்ளி பருவத்தில் நீ பெறும் வெற்றியே உன் வாழ்க்கை முழுவதையும் தீர்மானிக்க போகிறது என்பதை நன்றாக கவனம் கொள். தினமும் காலையில் படிப்பதற்கு முன் உன் இலக்கு என்ன என்பதை இரு நிமிடம் யோசித்து பார். நீ செல்வது சரியான பாதையா என்றும்!!!! உன் பெற்றோரின் உழைப்பையும் சிந்தித்துப் பார். பிறகு படிக்க ஆரம்பி. கவனம் சிதறாமல் படிப்பில் கவனத்தை செலுத்துவாய். பிறகு நீயாகவே முயற்சி செய்து நல்ல மதிப்பெண்களையும் பெறுவாய்.

உங்களுக்காக நாங்கள்!!!!

உன் வெற்றியே எங்கள் வெற்றி!!!!!!

உங்கள் வெற்றியில் பெருமைப்பாட நாங்களும் காத்திருக்கிறோம்!!!!!!

WISH YOU ALL THE BEST FOR YOUR ANNUAL EXAMINATION 2019

P. Srinivas
ஆசிரியர்

CHAPTER – 1**HISTORICAL BACKGROUND OF COMMERCE IN THE SUB-CONTINENT****I. CHOOSE THE BEST ANSWER:**

- The place where the goods are sold is _____.
(a) Angadi (b) Market (c) Nalangadi (d) Allangadi
- Hindrance of place is removed by _____.
(a) Transport (b) Warehouse (c) Salesman (d) Insurance
- Who wrote "Arthasasthra"?
(a) Kautilya (b) Chanakya (c) Thiruvalluvar (d) Elangovadigal
- Trade and Commerce was common to _____ Dynasty.
(a) Pallava (b) Chola (c) Pandiya (d) Chera
- _____ was first sultan who paved way in the dense forest and helped traders to move from one market place to others place for their commercial caravans.
(a) Balban (b) Vasco da Gama (c) Akbar (d) Alauddin Khilji

II. VERY SHORT ANSWER QUESTIONS**1. What is meant by Barter system?**

Goods were exchanged for goods prior to invention of money.

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'.
- ❖ The night market was called as Allangadi.

III. SHORT ANSWER QUESTIONS:**1. Explain the meaning of the term "Vanigam".**

- ➔ The word vaniyam or vanipam would have had a Dravidian origin.
- ➔ The early Tamils produced their products and goods in their lands and bartered their surplus and that is how trade came into existence.
- ➔ The word 'Vanigam' has been widely used in sangam literature like Purananuru and Thirukkural.

2. State the meaning of Maruvurappakkam and Pattinappakkam.**i). Maruvurappakkam:**

- ✖ Poompuhar had the 'Maruvurappakkam' (inland town).
- ✖ It had market and bazaars where many merchants met for the purpose of selling or buying different commodities and food stuff.

✘ Ex: Tondi, Korkai, Puhar and Muziri.

ii). Pattinapakkam:

- ❖ Pattinapakkam is a Coastal town.
- ❖ They were engaged in different kinds of fishing pearls, and conches and produced salts and built ships.

3. What is the role of Sangam in trade development of ancient Tamilnadu?

- ❖ The main trade routes were passing through thick forests over Western Ghats.
- ❖ Many such ports were developed during the Sangam period.
- ❖ Main roads known as Peruvali were built for surface transportation.

4. What are the ports developed by Pandiya kingdom?

- ★ Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with markets to imports and exports.
- ★ They were engaged in different kinds of fishing pearls, and conches and produced salts and built ships.
- ★ Domestic trade used to Boats like 'Padagu', 'Thimil', 'Thoni', 'Ambu' 'Odampunai' etc...
- ★ Foreign trade while Kalam, Marakalam, Vangam, Navai etc.. were used.

5. What was focused in Arthasasthra about creation of wealth?

- ✘ Kautilya gave importance for the State in relation to treasury, taxation, industry, commerce, agriculture and conservation of natural resources.
- ✘ Arthasasthra focused on creation of wealth as the means to promote the well being of the state.

CHAPTER – 2

OBJECTIV OF BUSINESS

I. CHOOSE THE BEST ANSWER:

1. The Primary objective of a business is

- | | |
|-------------------|-----------------------|
| (a) Making Profit | (b) Not making Profit |
| (c) Special Skill | (d) None of the above |

2. Occupation of a Doctor is

- | | | | |
|----------------|--------------|----------------|---------------------|
| (a) Employment | (b) Business | (c) Profession | (d) Sole Proprietor |
|----------------|--------------|----------------|---------------------|

3. The following does not characterize business activity?

- | | |
|--|----------------------|
| (a) Production of goods and services | (b) Presence of risk |
| (c) Sale or exchange of goods and services | (d) Salary or wages |

4. Activities undertaken out of love and affection or with social service motive are termed as:

- | | |
|-----------------------------|--------------------------|
| (a) Economic activities | (b) Monetary activities |
| (c) Non-Economic activities | (d) Financial Activities |

II. VERY SHORT ANSWER QUESTIONS

1. Define Economic Activities.

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

2. What do you mean by Business?

Business refers to "Economic activities performed for earning profits."

- James Stephenson

3. Define Profession.

It includes professional activities which are subject to guidelines or codes of conduct laid down by professional bodies

3. 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.

III. SHORT ANSWER QUESTIONS:

1. What do you mean by human activities? Explain.

I. Economic Activities

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

Examples:

- ➔ Production of goods by manufacturers
- ➔ Distribution of goods by wholesalers
- ➔ Selling by retailers
- ➔ Accounting practice by chartered accountants

II. Non-Economic Activities

Activities undertaken to satisfy social and psychological needs are called non-economic activities.

Examples:

- ❖ Cooking food for family
- ❖ Celebrating festivals
- ❖ Watching movies in a theatre
- ❖ Doing meditation

2. Write short notes on: a) Business b) Profession

a). 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.
- ➡ According to **James Stephenson** business refers to "Economic activities performed for earning profits."

b). Profession:

- ✕ Professions are those occupations which involve rendering of personal services of a special and expert nature.
- ✕ A profession is something which is more than a job. It is a career for someone who is competent in their respective areas.

3. Explain the concept of '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.
- ➡ "Economic activities performed for earning profits." - **James Stephenson**
- ➡ Business activities are connected with raising, producing or processing of goods.
- ➡ Industry creates form utility to goods by bringing materials into the form which is useful for intermediate final consumption by consumers.

4. Briefly state the human objectives of a business.**i). Economic Objectives**

- ⬆ It refers to the objective of earning profit.
- ⬆ To be pursued to achieve the profit objective, this includes creation of customers, regular innovations and best possible use of available resources.

ii). Social Objectives

- ➡ Desired to be achieved for the benefit of the society.
- ➡ No activity of the business should be aimed at giving any kind of trouble to the society.

iii). Human Objectives

The human objectives of business may thus include economic well-being of the employees, social and psychological satisfaction of employees and development of human resources.

CHAPTER - 3**CLASSIFICATION OF BUSINESS ACTIVITIES****I. CHOOSE THE BEST ANSWER:**

1. The industries engaged in extraction of iron ore are known as

- | | |
|-----------------------------|------------------------------|
| (a) Construction Industries | (b) Manufacturing Industries |
| (c) Extraction Industries | (d) Genetic Industries |

2. Auxiliaries to trade is also called as

- | | | | |
|-----------|-------------------|-----------------|-------------------|
| (a) Trade | (b) Advertisement | (c) Warehousing | (d) Aids to Trade |
|-----------|-------------------|-----------------|-------------------|

3. Production which involves several stages for manufacturing finished product is known as

- | | |
|-------------------------|------------------------|
| (a) Analytical Industry | (b) Synthetic Industry |
| (c) Processing Industry | (d) None of the above |

4. Normally high level risk involved in

- (a) Industry (b) Commerce (c) Trade (d) All of the above

5. Commerce is mainly concerned with

- (a) Connecting producer and consumer (b) Pricing of goods
(c) Buying and Selling of goods (d) Manufacturing of goods

II. VERY SHORT ANSWER QUESTIONS

1. Define commerce.

“Commercial operations deal with the buying and selling of goods, the exchange of commodities and the contribution of finished products”.

- Evelyn Thomas

2. What do mean by industry?

The term industry is also used to mean group of firms producing similar or related goods.

3. What is trade?

Trade means Purchase and sale of goods and services.

4. Write a short note on transportation.

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

III. SHORT ANSWER QUESTIONS:

1. Distinguish between Extractive industries and Genetic industries.

S.NO	EXTRACTIV INDUSTRIES	GENETIC INDUSTRIES
1.	To those activities which are concerned with extraction of production of wealth from air, water, soil.	To those activities which are undertaken for reproduction of plants and animals with object of making profit
2.	Examples: agriculture, mining, fishing, forestry, hunting.	Examples: Nurseries, raising, seeding plants, cattle forming.

2. What do you mean by tertiary industries?

- ✧ They do not produce goods.
- ✧ These industries produce utility services and sell them at a profit.
- ✧ They help trade, industry and commerce.
- ✧ This term also includes auxiliaries to trade like banking, insurance, warehouse, advertisement etc.

3. Write any three characteristics of commerce.

- ★ Commerce deals with all economic activities undertaken for profit.
- ★ It involves an exchange of goods and service for profit.
- ★ Profit is an incentive for undertaking all commercial activities.

- It refers to all those activities which are necessary for bringing goods from the place of production to the place of their consumption.
- *Commercial operations deal with the buying and selling of goods, the exchange of commodities and the contribution of finished products”*
- **Evelyn Thomas**
- Commerce includes not only trade but also services such as transport, warehousing, packaging, insurance, and banking.

SOLE PROPRIETORSHIP

- ★ Government enterprise
- ★ Private company
- ★ Co-operative company

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

- a. Grocery store
- b. Medical store
- c. Craft centre
- d. Legal consultancy
- e. Internet café

III. SHORT ANSWER QUESTIONS:

1. How is it possible to maintain secrecy in sole proprietorship?

Since he/she manages all the affairs of the business, the secrecy can be maintained easily.

2. What is unlimited liability?

When his business assets are not sufficient to pay off the business debts he has to pay from his personal property.

3. Write any three characteristics of Sole Proprietorship.

i. Unlimited Liability

When his business assets are not sufficient to pay off the business debts he has to pay from his personal property.

ii. No Separate Entity

The sole trading concern comes to an end with death, disability, insanity and insolvency of the individual.

iii. Maintenance of Secrecy

Since he/she manages all the affairs of the business, the secrecy can be maintained easily.

4. Give some examples of Sole trading business.

- ✱ Fruit sellers
- ✱ Retail trade
- ✱ Handicrafts
- ✱ Tailoring shops
- ✱ Beauty parlor

5. Define Sole trading business.

- ★ “Sole proprietorship is that form of business organization which is owned and controlled by a single individual.
- ★ He receives all the profits and risks all of his property in the success or failure of the enterprise”.

- Wheeler

CHAPTER- 5**HINDU UNDIVIDED FAMILY AND PARTNERSHIP****I. CHOOSE THE BEST ANSWER:**

1. The firm of Hindu Undivided Family is managed by whom?
 (a) Owner (b) Karta (c) Manager (d) Partner
2. In the firm of Hindu Undivided Family, how one gets the membership?
 (a) By Agreement (b) By Birth (c) By Investing Capital (d) By Managing
3. The Members in the joint Hindu family are called _____
 (a) Karta (b) Coparceners (c) Generations (d) Partners
4. Only the male members in the family get the right of inheritance by birth' as _____
 (a) Hindu law (b) Mitakshara Law (c) Dayabhaga law (d) None of these
5. A partnership is formed by _____
 (a) agreement (b) relationship among persons
 (c) the direction of government (d) friendship
6. Registration of partnership is _____
 (a) compulsory (b) optional (c) not necessary (d) none of the above
7. A temporary partnership which is formed to complete a specific job doing a specified period of time is called _____
 (a) Partnership-at-will (b) Particular partnership
 (c) Limited Partnership (d) Joint Venture
8. The partnership deed also called _____
 (a) Articles of Association (b) Articles of Partnership
 (c) Partnership Act (d) Partnership
9. A partnership is registered with _____
 (a) Registrar of Companies (b) Registrar of Co-operatives
 (c) Registrar of Firms (d) District Collector

II. VERY SHORT ANSWER QUESTIONS**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'.

2. What are the two schools of Hindu law?

- ♣ Dayabhaga law
- ♣ Mitakshara law

3. Who is called a Partner?

The persons who enter into partnership are individually called 'Partners'.

4. Who is a Sleeping partner?

Such 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.

5. Who is a Minor?

Person who has not completed 18 years of age is a minor.

6. How many types of Dissolution?

- ❖ Without the order of the court
- ❖ By order of the court.

II. SHORT ANSWER QUESTIONS:**1. What is the meaning of Joint Hindu Family Business?**

“When two or more families agree to live and work together, invest their resources and labour jointly and share profits or losses together, then this family is known as composite family or HUF”

2. Write any 3 features of HUF.**i. Governed by Hindu Law**

The business of the Joint Hindu Family is controlled and managed under the Hindu law.

ii. Minor also a co-parcener

In a Joint Hindu Family firm even a new born baby can be a co-parcener.

iii. Management

Joint Hindu Family are controlled and managed by one person who is known as 'Karta'.

3. Explain the nature of liability of karta.

- Y Except the Karta, the liability of all other members is limited to their shares in the business.
- Y The amount of debt can be recovered from his personal property also.

4. What is the meaning of Coparceners?

- ❖ In a Joint Hindu Family firm even a new born baby can be a co-parcener.
- ❖ The head of the family member is called Karta. And other members are called Coparceners.
- ❖ Today Hindu succession Act 2005 is applicable to all male and female members of a HUF.

5. Define Partnership.

“The relations which exist between persons, competent to make contracts, who agree to carry on a lawful business in common with a view to private gain”.

- Prof. Haney

6. What is the minimum and maximum number of members in the partnership concern?

Minimum numbers of persons are 2.

Maximum number of partners 10 in banking sector and 20 in Non-banking sector.

7. What is the meaning of Partnership Deed?

- ★ A partnership firm can be formed through an agreement among two or more persons.
- ★ In India the agreement may be oral or writing.
- ★ It is desirable to have writing to avoid any misunderstanding among partners.
- ★ Partnership agreement is also known as partnership deed.

8. Who is called a Secret partner?

- ❖ A secret partner is one whose association is not known to the general public.
- ❖ Other than this distinct feature, he is like rest of the partners in all respects.

9. What is meant by Joint and Several Liabilities?

- ✕ Every partner is jointly and severally liable for all acts of the firm.
- ✕ It means that in case the assets are inadequate for meeting the claims of creditors, even their personal properties should be made available.

CHAPTER – 6**JOINT STOCK COMPANY****I. CHOOSE THE BEST ANSWER:**

1. The relationship between outsiders and the company is defined in _____
 (a) Prospectus (b) Articles of Association
 (c) Memorandum of Association (d) Certificate of Incorporation
2. Table A of the Companies Act is a _____
 (a) Model minutes book (b) Model form of Balance Sheet
 (c) Model of AOA (d) Model of MOA
3. Which of the following is created by a Special Act of Parliament or in State Assemblies?
 (a) Chartered company (b) Foreign company
 (c) Government company (d) Statutory company
4. The Board of directors of a company is elected by _____
 (a) Creditors (b) Debtors (c) Debenture holders (d) Share holders (members)
5. Companies established as a result of a charter granted by the King or Queen of a country is called _____
 (a) Chartered companies (b) Statutory companies
 (c) Registered companies (d) Foreign companies

II. VERY SHORT ANSWER QUESTIONS**1. What are the different types of companies?**

- ★ Incorporation
- ★ Membership

- ★ Member Liability
- ★ Control
- ★ Nationality

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 up to the face value of shares held by him.

4. Explain any two characteristics of a company.

i). Limited Liability:

The liability of the members of the company is limited to contribution to the assets of the company up to the face value of shares held by him.

ii). Common Seal:

The common seal is 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.

II. SHORT ANSWER QUESTIONS:

1. What are the advantages of Companies?

i. Large Capital

Y A company can secure large capital compared to a sole trader or partnership.

Y Large amount of capital is necessary for conducting business on a large scale.

ii. Limited Liability

- ✕ The liability of a shareholder is limited.
- ✕ In the case of a company limited by guarantee, his liability is restricted to the amount that he has guaranteed to contribute in the event of winding up of the company.

iii. Transferability of Shares

- ✱ Transaction of Shares between two individuals is easy.
- ✱ So there is liquidity of investment.
- ✱ Any shareholder can easily convert his shares into money by selling his shares.

2. What is meant by Private Company?

- ✱ It is a type of company which is formed with minimum two shareholders and two directors.
- ✱ The minimum requirement with respect to paid up capital of ₹1, 00,000.

- ✧ Maximum of 200 persons can become shareholders in a private company.
- ✧ The name of private company should be suffixed with pvt ltd or (p) ltd.
- ✧ *Ex. Scientific publishing services private Limited, Chennai.*

3. What is meant by Government Company?

- Υ A public enterprise incorporated under the Indian Companies Act, 1956 is called a government company.
- Υ These companies are owned and managed by the central or the state government. "Government Companies" as any company in which not less than 51% of the is held by.

- Section 617 of the Companies Act, 1956

4. What is meant by Foreign Company?

- A foreign company means a company which is incorporated in a country outside India under the law of that country.
- After the establishment of business in India, the following documents must be filed with the Registrar of Companies within 30 days from the date of establishment.

CHAPTER – 7

CO-OPERATIVE ORGANIZATION

I. CHOOSE THE BEST ANSWER:

1. Membership in a Co-operative organization is :

(a) Not open to all	(b) Selective	(c) Open to all	(d) None of them
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2. Co-operative fails because of-----

(a) Unlimited membership	(b) Cash trading
(c) Mismanagement	(d) Loss-making
3. All Co-operatives are established with

(a) Philanthropic motive	(b) Service Motive
(c) Profit motive	(d) Reform motive
4. Consumers Co-operation was first successful in-----

(a) England	(b) USA	(c) Swiss	(d) India
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5. Rochdale Society of equitable pioneers was started by-----

(a) Robert Owen	(b) H.C. Calvert	(c) Talmaki	(d) Lambert
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II. VERY SHORT ANSWER QUESTIONS

1. What do you mean by cooperative organization?

A cooperative is a private business organization that is owned and controlled by the people.

2. Define cooperatives.

Cooperation is "better farming, better business and better living"

- Sir Horace Plunkett

3. What is Credit co-operatives?

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

4. Is low taxes possible in Cooperative society?

A when various farmers in a village farmers in a village pool their land together and agree to treat the pooled piece of land

6. Who are Rochdale Pioneers?

- ✧ In 1844 England, Robert Owen was the formed a consumer's cooperative society with 28 workers as members, called "Rochdale Society of Equitable Pioneers".
- ✧ He is the father of co-operative movement.

II. SHORT ANSWER QUESTIONS:**1. What are the disadvantages of Cooperatives?****i. Limited funds**

- * Co-operative societies have limited membership.
- * The membership fees collected is low.
- * The principle of one-man one-vote and limited dividends also.

ii. Misuse of funds

- * Many cooperative societies have faced financial troubles and closed down because of corruption and misuse of funds.

iii. Lack of secrecy

- * Business secrets cannot be maintained in cooperatives.
- * Because all members are aware of the activities of the enterprise.

iv. Limited scope

- * Co-operative societies cannot be introduced in all industries.
- * Their scope is limited to only certain areas of enterprise.

2. Write a note on Housing cooperatives.

- ✱ To provide residential accommodation to their members on ownership basis or rent.
- ✱ These societies advance loans to members, repayable over a period of 15 to 20 years.
- ✱ These are house construction societies which acquire land, construct houses and rent them to members.
- ✱ The member-tenant, however, can own the houses after paying the cost.

3. What is meant by Producers cooperative society?

- Y Producer cooperatives are established and operated by producers.
- Y Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.
- Y They are organized to process, market, and distribute their own products.
- Y *Examples: Cooperative weavers' societies, Cooperative match factories.*

4. Write a note on cooperative forming societies.

- ▲ When various farmers in a village pool their land together.
- ▲ Agree to treat the pooled piece of land as one big farm for the purpose of cultivation.
- ▲ Purchase the necessary inputs for the cultivation, and market the crops jointly.
- ▲ They are assumed to have formed a cooperative farming society.
- ▲ A society, for its proper working elects its office bearers on the basis of one member-one-vote.

5. Write a note on industrial cooperatives.

- ✕ It is organized by small scale producers.
- ✕ Its undertakings are a useful means of developing small scale and cottage industries.
- ✕ It is very useful in obtaining raw materials in improving the quality of products.

CHAPTER - 8

MULTINATIONAL CORPORATIONS

I. CHOOSE THE BEST ANSWER:

1. A Multinational Corporation can be defined as a firm which
 - (a) is beyond the control of any government
 - (b) is one of the top 200 firms in the world
 - (c) owns companies in more than one country
 - (d) All the above
2. Centralized control in MNC's implies control exercised by
 - (a) Branches
 - (b) Subsidiaries
 - (c) Headquarters
 - (d) Parliament
3. Enterprises operating in several countries but managed from one country is termed as
 - (a) Government company
 - (b) Multinational company
 - (c) Private company
 - (d) Joint Venture
3. Dispersal of decision making power to branches/ affiliates/subsidiaries by head office represent -----
 - (a) Centralization
 - (b) Decentralization
 - (c) Power
 - (d) Integration
4. Coca-Cola company is an example of -----
 - (a) MNC
 - (b) Government company
 - (c) Joint Venture
 - (d) Public company

II. VERY SHORT ANSWER QUESTIONS

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.

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

3. Give two examples of MNC.

- ✕ Bata Corporation – Bata India
- ✕ Sony Corporation - Sony India
- ✕ Suzuki – Maruthi Suzuki

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

- ♣ Philips - Dutch Company
- ♣ Coco Cola Company – America Company
- ♣ IBM – America Company

II. SHORT ANSWER QUESTIONS:

1. What are the advantages of MNC's?

i. Low Cost Labour

- ❖ MNC set up their facilities in low cost countries and produce goods and service at lower cost.
- ❖ It gains cost advantage and sells its products and services of good quality at low cost.
- ❖ This is not available to smaller companies which operate at regional level.

ii. 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.

iii. 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.

2. What are the disadvantages of MNC's?

i. Danger for Domestic Industries

- ✕ MNCs, because of their vast economic power, pose a danger to domestic Industries.
- ✕ Domestic industries cannot face challenges posed by MNCs.
- ✕ Many domestic industries have to wind up, as a result of threat from MNCs.

ii. Deprivation of Job Opportunity of Local People

- ✕ MNCs may not generate job opportunities to the people of home country.

iii. Culture

- ✕ MNCs tend to promote alien culture in host country to sell their products.
- ✕ They make people forget about their own cultural heritage.
- ✕ In India, e.g. MNCs have created a taste for synthetic food, soft drinks etc.

CHAPTER- 9

GOVERNMENT ORGANIZATION

I. CHOOSE THE BEST ANSWER:

1. The share capital of the government company must not be less than
 (a) 49% (b) 51% (c) 50% (d) 25%
2. Airport Authority of India is a public enterprise. Identify the form of organization
 (a) Statutory Corporations (b) Departmental Undertakings
 (c) Multi-National Corporations (d) State Owned Company
3. The oldest form of organization in public sector
 (a) Public Sector Undertakings (b) Departmental Undertakings
 (c) Multi-National Corporations (d) Statutory Corporation
4. A Government company purchases shares in the name of
 (a) Prime Minister (b) President
 (c) Chief Justice of India (d) State Chief Minister
5. The primary objective of the state enterprises is to -----
 (a) Earn profit (b) Provide Employment
 (c) Serve the People (d) All the Above

II. VERY SHORT ANSWER QUESTIONS

1. State the different types of public sectors enterprises.
 - ❖ Food Corporation of India – New Delhi
 - ❖ Tourism Corporation of India – New Delhi
 - ❖ ONGC – New Delhi
2. What is the basic feature of a Departmental undertaking?
 - ➔ It is easy to set up a departmental undertaking.
 - ➔ Department undertakings can maintain secrecy in their working.
3. Give two examples for each of the following:
 - (i) Private sector enterprises (ii) Global enterprises (iii) Public enterprises
 - ➔ Private Sector Enterprise - Vibro, Reliance
 - ➔ Global enterprises - Philips, Co Cola Corporation
 - ➔ Public enterprises - Coal India Ltd, Steel Authority of India Ltd

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

- Hindustan Aeronautical Ltd
- Bharat Dynamix Ltd

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

- ☆ Hindustan Aeronautical Ltd
- ☆ Bharat Dynamix Ltd

II. SHORT ANSWER QUESTIONS:

1. List the areas where the state or central ownership is a preferred form of business organization.

Justify your choice of areas.

- Most of the industrial progress was limited in during the period of pre independence.
- Public sector industries were deliberately set up in these backward regions.
- Provide employment to the work force and develop ancillary industries.
- The government located new enterprise in backward areas.
- *Example: Bhilai Steel Plant in Madhya Pradesh*

2. What are the different kinds of organizations that come under the public sector?

i). Departmental Undertaking

- ✕ It is the oldest form of organization.
- ✕ No distinction was made between the routine functions of the Government.
- ✕ A public enterprise is run as a separate full-fledged ministry.
- ✕ For example, Indian Railways, Post and Telegraph services, All India Radio, Doordarshan.

ii). Public Corporation

- ✱ It is form of public enterprise which is created as an autonomous unit, by a special Act of the Parliament.
- ✱ It is created by a Statute. It is also known as a statutory corporation.
- ✱ Examples: Life Insurance Corporation of India, the Indian Airlines, the Air India International,

iii). Government Company

- “Any company in which not less than 51% of the paid-up share capital is held by the Central Government or State Government or partly by the Central Government and partly by State Governments.

- Section 2(45) of the Companies Act, 2013

- *Examples: Food Corporation of India, ONGC.*

3. List the names of some enterprises under the public sector and classify them.

- | | |
|-----------------------------|-----------------------------|
| ✕ Indian railways | - Departmental undertakings |
| ✕ Indian Post and telegraph | - Departmental undertakings |

- ✕ Bharat Heavy Electricals Limited – Government Company
- ✕ Life Insurance Corporation of India – Statutory Corporation
- ✕ State Trading Corporation – Statutory Corporation

4. Define Departmental undertakings.

- ★ It is the oldest form of organization.
- ★ No distinction was made between the routine functions of the Government.
- ★ A public enterprise is run as a separate full-fledged ministry.
- ★ For example, Indian Railways, Post and Telegraph services, All India Radio, Doordarshan.

5. What is meant by Government Company?

- ♥ Any company in which not less than 51% of the paid-up share capital is held by the Central Government or State Government or partly by the Central Government and partly by State Governments.

- Section 2(45) of the Companies Act, 2013

- ♥ Examples: Food Corporation of India, ONGC.

CHAPTER – 10

RESERVE BANK OF INDIA

I. CHOOSE THE BEST ANSWER:

1. Which bank has the power to issue Bank notes?
 - (a) Central Bank (b) Commercial Bank (c) Co-operative Bank (d) Foreign Bank
2. The Central Bank of India is
 - (a) PNB (b) SBI (c) ICICI (d) RBI
3. The Reserve Bank of India commenced its operations from April 1,
 - (a) 1936 (b) 1935 (c) 1934 (d) 1933
4. Bankers are not only dealers of money but also leaders in
 - (a) Economic Development (b) Trade Development
 - (c) Industry Development (d) Service Development
5. Which of the following is not a function of a Central Bank?
 - (a) Guiding and regulating the Banking system of a Country
 - (b) Deal with general public
 - (c) Acts essentially as government banker
 - (d) Maintains deposit accounts of all other banks

II. VERY SHORT ANSWER QUESTIONS

1. What are the services included in Service businesses?

- Education
- Medical
- Hospital

2. Write the meaning of 'Bank.'

- ❖ The word Bank normally refers to commercial bank.
- ❖ 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.
- ♣ Central banks are known by different names in different countries.

II. SHORT ANSWER QUESTIONS:

1. Mention the importance of banking services.

- ❖ Banking service is the nerve center of industry and commerce in a country.
- ❖ It plays a vital role by providing the money.
- ❖ The word Bank, normally refers to commercial bank.
- ❖ Central Bank is the most important one among them.
- ❖ Every nation has one central bank. It is owned by the Government of the country.
- ❖ In India the Reserve Bank of India (RBI) is the central bank.

2. Explain the origin of RBI.

- * In 1926 the Royal Commission on Indian Currency and Finance made recommendation to create a central bank.
- * As a result, the RBI Act 1934 was passed.
- * RBI launched in operations from April 1, 1935.
- * RBI was established with a share capital of ₹5 crores divided into shares of ₹100 each fully paid up.
- * After independence, the Government of India passed Reserve Bank Act, 1948.
- * From January 1, 1949, RBI started functioning as a government owned central bank of India.

3. Who are the persons involved in RBI administration?

- One Governor and Four Deputy Governor
- Ten Directors from various fields
- Two Government Officials
- Four Directors – One each local boards.

CHAPTER – 11

TYPES OF BANK**I. CHOOSE THE BEST ANSWER:**

- Which bank is not a Industrial Bank?
(a) ICICI (b) HSBC (c) SIDBI (d) IDBI
- The Local Area Banks are promoting.
(a) Rural Savings (b) Business Savings
(c) Industrial development (d) Agricultural development
- Foreign banks are begun their operation since
(a) 1978 (b) 1979 (c) 1980 (d) 1981

II. VERY SHORT ANSWER QUESTIONS**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.

2. What do you mean by Industrial Banks?

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

3. Briefly explain about Correspondent Banks?

- It is a 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.

II. SHORT ANSWER QUESTIONS:**1. Write a short note on Local Area Banks, Give two examples.**

- Local Area Bank scheme was introduced by the RBI in August 1996.
- LABs are small private sector banks established in rural and semi-urban areas.
- Each bank serves two or three adjoining districts only.
- ✱ *Examples:* Coastal Local Area Bank, Vijayawada, Andhra Pradesh.
Subhadra Local Area Bank Limited, Kolhapur, Maharashtra.

2. What are the objectives involved in Regional Rural Banks?

- ✱ The RRBs were formed under the Regional Rural Bank Act 1976, jointly by the Central Government, State Government, and a sponsor bank.

- ✱ They are established as low cost institutions in rural areas.
- ✱ Their objective is to develop rural economy.
- ✱ As on 31.3.2016, there were 56 RRBs in India with 14,494 branches.
- ✱ They are regulated and supervised by NABARD.

➡ *Examples:* Pallavan Grama Bank – Salem, Tamil Nadu.

Pandiyan Grama Bank – Thirumangalam, Madurai

3. Mention the purposes of Agricultural and Co-operative banks

- ✧ All cooperative banks in India are owned by its customers who are farmers, small traders and others.
- ✧ Cooperative banks in India are either urban based or rural based.
- ✧ All cooperative banks in Tamil Nadu are registered under Tamil Nadu Cooperative Societies Act 1983.
- ✧ They are controlled by both RBI and the State Government.
- ✧ Their objective is providing service to rural and agricultural development .

CHAPTER – 12

FUNCTIONS OF COMMERCIAL BANKS

I. CHOOSE THE BEST ANSWER:

1. Electronic banking can be done through
(a) Computers (b) Mobile Phones (c) ATM (d) All of the above
2. Minimum how much amount can be transferred through RTGS?
(a) Any Amount (b) Rs. 50,000 (c) Rs. 2 Lakhs (d) Rs. 5 Lakhs
3. The largest commercial bank of India.
(a) ICICI (b) SBI (c) PNB (d) RBI
4. In which kind of account, it is compulsory to deposit certain amount at certain time?
(a) Savings Deposit (b) Fixed Deposit
(c) Current Deposit (d) Recurring Deposit
5. Which of the following is not a type of advance provided by the commercial bank?
(a) Collection and Supplying Business information (b) Overdraft
(c) Cash Credit (d) Discounting of Bills

II. VERY SHORT ANSWER QUESTIONS

1. What is Mobile Banking?

With this app in the smart phone 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.

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

4. What do you mean by ATM?

A customer can withdraw money anytime, anywhere in India from the ATM machine.

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.

II. SHORT ANSWER QUESTIONS:**1. What is E-Banking?**

- Y Banking through internet is called E-Internet banking.
- Y It can also be called as electronic banking.
- Y To performing banking operation through internet by using computer and mobile phone.
- Y This can done by a customer from home or office of the world and all 24 hours of 7 days.
- Y Money banks have their own websites.

2. Write a short note on - RTGS.

- ✱ It was launched by the RBI in 2013.
- ✱ The transactions are settled on real time basis.
- ✱ Gross settlement means the transaction is settled between one bank and another bank without adding any other transactions.
- ✱ RTGS facility is available between 9.00 am to 4.30 pm on weekdays.
- ✱ RTGS transfers are not allowed on Sundays and bank holidays.
- ✱ Minimum limit for RTGS transaction is 2 lakhs.

3. Briefly explain the Diversified banking services of commercial banks.

- ♥ Competition in the banking industry has reduced their profits.
- ♥ The commercial banks started identifying and offering new and diversified financial service.
- ♥ They are purely other than banking service.
- ♥ Providing all such banking and other financial service is also called universal banking.
- ♥ Such service are:
 - ❖ Bank Assurance
 - ❖ Merchant Banking
 - ❖ Retail Banking

- ❖ Housing Finance
- ❖ Mutual Fund

4. Explain - NEFT.

- This was launched by the RBI in 2005.
- Under this electronic funds transfer system, bulk transfer of transactions are settled in batches during specific timings across India.
- Transactions do not occur under real time basis.
- Once in every half hour from 8.00 am to 7.30 pm. 23 settlements are allowed in a day.
- NEFT transfers are not allowed on Sundays and bank holidays.
- Both NEFT and RTGS use IFSC – a 11 digit alphanumeric code, to identify a bank branch.
- IFSC is provided by IDBFT Hyderabad.

5. What do you mean by Core Banking Solutions?

- 'CORE' stands for 'Centralized Online Real time Exchange'.
- In the centralized server of the bank, all the details of all the accounts of all the branches of the bank are available.
- Similarly anyone can deposit money into the account.
- Entry of the transactions is recorded in the centralized server of the bank in real time and can be seen in all the branches of the bank.
- This facility is called core banking solutions.

CHAPTER – 13

WAREHOUSING

I. CHOOSE THE BEST ANSWER:

1. Warehouse removes the hindrance of _____.
 (a) Person (b) Time (c) Risk (d) Knowledge
2. A warehouse holds goods as a _____ centre.
 (a) Marketing (b) Sorting (c) Distribution (d) Selling
3. _____ can be given as collateral security for getting financial assistance from bank.
 (a) Dock warrant (b) Warehouse Receipt
 (c) Dock Receipt (d) Warehouse warrant
4. _____ warehouses are licensed by the government and are permitted to accept the goods on bond.
 (a) Bonded (b) Private (c) Cold storage (d) Co-operative
5. _____ warehouses are used for storing perishable goods like fruits, vegetables etc.
 (a) Bonded (b) Private (c) Cold storage (d) Co-operative

6. The document which authorizes to deliver the goods either in part or full is called _____.
 (a) Warehouse warrant (b) Dock receipt (c) Dock warrant (d) None of these
7. The Institutional warehouse started with the support of Government is _____.
 (a) Bonded warehouse (b) Public warehouse
 (c) Food corporation of India (d) Customs bonded

II. VERY SHORT ANSWER QUESTIONS

1. What is Warehouse?

It is a place where goods are stored for future use and act as distribution centers.

2. List the various types of Warehouses.

- Private Warehouses
- Government Warehouses
- Public Warehouses
- Co-operative Warehouses
- General Warehouses

3. Give any three functions of Warehouses.

- Storage
- Price Stabilization
- Equalization of Demand and Supply

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

S.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 is not only an acknowledgement	It is only an acknowledgement
3	It can be transferred to others.	It cannot be transferred to others

5. Give a note on FCI.

- ☆ It provides storage facilities for food grains.
- ☆ Food Corporation of India also hires storage capacity from other sources.

II. SHORT ANSWER QUESTIONS:

1. Differentiate the warehouse warrant from the warehouse receipt.

S.No	Warehouse Warrant	Warehouse Receipt
1	It is a document of title goods	It is not a document of title of goods
2	It can be negotiated	It cannot be negotiated
3	It can be given a collateral security.	It cannot be given a collateral security.

2. Comment on cold storage warehouse.

- ☀ Goods are transported in refrigerated containers and stored in refrigerated warehouses.
- ☀ These warehouses are used for storing perishable goods like fruits, vegetables, eggs, butter, fish, meat, etc.
- ☀ Goods stored in cold storages without deterioration in quality, can be made available throughout the year.

CHAPTER – 14**TRANSPORTATION****I. CHOOSE THE BEST ANSWER:**

1. Which bank is not a Industrial Bank?
 (a) ICICI (b) HSBC (c) SIDBI (d) IDBI
2. The Local Area Banks are promoting.
 (a) Rural Savings (b) Business Savings
 (c) Industrial development (d) Agricultural development
3. Foreign banks are begun their operation since
 (a) 1978 (b) 1979 (c) 1980 (d) 1981

II. VERY SHORT ANSWER QUESTIONS**1. 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

2. State any two services rendered by transport.

- It increases the efficiency of production
- It aids to economic growth
- It develops and expands the market

3. Write any two advantages of water transport.

- ❖ It is considered as the cheapest mode of transport.
- ❖ It is most suitable for heavy loads.
- ❖ There is lesser pollution in water transport.

II. SHORT ANSWER QUESTIONS:**1. What is bill of lading?**

- ☞ It is a document containing the terms and conditions of the contract of carriage.
- ☞ It is issued by the shipping company and signed by the captain of the ship.

- It acknowledges the receipt of the goods described in it on board the ship.
- It also serves as an official receipt of goods.
- It is a document of title of goods.

2. What is charter party?

- ✕ Goods are to be consigned in large quantity, it is advantageous to hire the whole part of the ship.
- ✕ The document through which this contract is made is known as 'Charter Party'.
- ✕ The person who hires the ship is known as 'Charter'.
- ✕ The charter party brings the vessel and crew under the control of the charters.
- ✕ The charter becomes responsible to the third parties for the acts of the master and crew of the ship.

CHAPTER – 15

INSURANCE

I. CHOOSE THE BEST ANSWER:

1. The basic principle of insurance is _____.
(a) Insurable Interest (b) Co-operation (c) Subrogation (d) Proximate cause
2. _____ is not a type of general insurance.
(a) Marine Insurance (b) Life Insurance (c) Fidelity Insurance (d) Fire Insurance
3. Which of the following is not a function of insurance?
(a) Lending Funds (b) Risk Sharing (c) Capital formation (d) Protection of life
4. Which of the following is not applicable in insurance contract?
(a) Unilateral Contract (b) Conditional Contract
(c) Indemnity Contract (d) Inter-personal contract
5. Which of the following is a type of marine insurance?
(a) Money back (b) Mediclaim (c) Hull insurance (d) Cargo insurance

II. VERY SHORT ANSWER QUESTIONS

1. List any five important types of policies.

- ▲ Whole Life 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.

II. SHORT ANSWER QUESTIONS:**1. Define Insurance.**

“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

2. Give the meaning of crop insurance

- This policy is to provide financial support to farmers in case of a crop failure due to drought or flood.
- It generally covers all risks of loss or damages relating to production of rice, wheat, millets, oil seeds.

3. Write a note on IRDAI

- ❖ IRDAI – Insurance Regulatory Development and Authority of India is the statutory, independent and apex body that governs, regulates and supervises the Insurance Industry in India.
- ❖ It was constituted in the year 2000 by Parliament of India Act called IRDAI Act, 1999.
- ❖ Presently IRDAI headquarters is in Hyderabad.

CHAPTER – 16**EMERGING SERVICE BUSINESS IN INDIA****I. CHOOSE THE BEST ANSWER:**

1. A continuing relationship which provides license privileges to do a Business and provide Training, merchandising for a consideration is called _____.
(a) Franchising (b) Factoring (c) Supply chain Management (d) Exchange
2. A condition where a factor agrees to provide complete set of services like financing, debt collection, consultancy is called _____.
(a) Maturity Factoring (b) National Factoring (c) Full service Factoring (d) Recourse factoring
3. Buying and Selling of goods through electronic network is known as _____.
(a) E-commerce (b) Internet (c) Website (d) Trade
4. An organization carrying out activities to move goods from Producer to Consumer is
(a) Transport (b) Logistics (c) Channels (d) Marketing
5. The role of Government in logistics management is through
(a) Legislations (b) Governance (c) Transport (d) Distribution
6. The main Benefit of Logistics is
(a) Productivity (b) Cost minimization (c) Profitability (d) Storage
7. What aims for an effective management response over the longer run
(a) Logistics (b) Supply chain Management (c) Demand (d) Supply
8. The model that identifies alternatives, criteria for decision making and analyze alternatives to arrive at the best choice is
(a) Routing Model (b) Scheduling Model (c) Inventory Model (d) Alternative analysis

9. A Company under outsourcing transfers activities which are
 (a) Core (b) Non-core (c) Business (d) Non-Business
10. Business units can reduce expenditure by outsourcing front office work like
 (a) Paper Work (b) File Work (c) Billing (d) Manufacture
11. The main benefit of outsourcing is
 (a) Productivity (b) Cost reduction (c) Skill (d) Units
12. Outsourcing job is given to developing countries specifically for
 (a) Cheap labour (b) Land (c) Factor (d) Capital
13. Outsourcing is carried out for the benefit of
 (a) Global Village (b) Transport (c) Factory (d) Time and Money

II. VERY SHORT ANSWER QUESTIONS

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?

- ❏ Franchising provides an opportunity to expand business.
- ❏ Eliminating the risk of starting a new business.

3. Who is a factor?

The factor is an agent who buys the accounts 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.
- It is called the Business Process outsourcing the work which is routine in nature, to an outside agency.

5. What is need for outsourcing?

- ♥ To focus on key function
- ♥ Benefit of specialization
- ♥ Cost cutting
- ♥ Economic growth and development
- ♥ Increasing profit

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?

- ▲ Ultimate use of knowledge
- ▲ Reduction of expenditure
- ▲ Usage of best skills
- ▲ Outsources reduces risk

8. Define Logistics.

'Design and operation of the physical, managerial, and informational systems needed to allow goods to overcome time and space.'

- Logistics Management

9. What is the need for Logistics?

- ★ Logistics implies that an integrated view of number of different activities and functions may be required.
- ★ All firms are viewed as a collection of primary and secondary activities.

10. Write about the importance of Logistics.

- ▲ It is also important for creating visibility into a company's supply chain.
- ▲ It can use this information for process optimization and avoiding potential distributions.

11. What are the types of Logistics Applications?

- ✧ Decision-wise
- ✧ Actor-wise
- ✧ Inbound logistics
- ✧ 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.

II. SHORT ANSWER QUESTIONS:**1. What are the types of franchising?****a) Product/ trade name franchising:**

- ✧ In this type, the franchisee exclusively deals with a manufacture's product.
- ✧ Examples include Kidzee, French Loaf outlets, Bharat Petroleum bunks, Patanjali products, etc.

b) Business format franchising:

- ✧ When a franchisor awards rights covering all business aspects as a complete business package to the franchisee it is called as business format franchising.
- ✧ Examples:
McDonald's, Pizza Hut. KFC, Hot breads, Titan, Color plus, Zodiac, Lakmé beauty parlour.

2. List the steps in factoring process.

- ✕ The firm enters into a factoring arrangement with a factor, which is generally a financial institution, for invoice purchasing
- ✕ Goods are sold on credit basis, an invoice is raised and a copy of the same is sent to the factor.
- ✕ The debt amount due to the firm is transferred to the factor through assignment.
- ✕ On the due date, the amount is collected by the factor from the customer.

3. Describe the benefits of Logistics.

- ♥ Decrease in Costly Errors
- ♥ Inventory Management
- ♥ Increased Customer Service
- ♥ Access to real time freight data and analysis
- ♥ Organizational control
- ♥ Scalability and speed.

4. Explain the points of differences between Logistics and Supply Chain Management.

S.No	Logistics Management	Supply Chain Management
1	It deals with the efficient management of a static gap between Demand.	To identify the dynamic nature of the value creation itself such as responsiveness, quality and design.
2	It focus on cost minimization.	It focuses on profit maximization
3	It is supply driven.	It is demand driven.

5. What is the impact of e-commerce on buyers?

- * Buyers could have a global access to information about variety of products and services available in the market
- * They could buy the products/services round the clock from anywhere in world
- * Electronic and software products could be downloaded immediately after purchase through e – commerce mode.
- * Individuals could sell their used products through e – commerce mode with relative ease.
- * Buyers can bargain and negotiate better terms and conditions with respect to buying knowledge products.
