

COMMERCE SPECIAL GUIDE HSC FIRST YEAR

KRISHNAGIRI DISTRICT 2024-2025.

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CHAPTER 1**HISTORICAL BACKGROUND OF COMMERCE IN THE SUB-CONTINENT**

- 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 "Arthashastra"?
a) **Kautilya** b) Chanakiya c) Thiruvallular 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) Vascodagama c) Akbar d) Alauddin Khilij

CHAPTER 2 – OBJECTIVES OF BUSINESS

- The Primary objective of a business is.....
a) **Making Profit** b) Not making profit c) Special skill d) None of the above
- Occupation of a Doctor is.....
A) Employment b) Business c) **Profession** d) Sole proprietor
- The following does not characterize business activity?
a) Production of goods and services b) Presence of risk
c) Sales or exchange of goods and services d) **Salary or wages**
- 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

CHAPTER 3- CLASSIFICATION OF BUSINESS ACTIVITIES

- The industries engaged in extraction of iron ore are known as
a) Construction industries b) Manufacturing industries
c) **Extraction industries** d) Genetic industries
- Production which involves several stages for manufacturing finished products is known as
a) Analytical industry b) Synthetic industry c) **Processing industry** d) None of the above
- Normally high level risk involved in
a) **Industry** b) Commerce c) Trade d) All of the above

CHAPTER 4 – SOLE PROPRIETORSHIP

- Which is the oldest form of business organisation ?
a) **Sole proprietorship** b) Partnership c) Cooperative society d) Company
- In which form the owner, established and manager is only one?
a) Joint enterprise b) Government company c) Cooperative society d) **Sole proprietor**
- A major disadvantage of sole proprietorship is.....
a) Limited liability b) **Unlimited liability** c) Easy formation d) Quick decision
- From the following which one is Non-corporate form of business ?
a) Joint stock company b) **Sole trading business** c) Government company d) Cooperatives

CHAPTER -5- HINDHU UNDIVIDED FAMILY AND PARTNERSHIP

- The firm of hindu undivided family, how one gets the membership?
a) Owner b) **Karta** c) Manager d) Partner
- 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
- The members in the joint hindu family are called.....
a) Karta b) **Coparceners** c) Generations d) Partners
- 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
- A partnership is formed by
a) **Agreement** b) Relationship among persons c) The direction of government d) Friendship

45. 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 the general public
 c) acts essentially as government banker
 d) Maintains deposit accounts of all other banks

CHAPTER -11 TYPES OF BANKS

46. Which bank is not a industrial bank?.....
 a) ICIC **b) HSBC** c) SIDBI d) IDBI
47. The local area banks are promoting.....
a) rural savings b) business savings c) Industrial development d) agricultural development
48. Foreign banks are begun their operation since.....
 a) 1978 b) 1979 c) 1980 **d) 1981**

CHAPTER -12 FUNCTIONS OF COMMERCIAL BANKS

49. Electronic banking can be done through.....
 a) computers b) mobile phones c) ATM **d) all of the above**
50. Minimum how much amount can be transferred through RTGS ?
 a) any amount b) 50,000 **c) 2 lakh** d) 5 lakh
51. The largest commercial bank of India
 a) ICIC **b) SBI** c) PNB d) RBI
52. 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**
53. Which of the following is not a type of advance provided by commercial bank ?
 a) collecting and supplying business information b) overdraft
c) cash credit d) discounting of bills

CHAPTER – 13 WAREHOUSING

54. Warehouses remove the hindrance of
 a) person **b) time** c) risk d) knowledge
55. A warehouse holds goods as a center
 a) marketing b) sorting **c) distribution** d) selling
56. ___ can be given as a collateral security for getting financial assistance from bank
 a) dock warrant b) warehouse receipt c) dock receipt **d) warehouse warrant**
57. ___ warehouses are licensed by the government and are permitted to accept the goods on bond
a) bonded b) cold storage c) public d) all the above
58. warehouses are used for storing perishable goods like fruits vegetables etc
 a) bonded b) private **c) cold storage** d) co –operative

CHAPTER -14 TRANSPORTATION

59. Transport removes the hindrance of
 a) time **b) place** c) person d) knowledge
60. Air consignment note is prepared in.....forms
 a) one b) two **c) three** d) four
61. is a document acknowledging the receipt of goods by a carrier
a) waybill b) consignment note c) charter d) bill of lading
62. Which is the fastest means of transport?.....
 a) rail b) road c) sea **d) air**

CHAPTER 15- INSURANCE

63. The basic principle of insurance is
a) insurable interest b) co-operation c) subrogation d) proximate causal
64. is not a type of general insurance
 a) marine insurance **b) life insurance** c) fidelity insurance d) fire insurance
65. Which of the following is not a function of insurance?
 a) lending funds b) risk sharing **c) capital formation** d) protection of life
66. Which of the following is not applicable in insurance contract ?
 a) unilateral contract b) conditional contract **c) indemnity contract** d) inter-personal contract
67. Which one of the following is a type of marine insurance
 a) money back b) medi claim c) hull insurance **d) both b & c**

CHAPTER 16-EMERGING SERVICE BUSINESS IN INDIA

68. A Continuing relationship which provide a license privileges to do business and provides training , merchandising for a consideration is called _____
 a) **Franchising** b) factoring c) supply chain management d) Exchange
69. Buying and selling of goods through electronic network is known as _____
 a) E-commerce b) internet c) **website** d) trade
70. An organization carrying out activities to move goods from produce to consume is _____
 a) **Transport** b) logistics c) channels d) marketing
71. The main benefit of logistics is _____
 a) productivity b) **cost minimization** c) profitability d) storage
72. The main benefit of outsourcing is _____
 a) Productivity b) **Cost reduction** c) Skill d) Units

CHAPTER -17 SOCIAL RESPONSIBILITY OF BUSINESS

73. Which type of responsibility gives the benefit to the society out of its profits earned ?
 a) Legal b) Ethical c) **Moral** d) Economic
74. The stakeholders of socially responsible business units are except _____
 a) Share Holders b) Employees` c) Government d) **Company**
75. Assuming social Responsibility of business helps the enterprise in _____
 a) Increase profit b) Decrease profit c) **Sustainability** d) Equilibrium
76. Socially Responsible business provides goods at _____
 a) high price b) low price c) **reasonable price** d) moderate price
77. Social Responsibility towards employees represents the following except _____
 a) reasonable remuneration b) proper facilities c) social security d) **exploitation**

CHAPTER-18 BUSINESS ETHICS AND CORPORATE GOVERNANCE

78. Which of the following helps in maximizing sale of goods to society?
 a) business success b) laws and regulations c) **ethics** d) professional management
79. Ethics is important for _____
 a) Top management b) Middle level managers c) Non managerial employees d) **All of them**
80. Which of the following does not ensure effective ethical practices in a business enterprise
 a) **Publication of a code** b) Involvement of employees
 c) Establishment of compliance mechanism d) None of them
81. The role of top management is to be guide the entire organisation towards _____
 a) General behavior b) Organisation behavior c) **Ethically upright behavior** d) Individual behavior
82. The ethical conduct of employees leading to standard practices result in
 a) good behaviour b) Bad behavior c) ethical behaviour d) **Correct decision making**

CHAPTER-19 SOURCES OF BUSINESS FINANCE

83. What is defined as the provision of money at the time when it is required?
 a) **finance** b) bank c) cash management d) none of these
84. Internal sources of capital are those that are _____
 a) Generated through outsiders b) Generated through loans from commercial banks
 c) Generated through issue of shares d) **Generated within the business**
85. Debenture holders are entitled to a fixed rate of _____
 a) Dividend b) Profits c) **Interest** d) ratios
86. Public deposits are the deposits which are raised directly from _____
 a) **The public** b) The directors c) The auditors d) The owners
87. Equity shareholders are _____ the of a company
 e) Creditors b) **Owners** c) Debtors d) Employees

CHAPTER-20 INTERNATIONAL FINANCE

88. An instrument representing ownership interest in securities of a foreign issuer is called _____
 a) An ownership certificate b) **A depositary receipt** c) An ownership receipt d) None of the above
89. Issue of DRs is based on the increase of demand in the _____
 a) **International market** b) Local market c) Existing shareholders d) All of the above
90. ADRs are issued in _____
 a) Canada b) China c) India d) **The USA**

113. Goods are imported for purpose of re-export to another country is termed as.....
 a) Import trade b) Export trade c) **Entrepot trade** d) International trade
114. Movement of goods , services among the countries.
 a) International trade **b) International business** c) Entrepot trade d) Internal trade
115. Selling of goods from home country to foreign country is called
 a) Home trade b) Entrepot trade **c) Foreign trade** d) Joint venture

CHAPTER-26-EXPORT AND IMPORT PROCEDURES

116. EPC stands for
 a) Export processing commission **b) Export promotion council**
 c) Export carriage council d) Export promotion congress
117. STC is expansion for
 a) State training center b) State training council c) State trading center **d) State trading corporation**
118. An ___ is document prepared by importer and sent to the exporter to buy the goods
 a) Invoice **b) Indent** c) Enquiry d) Charter party
119. The receipt is an acknowledgement of receipts of goods on the ship issued by the captain.
 a) Shipping goods **b) Bill of lading** c) Mate's receipt d) Consular invoice
120. The exporters appoint the agent to full fill the customs formalities
 a) Clearing agent **b) Forwarding agent** c) Commission agent d) Factor

CHAPTER-27-FACILITATORS OF INTERNATIONAL BUSINESS

121. General agreement on tariff and trade was signed on
a) 30-October-1947 b) 29-October-1947 c) 28-October-1947 d) 26-October-1947
122. WTO was established on.....
 a) 1-1-1996 b) 1-1-1997 **c) 1-1-1995** d) 1-1-1994
123. The headquarters of WTO is located at.....
 a) New York b) London **c) Geneva** d) Brazil
124. The day to day administration of WTO is entrusted with.....
 a) Executive council **b) General council** c) Administrative council d) General body
125. World bank is located at.....
a) Washington DC b) New York c) Tokyo d) Hong kong

CHAPTER-28-BALANCE OF TRADE AND BALANCE OF PAYMENTS

126. The statement which discloses a record of transactions between the residents of one country and residents of foreign country.
a) Balance of payments b) Balance of trade
 c) Statements of receipts and payments d) Accounting statement
127. The balance of payments councils consist of.....
 a) Current account b) Capital account
 c) Receipts and payments account **d) Both current account and capital account**
128. Foreign capital long term loan and foreign currency reserve are recorded under.....
 a) Official capital **b) Private capital** c) Banking capital d) Both private capital & official capital.
129. The term official capital includes.....
 a) RBI holdings of foreign currencies b) Special drawings rights held by the government
c) both A and B d) Foreign investment
130. Balance of payments surplus indicates.....
a) Exports are more than imports b) Imports are more than exports
 c) Exports and imports are at equilibrium d) Exports and imports are above equilibrium

CHAPTER-29-ELEMENTS OF CONTRACTS

131. An agreement enforceable by law is a
 a) Enforceable acceptance b) Accepted offer c) Approved promise **d) Contracts**
132. Every promise and every set of promises , forming the consideration for each other, is an.....
a) Agreement b) Contract c) Offer d) Acceptance
133. Void agreement signifies
 a) Agreement illegal in nature **b) Agreement not enforceable by law**
 c) Agreement violating legal procedure d) Agreement against public policy
134. Acceptance to be valid must.....
 a) Be absolute b) Be unqualified **c) both be absolute & unqualified** d) Be conditional

135. A contract with or by a minor is a
- a) valid contract **b) Void contract** c) Voidable contract d) Voidable at the option of either party.

CHAPTER-30-PERFORMANCE OF CONTRACT

136. On the valid performance of the contractual obligations by the parties, the contract.
- a) Is discharged** b) Become enforceable c) Becomes void d) Becomes legal
137. Which of the following persons can perform the contract ?
- a) Promisor alone b) Legal representatives of promisor c) Agent of the promisor **d) all of the above**
138. A,B,C jointly promised to pay Rs. 50000 to to D. Before performance of the contract,C dies. Here the contract _____
- a) Becomes void on C's death **b) Should be performed by A and B along with C's legal representatives.**
- c) Should be performed by A and B alone. d) should be renewed between A,B and D.
139. Which of these parties cannot demand performance of promise?
- a) Promise b) any of the joint promises
- c) On the death of a promise, his legal representative **d) Stranger to the contract**
140. A person is said to be a third person if he is not a
- a) Promisor b) Promise **c) Agent** d) Legal representative

CHAPTER-31-DISCHARGE AND BREACH OF A CONTRACT

141. On the valid performance of the contractual obligation by the parties , the contract ...
- a) Is discharged** b) Become enforceable c) Becomes void d) None of these
142. An agreement to do an act impossible in itself under Section 56 is
- a) Void** b) Valid c) Voidable d) None of these
143. Any agreement which becomes impossible to perform under various circumstances
- a) Voidable **b) void** c) Valid d) None of these
144. Discharge by mutual agreement may involve
- a) Novation b) Rescission c) Alteration **d) All of these**
145. The compensation given for breach of contract is
- a) Damage** b) Remuneration c) Money d) Cheque

CHAPTER-32-DIRECT TAXES

146. Income tax is
- a) a business tax **b) a direct tax** c) an indirect tax d) none of these
147. Period of assessment year is.....
- a) 1st April to 31st March** b) 1st March to 28th Feb
- c) 1st July to 30th June d) 1st Jan to 31st Dec
148. The year in which income is earned is known as
- a) Assessment year **b) Previous year** c) Light year d) Calendar year
149. The aggregate income under five heads is termed as.....
- a) Gross total income **b) Total income** c) Salary income d) Business income
150. Agricultural income earned in India is
- a) Fully taxable **b) Fully exempted** c) Not considered for income d) None of the above

CHAPTER-33-INDIRECT TAXATION

151. Who is the chairman of the GST council ?
- a) RBI governor **b) Finance minster** c) Prime minster d) President of India
152. GST stands for
- a) Goods and Supply Tax b) Government Sales Tax
- c) Goods and Services Tax** d) General Sales Tax
153. What kind of Tax the GST is ?
- a) Direct Tax **b) Indirect Tax** c) General Sales Tax d) All Business Organisations
154. What is IGST?
- a) Integrated Goods and Service Tax** b) Indian Goods and Service Tax
- c) Initial Goods and Services Tax d) All of above
155. In India GST became effective from ?
- a) 1st April 2017 b) 1st January 2017 **c) 1st July 2017** d) 1st March 2017

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?

- Day market was called as Nallangadi.

3. What is meant by Allangadi?

- The night market was called as Allangadi.

4. Define Economic Activities.

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

5 What do you mean by Business?

- Business refers to “Economic activities performed for earning profits.” James Stephenson

6. 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.

7. Define commerce.

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

8. What do mean by industry?

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

9. What is trade?

- Trade means Purchase and sale of goods and services.

10. Who is called KARTA?

- All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as ‘Karta’.

11. What are the two schools of Hindu law?

- Dayabhaga law
- Mitakshara Law

12. Who is a called a Partner?

- The persons who enter into partnership are individually called ‘Partners’.

13. 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.

14. How many types of Dissolution?

1. Without the order of the court
2. By order of the court.

15. 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

16. 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.

17. 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.

18. Define cooperatives.

- Cooperation is “better farming, better business and better living” - Sir Horace Plunkett

19. 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.

20. Define Multinational Company.

- “A multinational corporation owns and manages business in two or more countries.” - Neil H.Jacoby

21. Give two examples of MNC.

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

22. Give two examples of Public enterprises

- Life Insurance Corporation of India
- The Indian Airlines

23. Give two examples of Departmental undertaking?

1. All India Radio
2. Doordarshan

24. 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.

25. What is internal Trade?

- The buying and selling of goods takes place within the boundaries of the same country.

26. What is import trade?

- Import trade means buying goods from a foreign country for domestic use.
- Example: India imports petroleum products from Gulf Countries.

27. Explain the meaning of Entrepot trade.

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

28. 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.

29. Define Retailer.

- The retailer is the last of the many links in the economic chain whereby the consumer’s wants are satisfied smoothly and efficiently by retailers. - S. Evelyn Thomas

30. 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.

31. What are the classifications of the merchant middlemen?

1. Merchant Wholesaler
2. Rack Jobbers
3. Drop Shippers
4. Merchant Retailer

32. What is meant by Vending Machines.

- Automatic vending machine is a new form of direct selling.
- It is a machine operated by coins or tokens and It’s are placed at railway stations, airports & etc.

33. What are speciality stores?

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

34. What is Income tax?

- Income tax is a direct tax.
- Which tax is calculated on the income, gains, or profit earned by person.

35. 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.

36. What is an assessment year?

- 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.

37. What do you mean by Indirect tax.

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

38. Give any two examples of indirect taxes levied in India.

1. Goods and service tax
2. Exercise duty

39. 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.

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.

2. State the meaning of Maruvurapakkam and Pattinapakkam.

- i). Maruvurpakkam : Poompuhar had the ‘Maruvurappakam’ (inland town).
- ii). Pattinapakkam : Pattinapakkam is a Coastal town.

3. What are the ports developed by Pandiya kingdom?

1. Tondi, 2. Korkai, 3. Puhar 4. Muziri

4. 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

II. Non-Economic Activities

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

5. Write short notes on: a) Business b) Profession**a). Business:**

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

b). Profession:

- Professions are those occupations which involve rendering of personal services of a special and expert nature.

6. Explain the classification of a business.

i). Economic Objectives : It refers to the objective of earning profit.

ii). Social Objectives: Desired to be achieved for the benefit of the society.

iii). Human Objectives : It includes economic well-being of the employees, social satisfaction of employees and development of human resources.

7. 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.

8. 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.

9. List out the five heads of income.

1. Income from ‘Salaries’
2. Income from ‘House Property’
3. Income from ‘Profits and Gains of Business or Profession’
4. Income from ‘Capital Gains’
5. Income from ‘Other Sources’

10. Write short notes on: a). Direct Tax. b). Indirect Tax

a). Direct Tax:

- Income tax is direct tax.
- It is because the liability to deposit and ultimate burden are on same person.

b). 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

11. Who are all included in the term persons?

1. An Individual
2. A Hindu Undivided Family
3. A Company
4. A Firm
5. An Association Of Persons
6. Every Artificial Juridical Person

12. What are the objectives of GST?

The foremost objective of GST is to create a common market with uniform tax rate in India. To eliminate the cascading effect of taxes, GST allows set-off of prior taxes for the same transactions as input tax credit.

13. Write any three demerits of GST.

There is no major reduction in the number of tax layers.
A number of retail products currently have only four percent tax on them.
After GST, garments and clothes could become more expensive.

14. 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.

15. Give some examples of Sole trading business.

1. Fruit sellers
2. Handicrafts
3. Beauty parlor
4. Retail trade
5. Tailoring shops

16. 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.

17. 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. Partnership agreement is also known as partnership deed.

18. What is meant by Government Company?

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 shares capital.

19. 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

20. 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.

LONG ANSWER QUESTIONS**1. What are the hindrances of business?****i. Hindrance of place**

Production takes place in one centre and consumers are spread throughout the country and world.

ii. Hindrance of time

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

iii. Hindrance of risk of loss

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

iv. Hindrance of knowledge

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

v. Hindrance of finance

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

2. State the 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

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.

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. Briefly explain the coastal trade in ancient Tamilnadu.

- The 'Maruvurappakam' and 'Pattinapakkam' had market and bazaars.
- 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 in domestic trade.
- Kalam, Marakalam, Vangam, Navai etc. were used for crossing oceans for foreign trade.

4. Explain the characteristics of Business.**i. Production of Goods**

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

ii. Sale

There must be sale or exchange of goods or services.

iii. Dealing in Goods and Services

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

iv. Regularity of Dealings

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

v. Profit Motive

An important feature of business is profit motive. Business is an economic activity by which human beings make their living.

5. Compare business with profession and employment?

S.No	Transactions	Business	Profession	Employment
1	Qualifications	No qualification	Qualification must	Minimum qualification
2	Basic Motive	Earning profits	Service Earning	wages or salary
3	Capital	Small capital	Limited capital	No capital required
4	Risk	Uncertain	Certain	Fixed
5	Transfer of Interest	Possible	Not possible	Not transferable

6. Discuss the objectives of business?

i. Economic Objectives:

To achieve the profit objective, this includes creation of customers, regular innovations and best possible use of available resources.

ii. Social Objectives:

It's desired to be achieved for the benefit of the society.

Since business operates in a society by utilizing its scarce resources,

iii. Organizational Objectives:

It's 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.

iv. Human Objectives:

It's aimed at the well-being as well as fulfillment of expectations of employees as also of people who are disabled, and deprived of proper education and training.

v. National Objectives:

To provide employment opportunity to its citizen for earn revenue.

Business activities should be conducted keeping these goals of the country in mind.

7. Compare Industry, Commerce and Trade.

S.no	Transactions	Industry	Commerce	Trade
1	Scope	Consists of all activities involving conversion of materials into finished goods.	Comprises trade auxiliaries to trade	Comprises exchange of goods and service
2	Capital	Large Capital	Medium capital	Small Capital
3	Risk	High Risk	Low Risk	No Risk
4	Side	It represents Supply Side	It represents Demand Side	It represent supply and demand
5	Utility Creation	It creates form utility	It creates place utility	It creates possession utility

8. Write short notes on:

a. Analytical industry:

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

b. Genetic Industry:

These industries remain engaged in breeding plants and animals for their use in further reproduction. Example: The seeds, nursery companies, poultry, dairy.

c. Construction Industry:

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

9. Write short notes on: a). Direct Tax. b). Indirect Tax

a). Direct Tax:

- Income tax is direct tax.
- The person earning income is liable to pay income tax out of his own pocket.
- Ex: Income Tax and Wealth Tax.

b). 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.

10. What are the contents of Partnership Deed?

1. Name of the Firm
2. Duration of partnership
3. Withdrawal from the firm
4. Loan from partners
5. Goodwill valuation
6. Nature of the proposed business
7. Capital contribution
8. Interest on capital
9. Retirement

11. Distinguish between direct taxes and indirect taxes.

S.No	Basis	Direct Tax	Indirect Tax
1	Burden	Tax burden is progressive on people.	Tax burden is regressive.
2	Evasion	Tax evasion is possible.	Tax evasion is more difficult
3	Inflation	Direct tax helps in reducing the inflation.	Indirect tax contributes to inflation
4	Shift ability	Cannot be shifted to others	Can be shifted to others
5	Examples	Income Tax, Wealth Tax, Capital Gains Tax, Securities Transaction Tax, Perquisites Tax.	GST. Excise Duty

12. Discuss the different kinds of GST.

GST is of three kinds: CGST, SGST/UGST, and IGST.

i). 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

ii). 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.)

iii). UGST

Union Territory Goods and Services Tax - imposed and collected by the five Union Territory Administrations in India under UGST Act 2017.

iv). IGST

Inter-State Goods and Services Tax - imposed and collected by the Central Government and the revenue shared with States under IGST Act 2017.

v). IGST on exports

All exports are treated as Inter-State supply under GST. Since exports are zero rated, GST is not imposed on all goods and services exported from India.

13. Write the procedure for Registration of a Firm.

1. Name of the firm.
2. The principal place of business.
3. Name of other places where the firm carried on business.
4. Names and addresses of all the partners.
5. The date on which each partner joined the firm.
6. The duration of the firm.

14. What are the features of Internal trade?

- The buying and selling of goods takes place within the boundaries of the same country.
- Payment for goods and services is made in the currency of the home country.
- It involves transactions between the producers, consumers and the middlemen.
- In home trade the laws prevailing in that country only have to be followed.
- The goods must be a part of domestic production.

15. Explain briefly the different types of Foreign trade?

- i). Import Trade
 - Import trade means buying goods from a foreign country for domestic use.
 - Example. India imports petroleum products from Gulf Countries.
- ii). Export Trade
 - Export trade means the sale of domestic goods to foreign countries.
 - Examples: Export of Iron ore from India to Japan
- iii). 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'.
 - E.g. Indian diamond merchants in Surat import uncut raw diamonds from South Africa.

16. What are the characteristics of retailers?

- i. Retailer generally involves dealing in a variety of items.
 - ii. Retail trade is normally carried on in or near the main market area.
 - iii. Generally, retailers involve buying on credit from wholesalers and selling for cash to consumers.
 - iv. A retailer has indirect relation with the manufacturer but a direct link with the consumers.
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