



www.Padasalai.Net

Padasalai Official – Android App – Download Here



படங்களை தொடுக! பாடசாலை வலைதளத்தை சமூக ஊடகங்களில்
பின்தொடர்க!! உடனுக்குடன் புதிய செய்திகளை Notifications-ல் பெறுக!



Zoom



Touch Below Links



Download!

12th Standard	Syllabus	Books	Study Materials – EM	Study Materials - TM	Practical	Online Test (EM & TM)
	Monthly Q&A	Mid Term Q&A	Revision Q&A	PTA Book Q&A	Centum Questions	Creative Questions
	Quarterly Exam	Half Yearly Exam	Public Exam	NEET		

11th Standard	Syllabus	Books	Study Materials – EM	Study Materials - TM	Practical	Online Test (EM & TM)
	Monthly Q&A	Mid Term Q&A	Revision Q&A	Centum Questions	Creative Questions	
	Quarterly Exam	Half Yearly Exam	Public Exam	NEET		

10th Standard	Syllabus	Books	Study Materials – EM	Study Materials - TM	Practical	Online Test (EM & TM)
	Monthly Q&A	Mid Term Q&A	Revision Q&A	PTA Book Q&A	Centum Questions	Creative Questions
	Quarterly Exam	Half Yearly Exam	Public Exam	NTSE	SLAS	

9th Standard	Syllabus	Books	Study Materials	1st Mid Term	2nd Mid Term	3rd Mid Term
	Quarterly Exam	Half Yearly Exam	Annual Exam	RTE		

8th Standard	Syllabus	Books	Study Materials	1st Mid Term	2nd Mid Term	3rd Mid Term
	Term 1	Term 2	Term 3	Public Model Q&A	NMMS	Periodical Test

7th Standard	Syllabus	Books	Study Materials	1st Mid Term	2nd Mid Term	3rd Mid Term
	Term 1	Term 2	Term 3	Periodical Test	SLAS	

6th Standard	Syllabus	Books	Study Materials	1st Mid Term	2nd Mid Term	3rd Mid Term
	Term 1	Term 2	Term 3	Periodical Test	SLAS	

1st to 5th Standard	Syllabus	Books	Study Materials	Periodical Test	SLAS	
	Term 1	Term 2	Term 3	Public Model Q&A		

Exams	TET	TNPSC	PGTRB	Polytechnic	Police	Computer Instructor
	DEO	BEO	LAB Asst	NMMS	RTE	NTSE

Portal	Matrimony	Mutual Transfer	Job Portal
---------------	---------------------------	---------------------------------	----------------------------

Volunteers	Centum Team	Creative Team	Key Answer Team
-------------------	-----------------------------	-------------------------------	---------------------------------

Downloads	LESSON PLAN	Department Exam	Income Tax	Forms & Proposals	Fonts	Downloads
	Proceedings	GO's	Regulation Orders	Pay Orders	Panel	



Padasalai – Official Android App – [Download Here](#)



Kindly Send Your Study Materials, Q&A to our Email ID – Padasalai.net@gmail.com

Swamy Vivekanandar Matric Hr. Sec. School, Elampillai, Salem

STUDY MATERIALS COMMERCE

Std : 11th

Unit : 1

Chapter : 1,2,3.

CHAPTER 1

HISTORICAL BACKGROUND OF COMMERCE IN THE SUB-CONTINENT

I. VERY SHORT ANSWER QUESTIONS:

1. What is meant by Barter system?

Goods were exchanged for goods prior to invention of money is called Barter System.

2. What is meant by Nalangadi?

- The place where the goods were sold was called 'Angadi'.
- Day market was called as Nalangadi

3. What is meant by Allangadi?

- The place where the goods were sold was called 'Angadi'
- The night market was called as Allangadi

II. 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). Pattinappakkam:

- Pattinappakkam 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 trade?

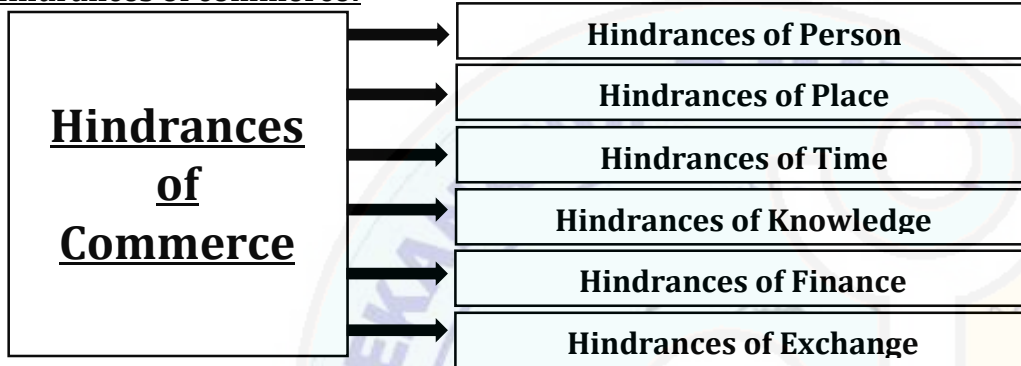
- ❖ Kautilya gave importance for the State in relation to treasury, taxation, industry, commerce, agriculture and conservation of natural resources.
- ❖ Arthasasthra focused on creation of wealth as the means to promote the well being of the state.

III. Long answer questions:

1. What are the hindrances of commerce?

Business consists of all industries and commerce. It serves to remove several hindrances and solve many problems while facilitating the production and distribution of goods. Some of the hindrances are follows.

Hindrances of commerce:



Hindrances of Person:

- ❖ Manufacturers do not know the place and face of the consumers.
- ❖ It is the retailer who knows the taste, preference and location of the consumers.
- ❖ The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the producers and consumers.

Hindrances of Place:

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

Hindrances of Time:

- ❖ Consumers want products whenever they have money, time and willingness to buy.
- ❖ Goods are produced in anticipation of such demands.
- ❖ They are stored in warehouses in different regional centres so that they can be distributed at the right time to the consumers.

Hindrances of Knowledge:

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

Hindrances of Finance:

- ❖ Producers and traders may not have the required funds at the time of their need.
- ❖ Banks and other financial institutions provide funds and help in transfer of funds to enable the functioning of business smoothly.

Hindrances of Exchange:

- ❖ Money functions as a medium of exchange and enable the buying and selling of any product or service by payment of the right price.

2. State the constraints in barter system.

Barter system:

Goods were exchanged for goods prior to invention of money.

Constraints in Barter System

i). Lack of double coincidence of Wants:

- ❖ Unless two persons who have surplus have the demand for the goods possessed by each other, barter could not materialize.

ii). Non – existence of common measure of value:

- ❖ Barter system could not determine the value of commodities to be exchanged as they lacked commonly acceptable measures to evaluate each and every commodity.
- ❖ It was difficult to compare the values of all articles in the absence of an acceptable medium of exchange.

iii). Lack of direct contact between producer and consumers:

- ❖ It was not possible for buyers and sellers to meet face to face in many contexts for exchanging the commodities for commodities.
- ❖ This hindered the process of barter in all practical sense.

iv). Lack of surplus stock:

- ❖ Absence of surplus stock was one of the impediments in barter system. If the buyers and sellers do not have surplus then no barter was possible.

3. Explain the development of Commerce and Trade in North India.

- Balban was the first sultan who paved the way in the dense forest and helped traders to move from one market place to others.
- Moorish traveler described the teeming market of big cities in the Genetic plains, Malwar, Gujarat and South India.
- The important trade centers were Delhi, Mumbai, Ahmadabad, Sonar, Sonar goon, Jaunpur, Lahore.
- India's handicraft commanded a good foreign market.
- India imported horses, dry fruits, precious stones, glassware, raw silk, corals, etc.. from Kabul, Arabia, Europe, West Asia and China

4. Briefly explain the coastal trade in ancient Tamilnadu.

- The 'Maruvurappakam' and 'Pattinapakkam' had market and bazaars.
- Where many merchants met one another for the purpose of selling or buying different kinds of commodities.
- Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy markets with imports and exports.
- Coastal region people engaged in coastal trade and developed their intercontinental trade contacts.
- Boats like 'Padagu', 'Thimil', 'Thoni', 'Ambu' 'Odampunai' etc... were used to cross rivers

5. What do you know about the overseas trading partners of ancient Tamilnadu?

- Foreigners who transacted business were known as Yavanars.
- Arabs who traded with Tamil were called 'Jonagar'.
- Pattinappalai praised Kaveripumpattinam as a city where various foreigners of high civilization.
- Many such ports were developed during the Sangam period.
- Kaveripumpattinam was the chief port of the Kingdom of Cholas

Chapter 2: OBJECTIVES OF BUSINESS

I. Very Short Answer Questions:

1. Define Economic Activities.

- ❖ Activities undertaken with the object of earning money are called economic activities.
- ❖ Examples:
 - i. Production of goods by manufacturers
 - ii. Distribution of goods by wholesalers
 - iii. Selling by retailers

2. What do you mean by Business?

- ❖ One of the important type of Economic activities is 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.
- ❖ A profession is something which is more than a job.
- ❖ It is a career for someone who is competent in their respective areas.

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.
- ❖ The one who is employed by others are called employees and the one who employs others is called employer.
- ❖ Managers, Clerks, Bank officials, Factory workers etc., are examples of employees

II. Short Answer Questions:

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

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

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

Non-Economic Activities.

- ❖ Activities undertaken to satisfy social and psychological needs are called noneconomic activities.
- ❖ Examples:
 - Cooking food for family
 - Celebrating festivals

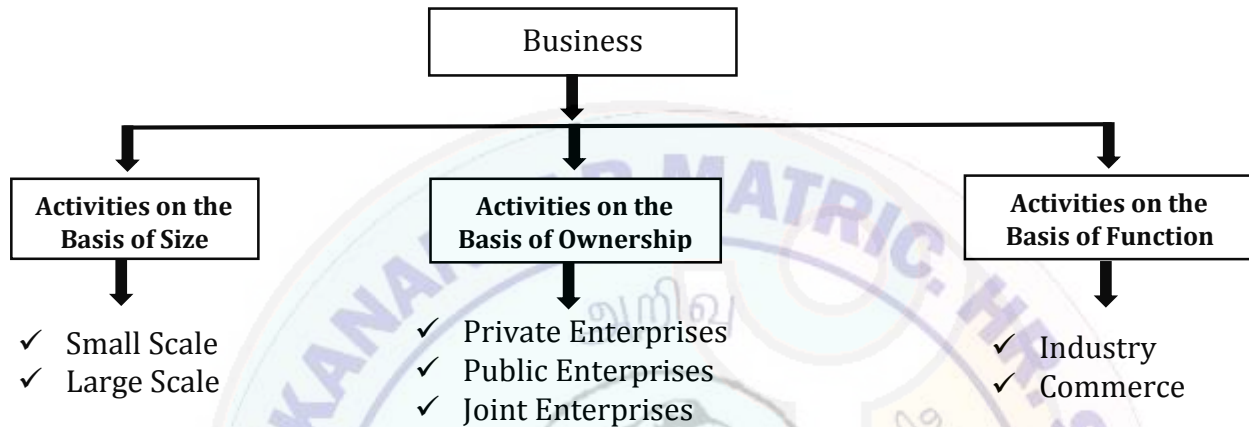
2. Write short notes on: a) Business b) Profession

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:

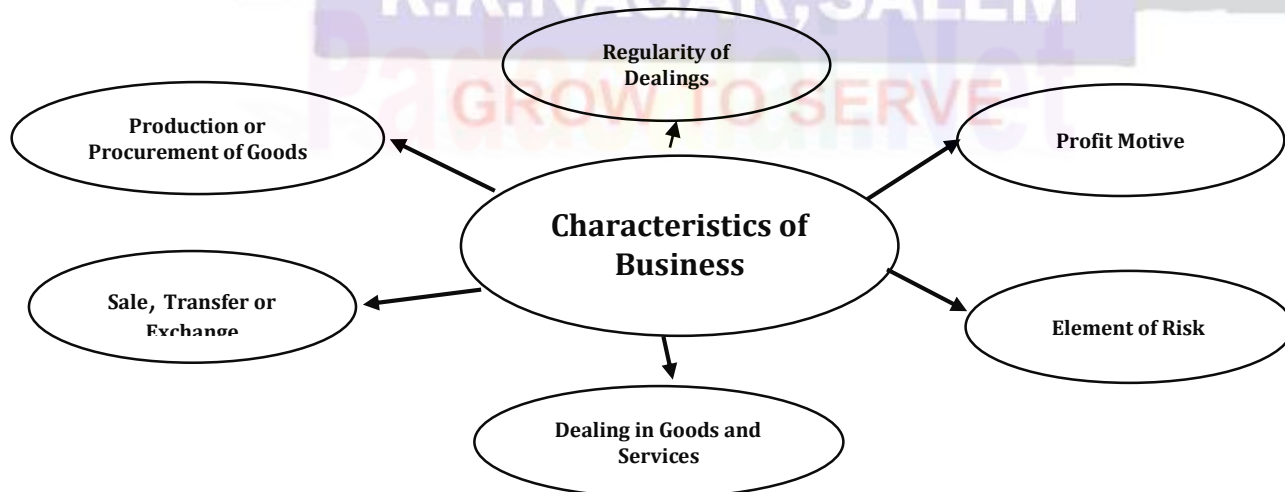
- ✓ Professions are those occupations which involve rendering of personal services of a special and expert nature.
- ✓ A profession is something which is more than a job.
- ✓ It is a career for someone who is competent in their respective areas.

3. Explain the classification of 'Business'.**4. Briefly state the human objectives of a business.**

- ✓ One of the important objective of a business.
- ✓ Human objectives refer to the objectives aimed at the well-being as well as fulfilment of expectations of employees as also of people who are disabled, handicapped and deprived of proper education and training.
- ✓ 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.

III. Long Answer Questions:**1. Explain the characteristics of Business.****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

Characteristics of Business:

*** Production or Procurement of Goods:**

- Goods must be produced or procured in order to satisfy human wants.

*** Sale, Transfer or Exchange:**

- There must be sale or exchange of goods or services.
- When a person weaves cloth for his personal consumption, it is not business because there is no transfer or sale.

*** Dealing in Goods and Services:**

- Goods produced or procured may be consumer goods like cloth, pen, brush, bag etc., or producer goods like plant and machinery.
- Services refer to activities like supply of electricity, gas or water, transportation, banking, insurance

*** Regularity of Dealings:**

- An isolated dealing in buying and selling does not constitute business.
- The transactions must be regular.
- The buying and selling must be recurrent to constitute business.

*** Profit Motive:**

- An important feature of business is profit motive. Business is an economic activity by which human beings make their living.
- It is in fact, the attraction of profit which spurs people to do business.

*** Elements of Risk:**

- The profit that is expected in a business is always uncertain because it depends upon a number of factors beyond the control of the businessman.
- That is why profit is said to be reward for risk-taking. Thus any business activity includes an element of risk too.

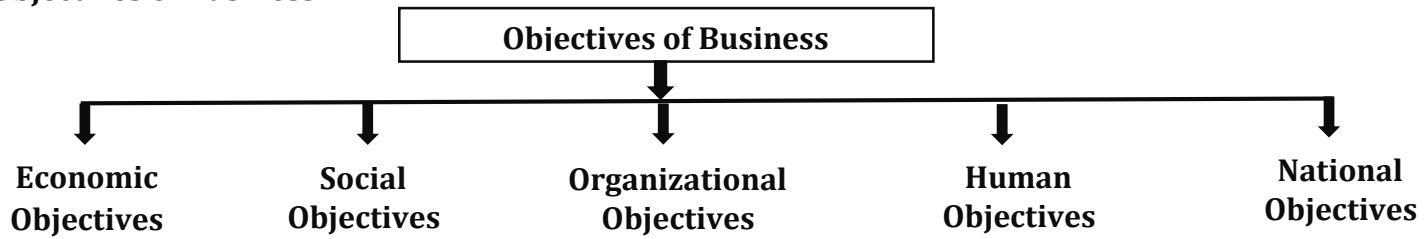
2. Compare business with profession and employment.

Business	Profession	Employment
1. Mode of Establishment: Promoter's decision registration and other formalities as prescribed by law	Membership of a professional body or certificate of practice	Service contract or letter of appointment
2. Nature of Work: Goods and services provided to the public	Personalized service of expert nature	Performing work assigned by the employer
3. Qualifications: No minimum qualification is essential	Education and training in specialized field	Minimum qualification is essential
4. Basic Motive: Earning profits by satisfying needs of society	Rendering service	Earning wages or salary by serving the employer
5. Capital: Capital investment required as per size of the firm	Limited capital necessary for establishment	No capital required
6. Reward: Profits	Professional fee	Salary or wages
7. Risk: Profits are uncertain and irregular	Fee is regular and certain, never negative	Fixed and regular pay, no risk

3. Discuss any five objectives of business.

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

Objectives of Business:**A. Economic Objectives:**

Economic objectives of business refer to the objective of earning profit and also other objectives that are necessary to be pursued to achieve the profit objective

B. Social Objectives:

Social objectives are those objectives of business, which are desired to be achieved for the benefit of the society. Since business operates in a society by utilizing its scarce resources, the society expects something in return for its welfare.

C. Organizational Objectives:

The organizational objectives denote those objectives an organization intends to accomplish during the course of its existence in the economy like expansion and modernization, supply of quality goods to consumers, customers' satisfaction, etc.

D. Human Objectives:

Human objectives refer to the objectives aimed at the well-being as well as fulfilment of expectations of employees. 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.

E. National Objectives:

Being an important part of the country, every business must have the objective of fulfilling national goals and aspirations. Business activities should be conducted keeping these goals of the country in mind, which may be called national objectives of business.

4. Distinguish between economic and non-economic activity. (if not clear - Please refer Book)

Economic Activities	Non-Economic Activities
1. Definition: Economic activities are those activities which are undertaken to earn money or financial gain for livelihood. e.g., Fruit seller selling fruits	Non-economic activities are those activities which are undertaken for the sake of pleasure, performed out of love, sympathy, sentiments etc. e.g., Mother cooks for her family
2. Motive: Sole motive is to earn money or financial gain. e.g., Working as a lawyer.	Undertaken for satisfaction of social, psychological or emotional needs. e.g., Visit to a temple
3. Money Measurement: All economic activities can be valued in monetary terms. e.g., Doctor charges ₹500 as consultation fee.	Non-economic activities cannot be valued in monetary terms. These are an expression of a thought, feeling or a gesture. e.g., An NGO distributes free clothes to poor children
4. Relationship: Economic activities are related to creation of wealth. e.g., Ram saved part of his salary to purchase a house of his own.	Non-economic activities do not create wealth. e.g., Money received as donation is spent on charity work.

5. Outcome: All economic activities result in production, procurement, distribution and consumption of goods and services. e.g., Nokia produces cell phones and sells across India through its distributors.	The end result of a non-economic activity is the mental, emotional or psychological satisfaction of the person doing the activity. e.g., Sona enjoys teaching orphans in an orphanage.
6. Duration: Economic activities are repetitive. They are done on a regular basis to earn a living. e.g., Kulfi ice cream seller sells ice creams every evening.	Non-economic activities may not be undertaken regularly. Usually they are done during free time. e.g., Sankar visits orphanage in his free time.
7. Source of Initiation: Economic activities are initiated to satisfy human needs and wants.	Non-economic activities are initiated to satisfy emotional or sentimental pleasures.

Chapter 3

CLASSIFICATION OF BUSINESS ACTIVITIES

I. Very Short Answer Questions:

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.
- The production side of business activity is referred as industry.
- Generally the term industry is used for activities in which mechanical appliances and technical skills are involved.

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.
- Therefore, one who buys and sells is a trader.
- A trader is a middleman between the producer and the consumer.

4. Write a short note on transportation.

- Selling all the goods produced at or near the production place is not possible.
- Hence, goods are to be sent to different places where they are demanded.
- The medium which moves men and materials from one place to another is called transport.

II. 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.

Classification of Tertiary industries:

- ❖ Personalised service
- ❖ Public Service
- ❖ Distributive Service
- ❖ Financial Service
- ❖ Quaternary Service
- ❖ Quinary Service

III. Long Answer Questions:

1. Explain the various kinds of industries on the basis of size.

Industries:

Industry refers to economic activities, which are connected with conversion of resources into useful goods. The production side of business activity is referred as industry.

Kinds of industries on the basis of size

1) Micro Industries :

- A Unit where in investment in plant and machinery is upto Rs. 25 lakhs in case of manufacturing and upto Rs. 10 lakhs in case of service enterprises.

2) Small Industries:

- A manufacturing unit wherein investment in plant and machinery is more than 25 lakhs but does not exceed Rs. 5 crores.
- In case of service enterprises these limits are Rs. 10 lakhs and Rs. 2 crores respectively

3) Medium Industries :

- A manufacturing unit wherein investment in plant and machinery is more than 5 crores but does not exceed Rs. 10 crores.
- In case of service enterprises these limits are Rs. 2 crores and Rs. 5 core respectively

4) Large Industries :

- A manufacturing unit wherein investment in plant and machinery is exceeds Rs. 10 core.
- In case of service unit investment in equipment exceeds Rs. 5 crores.

2. Compare industry, commerce and trade.

INDUSTRY	COMMERCE	TRADE
1. Meaning: Extraction, reproduction, conversion, processing and construction of useful products	Activities involving distribution of goods and services	Purchase and sale of goods and services
2. Scope: Consists of all activities involving conversion of materials and semi-finished products into finished goods.	Comprises trade auxiliaries to trade	Comprises exchange of goods and services
3. Capital: Generally large amount of capital is required	Need for capital is comparatively less	Small capital is needed to maintain stock and to grant credit
4. Risk: Risk involved is usually high	Relatively less risk is involved	Relatively less risk is involved
5. Side: It represents supply side of goods and services	It represents demand side of goods and services	It represents both supply and demand
6. Utility creation: It creates form utility by changing the form or shape of materials	It creates place utility by moving goods from producers to consumers	It creates possession utility through exchange

3. Write short notes on: a. Analytical industry b. Genetic Industry and c. Construction Industry

1. Analytical Industry:

which analyses and separates different elements from the same materials, as in the case of oil refinery

2. Genetic Industries:

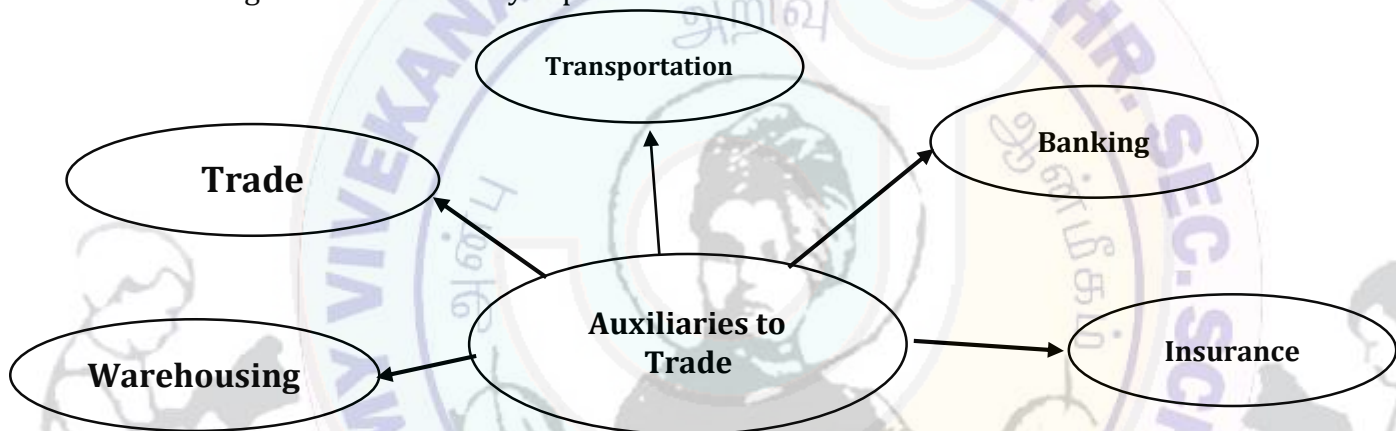
These industries remain engaged in breeding plants and animals for their use in further reproduction. The seeds, nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary etc are classic examples of genetic industries.

3. Construction Industries:

These industries are involved in the construction of building, dams, bridges, roads, as well as tunnels and canals.

4. Briefly explain the auxiliaries to trade.

Commerce includes not only trade but also services such as transport, warehousing, packaging, insurance, banking and sales promotion which are incidental or auxiliaries to trade. Commerce includes the following activities as briefly explained below



1. 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.
- A trader is a middleman between the producer and the consumer.
- Trade may be classified into internal trade and external trade, wholesale trade or retail trade

2. Transportation:

- Selling all the goods produced at or near the production place is not possible.
- Hence, **goods are to be sent to different places** where they are demanded.
- The medium which moves men and materials from one place to another is called transport

3. Banking:

- To start the business or to run it smoothly we require money.
- **Banks supply money.**
- Business activities cannot be undertaken unless funds are available for acquiring assets, purchasing raw materials and meeting other expenses.
- Necessary funds can be obtained from bank.
- Thus, banking helps business activities to overcome the problem of finance.

4. Insurance:

- Factory building, machinery, furniture etc, must be protected against fire, theft and other risks.
- Materials and goods held in stock or in transit are subject to the risk of loss or damage.

- Employees are also required to be protected against the risks of accident and occupational hazards.
- **Insurance provides protection in all types of risks.**
- On payment of a nominal premium, the amount of loss or damage and compensation for injury if any, can be recovered from the insurance company.

5. Warehousing:

- Usually, goods are not sold or consumed immediately after production.
- They are held in stock to make them available as and when required.
- Warehousing helps business firms **to overcome the problem of storage** and facilitates the availability of goods when needed.
- Prices are thereby maintained at a reasonable level through continuous supply of goods.

