

DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI – 6
HIGHER SECONDARY FIRST YEAR PUBLIC EXAMINATIONS – MARCH 2018
KEY ANSWERS FOR COMMERCE

Note :

1. Answers written only in **BLACK** or **BLUE** should be evaluated.
2. Choose the correct answer and write the option code.

SECTION – I

Max Marks 90

Answer all the questions. Choose the most suitable answer			20×1=20
Q.No	Option	Answer	
1	a	Manufacturing Industries	
2	d	Place utility	
3	a	Entrepot	
4	d	Principal	
5	a	Departmental store	
6	a	Tele-shopping	
7	b	Trade enquiry	
8	b	Indent	
9	c	Bill of Lading	
10	c	1867	
11	b	Time	
12	a/d	Delivery order/Warehouse keeper Warrant	
13	b	Stale cheque	
14	b	Fixed deposit	
15	b	1993	
16	b	Liability Insurance	
17	b	Outdoor Advertising	
18	c	Radio Advertising	
19	c	Hire Purchase Act 1972	
20	a	15.4.1987	

SECTION II

7×2=14




Answer any 7 questions in which Question No. 21 is Compulsory			
21	Home trade is one, which is carried on within the boundaries of a particular country.		2
22	Transport, Warehousing, Insurance, Banking, Advertisement, Salesman Ship , communication.		2
23	A Multiple shop is a network of a number of branches situated at different localities in a city or in a different part of the country.		2
24	A Multinational Company is one whose ownership is accommodated in more than one country.		2

25	Demerits of Ocean Transport		2
26	Warehousing - Meaning		2
27	Banking through Internet is called internet banking.		2
28	Burglary Insurance - Meaning		2
29	Painted Display – With Explanation		2
30	State Commission – With Explanation		2

		SECTION III																										
		Answer any 7 questions in which Question No. 31 is Compulsory		7×3=21																								
31	Hindrance of Finance – With Explanation				3																							
32	Differences				3																							
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 10%;">S. No</th> <th style="width: 40%;">Factors</th> <th style="width: 50%;">Brokers</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Take possession of goods</td> <td>Does not take the possession of goods</td> </tr> <tr> <td>2</td> <td>Deals in his own name</td> <td>Deals on behalf of the owner of goods (principal)</td> </tr> <tr> <td>3</td> <td>Right to receive payments</td> <td>Cannot receive payments</td> </tr> <tr> <td>4</td> <td>Personally liable for his actions</td> <td>Principal is liable for his actions</td> </tr> <tr> <td>5</td> <td>Remuneration is called commission</td> <td>Remuneration is called brokerage</td> </tr> <tr> <td>6</td> <td>He has a right of lien on goods in his possession for his unpaid charges</td> <td>He cannot have the right of lien on goods in his possession for his unpaid charges.</td> </tr> <tr> <td>7</td> <td>He is a general mercantile agent</td> <td>He is a special mercantile agent</td> </tr> </tbody> </table>	S. No	Factors	Brokers		1	Take possession of goods	Does not take the possession of goods	2	Deals in his own name	Deals on behalf of the owner of goods (principal)	3	Right to receive payments	Cannot receive payments	4	Personally liable for his actions	Principal is liable for his actions	5	Remuneration is called commission	Remuneration is called brokerage	6	He has a right of lien on goods in his possession for his unpaid charges	He cannot have the right of lien on goods in his possession for his unpaid charges.	7	He is a general mercantile agent	He is a special mercantile agent		
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33	<ol style="list-style-type: none"> 1. post and telegraph offices, 2. parking, 3. canteen, 4. reading rooms 5. restaurant 6. various forms of recreation etc. 				3																							
34	<ol style="list-style-type: none"> 1. Clearing and Forwarding Agents 2. Commission Agents 3. Export & Trading houses 				3																							

35	<ol style="list-style-type: none"> 1. Pack animals 2. Bullock carts 3. Motor lorries and buses 4. Tramways 5. Railways 		3
36	Delivery order - Meaning		3
37	Electronic Fund Transfer – Meaning		3
38	Direct Advertising - Meaning		3
39	<p>Rights of consumers</p> <ol style="list-style-type: none"> 1. Right to be informed about the product quality, quantity, purity, standard and price of goods. 2. Right of protection against marketing of goods which are hazardous to life and property. 3. Right of access to variety of goods at competitive prices. 4. Right of consumer education regarding usage, handling etc., of the products. 5. Right to have protection from unfair and deceptive trade practices. 6. Right to be heard and to be assured that the consumer's interest will receive due consideration. 7. Right to seek reprisal against unfair trade practices or unscrupulous exploitation of consumers. <p>(Any three Points)</p>		3
40	<p>Fire Insurance - Meaning</p> <p>Rupees Fifty Thousand (Rs.50,000)</p>	<p>2</p> <p>1</p>	3

SECTION IV		7×5=35	
Answer all questions			
41	<p>Hindrances of commerce</p> <ol style="list-style-type: none"> 1. Hindrance of persons 2. Hindrance of place 3. Hindrance of time 4. Hindrance of risk 5. Hindrance of knowledge 6. Hindrance of finance <p>Any 5 with explanation</p> <p style="text-align: center;">(Or)</p>		5

	<p>Objectives of Advertising</p> <ol style="list-style-type: none"> 1. To make an immediate sale. 2. To build primary demand. 3. To introduce a price deal. 4. To inform about a product's availability. 5. To build brand recognition or brand insistence. 6. To help salesmen by creating an awareness of a product among retailers. 7. To create a reputation for service, reliability or research strength. 8. To increase market share. 9. To modify existing product appeals and buying motives. 10. To inform about new products' availability or features or price. 11. To increase the frequency of use of a product. 12. To increase the number or quality of retail outlets. 13. To build overall company image. 14. To effect immediate buying action. 15. To reach new areas or new segments of population within existing areas. 16. To develop overseas market. <p>(Any Ten Points)</p>		5			
42	<p>Characteristics of Wholesaler</p> <ol style="list-style-type: none"> 1. Procurement in bulk quantity 2. Sale to other dealers 3. Buying directly from manufacturer 4. Restriction to one or few goods 5. Personal service <p>(With explanation)</p> <p style="text-align: center;">(or)</p> <p>Advantages of Motor transport</p> <ol style="list-style-type: none"> 1. Flexibility 2. Complete service 3. Suitability 4. Economy 5. Speed 6. Service <p>(Any Five with Explanation)</p>		5			
43	<p>Differences between Hire Purchase System and Instalment System</p> <table style="border: none;"> <tr> <td style="border: none;"> <ol style="list-style-type: none"> 1. Contract of Sale 2. Ownership Rights 3. Action on Default 4. Risk of Bad Debt </td> <td style="border: none; vertical-align: middle;">  </td> <td style="border: none; vertical-align: middle;"> <p>With Explanation</p> </td> </tr> </table> <p style="text-align: center;">(or)</p>	<ol style="list-style-type: none"> 1. Contract of Sale 2. Ownership Rights 3. Action on Default 4. Risk of Bad Debt 		<p>With Explanation</p>		5
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	<p>Dishonour of cheque</p> <ol style="list-style-type: none"> 1. Countermanding of payment by drawer 2. Notice of customer's death 3. Insanity of the customer 4. Insolvency 5. Court order 6. Notice of assignment 7. Knowledge of breach of trust 8. Knowledge of defect in the title of the holder 9. Insufficient fund 10. Post dated cheque 11. Stale cheque 12. Signature difference 13. Irregular endorsements 14. Words and figures differ 15. Alteration 16. Form of the cheque 17. Drawn on another branch <p>(Any Five with Explanation)</p>		5
44	<p>Benefits of World Trade Organisation</p> <ol style="list-style-type: none"> 1. The system helps to promote peace. 2. Disputes are handled constructively. 3. Rules make life easier for all. 4. Free trade cuts the costs of living. 5. It provides more choice of products and qualities. 6. Trade raises incomes. 7. Trade stimulates economic growth. 8. The basic principles make life more efficient. 9. Governments are shielded from lobbying. 10. The system encourages good government. <p style="text-align: center;">(or)</p> <p>Responsibilities of the consumer</p> <ol style="list-style-type: none"> 1. The consumer must pay the price of the goods according to the terms of the contract. 2. The consumer has got a duty to apply to the seller for the delivery of the goods. He has to take delivery of the goods in time. 3. The consumer has to bear any loss, which may arise to the seller as a result of the consumer refusing to take delivery or for not taking delivery of the goods in time as per the contract. 4. The consumer is bound to pay any interest and special damages to the seller in case he had delayed the payment to the seller. 5. The consumer must ask for and collect the invoice, money receipt, delivery note and guarantee card. 6. The consumer has to follow and observe the instructions and precautions while using the products. 		5

	Common carrier	Private carrier
1	A common carrier is one who is engaged in regular trade or business	A private carrier is engaged in a casual occupation and carries goods on occasions or under a special contract
2	He carries goods for all persons indiscriminately.	He carries goods for particular persons of his own choice
3	The liability of common carrier is governed by Carriers Act 1865	There is no separate Act. The liability of a private carrier is that of a bailee to whom goods are delivered in trust.
4	He carries goods for hire or reward.	A private carrier may carry goods for hire or gratuitously
5	He is generally an insurer of the goods he carries.	He is responsible only for loss or damage directly attributable to his negligence.

5

(or)

Advantages of Web Advertising

1. Advertisements can reach a very large number of potential globally buyers.
2. Web advertisements are accessed on demand for all the 24 hours a day, 365 days a year
3. One-to-One direct marketing is possible
4. Web advertisements can be interactive and targeted to specific interest groups and individuals.
5. Contents can be updated, supplemented or changed at any time at a minimum cost.
6. Multimedia will create more attractive advertisements.
7. They can efficiently use the convergence of text, audio, graphics and animation.
8. They can introduce new products or alternatives to existing products.
9. They can generate an awareness of the branded products.

5

46	<p>Functions of Warehousing</p> <ol style="list-style-type: none"> 1. Protection of Goods 2. Price stabilization 3. Storage of goods 4. Equalization of demand and Supply 5. Facilitating Business Finance 6. Preparation for sale 7. Delivery to the buyer 8. Widening the marketing area 9. Concentration on production 10. Conditioning the products 11. Risk bearing 12. Other functions <p>(Any Five with Explanation)</p> <p style="text-align: center;">(or)</p> <p>Principles of Insurance</p> <ol style="list-style-type: none"> 1. Insurable Interest 2. Utmost good faith 3. Indemnity 4. Proximate cause 5. Contribution 6. Subrogation 		5
			5

47	<p>Secondary functions of commercial bank</p> <p>Agency functions</p> <ol style="list-style-type: none"> 1. Collection of cheque, bills, interest etc., 2. Executing standing instructions 3. Purchase and sale of securities 4. Transfer of funds. <p>Utility Functions or services</p> <ol style="list-style-type: none"> 5. Safe Custody of valuables 6. Safety locker facility 7. Accepts bills 8. Underwrites Capital issues 9. Providing information about the customers and trade 10. Helps in foreign trade 11. Issues Travellers cheques 12. Issues Gift Cheques 13. Issues Stock Invest 14. Provides Credit card services 15. Provides ATM service <p>(Any Five with Explanation)</p> <p style="text-align: center;">(or)</p> <p>Branches of Commerce</p> <ol style="list-style-type: none"> 1. Trade 2. Transport 3. Warehousing 4. Banking 5. Advertisement and salesmanship 6. Insurance 7. Communication <p>(Any Five with Explanation)</p>		5
			5