

Answer all questions

20 x 1= 20

1. C Panidya
2. C Processing Industry
3. B Unlimited liability
4. A Robert owen
5. A Rural savings
6. C Indemnity contract
7. A Transport
8. C Ethics
9. C Interest
10. D all the above
11. A Trade
12. A Broker
13. C Foreign Trade
14. B General Council
15. C agent
16. A Void
17. B Fully Exempted
18. A Integrated Goods and Service Tax
19. D Agreement
20. A A and R are correct and R is the correct explanation for A

Answer any 7 Questions: 7 x 2 = 14

21. Barter System : Goods were exchanged for goods before the invention of money. To carry on Barter System, the following conditions must be fulfilled .Surplus Stock ,Double coincidence of wants ,Personal Meeting

22. What are the two schools of Hindu law:
There are two schools of Hindu Law
Dayabhaga – Prevalent in Bengal and Assam
Mitakshara Law – Prevalent in the rest of the country.

23. Write a short note on 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 .If the dues are paid within the stipulated time, no interest is charged.

24. What are the demerits of Sole Proprietorship :

Limited Capital,Limited Managerial Skill, Unlimited Liability,Lack of Specialisation, Hasty Decisions.

25. Give the meaning of Social power:

A Business enterprise which accepts and discharges social obligations enjoy greater freedom. **Example** The Govt passed consumer Protection act to prevent from adulteration, black marketing and other Anti-social practices.

26. Give some examples for micro enterprises:

i)Clay Pot Making,ii)Fruits and Vegetable Vendors, iii)Transport-three wheeler tempos and Autos.iv)Repair Shops
v)Cottage Industrie.

27. 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.

28. 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 good

29. How many parts of Indian Contract Law are classified:

(i) General Contracts, (ii) Special Contract

30. What is CGST: CGST – Central Goods and Services Tax, imposed and collected by the central government on all supply of goods within a state (intrastate) under CGST Act 2017.

Answer any 7 questions: 7 x 3 = 21

31. Pandiya kingdom: Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with markets to imports and exports. Domestic trade used to Boats like 'Padagu', 'Thimil', 'Thoni', 'Ambu', 'Odampunai' etc. For foreign trade Kalam, Marakalam, Vangam, Navai etc.. were used.

32. What is unlimited liability: The liability of the sole trader is unlimited. When business assets are not sufficient to pay business debts he has to pay from his personal property

33. Government Company: A government company is defined as "Any Company in which not less than 51% of the Share Capital is held by the central government or by any state government or governments or partly by the central government and partly by one or more state governments and includes a company which is a subsidiary company of such a government company." E.g. Steel Authority of India .

34. Types of Franchising:

A. Product/trade name Franchising : In this type, the franchisee exclusively deals with a manufacturer's product. Examples : Kid zee, French Loaf

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. Example : McDonalds, Pizza Hut, KFC, etc.

35. Why MNC's in India: India has a huge market. It is one of the fastest growing economies in the world. Favourable policies of the government toward world FDI. Financial liberalization of the country. Government encourages and makes continuous efforts to attract foreign investments.

36. Define Business Finance : "The Finance Function is the process of acquiring and utilizing funds by a business" - R.C. Osborn. "Finance is that business activity which is concerned with the acquisition and conservation of Capital Fund, in meeting the financial needs and overall objectives of Business Enterprises." -B.O. Wheeler.

37. Features of Entrepot trade: a) Import Duty is not levied on such goods. b) These goods are reprocessed and repacked for re-export. c) Such goods are kept in the Bonded Warehouses till they are re-exported.

38. Mean by Agreement: Every promise and set of promises forming consideration for each other is an agreement. (b) In short, Agreement = Offer + Acceptance.

39. Included in the term person:

The term ‘person’ includes the following

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

40. Bilateral Contract: A contract in which both the parties commit to perform their respective promises is called a bilateral contract.

Answer all the questions: 7 x 5 = 35

41.A) INDUSTRY	COMMERCE	TRADE
<p>1. Meaning: Extraction, reproduction, conversion, processing and construction of useful products</p>	<p>Activities involving distribution of goods and services</p>	<p>Purchase and sale of goods and services</p>
<p>2. Scope: Consists of all activities involving conversion of materials and semi-finished products into</p>	<p>Comprises trade auxiliaries to trade</p>	<p>Comprises exchange of goods and services</p>

finished goods.		
<p>3. Capital: Generally large amount of capital is required</p>	<p>Need for capital is comparatively less</p>	<p>Small capital is needed to maintain stock and to grant credit</p>
<p>4. Risk: Risk involved is usually high</p>	<p>Relatively less risk is involved</p>	<p>Relatively less risk is involved</p>
<p>5. Side: It represents supply side of goods and services</p>	<p>It represents demand side of goods and services</p>	<p>It represents both supply and demand</p>
<p>6. Utility creation: It creates form utility by changing the form or shape of materials</p>	<p>It creates place utility by moving goods from producers to consumers</p>	<p>It creates possession utility through exchange</p>

41.(B). Explain the kinds of sources of short term finance:

(i) Loans and Advances: Loan is a direct advance, made in lumpsum which is credited to Separate Loan Account, in the name of Borrower. It can be re-paid in one or more instalments.

(ii) Trade Credit: It is the credit extended by one trader to another for the purpose of purchasing goods and services. It is very simple and convenient method of raising short-term Finance.

(iii) Pledge: A customer transfers the possession of an article with a creditor (banker) and receives loan. Till the repayment of Loan, the article is under the custody of the creditor. If the debtors fails to repay the loan, the creditor will auction the article pledged and adjust the outstanding loan

(iv) Mortgage: It is a type of Loan taken from Bank, by depositing the title deeds of Immovable Assets like Land & Building.

(v) Clean Loan : Banks provide clean loan to certain customer on the basis of their character, capacity and capability without any physical security.

42.A) What are the objectives of Import trade:

i) Achieving Rapid Industrialization: Developing countries can achieve rapid industrialization by importing advance technology, scarce raw materials, capital goods like machinery, etc.

ii) Meeting consumer demands: Certain goods are either not available or cannot be produced to meet the growing demand, such goods can be imported to meet the supply of those goods.

iii) Upgrading standard of living of the people: Consumers are able to use a wide variety of goods like cell phone, car, laptop, television, etc. produced in foreign countries.

iv) Meeting Shortage Situation: During famine, earthquake, flood, drought, abnormal price increase situations food grains, vegetables and other essential commodities are imported to overcome the above situations.

v) Strengthening Defence: Many Countries import defence equipment for its armed force to ensure its sovereignty and territorial integrity

42.(B). Explain the essentials of a valid tender of performance:

i) It must be unconditional

ii) It must be at the proper time and place

iii) It must be in proper form

iv) It must be made to a proper person, that is to the promisee or his authorised agent

v) It may be made to one of the several joint promisees.

43.A) Explain briefly the different types of Foreign Trade:

i) Import Trade means buying goods from a foreign country, for domestic use

ii) E.g. India imports petroleum products from Gulf Countries

B) Export Trade: i) Export Trade means the sale of Domestic Goods to Foreign Countries

ii) E.g. export of Iron Ore from India to Japan

iii) Export Trade is necessary to earn foreign exchange, to increase national income

C) Entrepot Trade: i) Entrepot Trade means importing of Goods from one Country and exporting the same to Foreign Countries

ii) Example- Indian Diamond Merchants in Surat, import uncut raw diamonds, from South Africa, they cut and polish the diamonds in India, and re-export them to the International Diamond Market in Amsterdam Market in Amsterdam.

43.B) Classify the various functions of Reserve Bank of India.

The Five Functions of the RBI can be grouped under three heads.

→ A. Leadership and Supervisory Functions

→ B. Traditional Functions and

→ C. Promotional Functions.

The following are the five functions of RBI

i) India's representative in World Financial

Institutions: RBI represents government of India in International Bank for Reconstruction and Development (IBRD . i.e. World Bank) and International Monetary Fund (IMF) in which India is a member since December 27, 1945.

ii) Monetary Authority: The RBI Formulates, implements and monitors the monetary policy of the country in order to maintain price stability, controlling inflationary trends and economic growth.

iii) Monopoly of Note Issue: The RBI is the sole authority for the printing and issue of all Currency Notes in India, except 1 Re. Note. 1 Re. Note and all coins are issued by the Ministry of Finance. Currency Notes are printed at Nasik, Dewas, Salboni, Mysore and Hoshangabad.

iv) Banker's Bank: The RBI maintains the current accounts of all Commercial Banks in the country. All scheduled Banks should deposit a percentage of cash reserve with RBI

v) Lender of the Last Resort: In times of emergency, any Bank in India can approach RBI for Financial Assistance. RBI provides them Credit. All Banks can obtain Loan from RBI when their credits are exhausted.

44.A) Discuss the different kinds of GST:

CGST – Central Goods and Services Tax, imposed and collected by the central government on all supply of goods within a state (intrastate) under CGST Act 2017.

SGST – State Goods and Services Tax, imposed and collected by the State Government under State CGST Act under Tamil Nadu Government.

UGST – Union Territory Goods and Services Tax, imposed and collected by Union territory Administrations.

IGST – Inter-state Goods and Services Tax, imposed and collected by the central government and the revenue shared with states under IGST Act 2017.

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.

44.B) What are the hindrances of Commerce

i. Hindrance 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.

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 centres. 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 to producers and traders to carry on the business activities smoothly.

45.A) Public corporation:

Special Statute: A public corporation is created by a special Act of the Parliament or the State Legislature.

Separate Legal Entity: A public corporation is a separate legal entity with perpetual succession and common seal

Capital Provided by the Government: The capital of a public corporation is provided by the Government or by agencies controlled by the government.

Financial Autonomy: A public corporation enjoys financial autonomy. It prepares its own budget;

Management by Board of Directors: Its management is vested in a Board of Directors, appointed or nominated by the Government.

45.B) Elucidate the features of factoring.

a) MAINTENANCE OF BOOK -DEBTS: A factor takes the responsibility of maintaining the accounts of debtors of a business institution.

b) CREDIT COVERAGE: The factor accepts the risk burden of loss of bad debts..

c) CASH ADVANCES: Around 80% of the total amount of accounts receivables is paid as advance cash to the client.

d) COLLECTION SERVICE: Issuing reminders, receiving part payments, collection of cheques form part of the factoring service.

e) ADVANCE TO CLIENTS: The factor is able to provide advices regarding credit worthiness of customers, and perception of customers.

46.A Explain the types of dissolution of partnership firm:

There are two types :

i) without the order of the Court and

ii) by the order of Court

i) Without the Order of Court

a. By Agreement or Mutual Consent

b. By Insolvency of all the partners or one

A firm may be dissolved when all the partners agree to close the affairs of the firm.

*If any of the partners adjudged an insolvent

*Or if all the partners become insolvent

*It is necessary to dissolve the firm

c. When the Objective becomes illegal

When the business of the partnership becomes illegal,

the partnership is automatically dissolved.

d. By notice of Dissolution

In the case of partnership at will, when any partners

gives in writing to dissolve the firm, the firm will be

dissolved.

ii) By the Order of the Court

a) When a partner becomes insane

b) Permanent incapacity of any partner

c) Misconduct of any partner

d) Transfer of Interest to Third Person

e) Continued Loss

46.B) 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.

47.A) Explain briefly about Know Your

Customer (KYC) Norms: KYC means “Know Your Customer”. It is the general rule to be followed by banks to get information regarding the identity and address of the customers. This rule helps to ensure that banks’ services are not misused. The KYC process is to be completed while opening accounts. These details should be updated periodically. A person willing to open a bank account, should submit a ‘proof of identity and proof of address’ together with a recent photograph.

Six documents have been notified by the Government of India as ‘Officially Valid Documents’ (OVDs) for the proof of identity. They are Passport, Driving Licence, Voters’ Identity Card, PAN Card, Aadhar Card issued by UIDAI and NREGA Job Card. The person should submit any one of these documents as proof of identity. If such documents also contain his/her address details, then it will be accepted as ‘proof of address’. If not, then another officially valid document which contains address details need to be submitted.

47.B)Basis	Bill of Lading	Charter Party
i)Meaning	It represents a document acknowledging receipt of goods on board for carrying them to specified port of destination	It refers to an agreement to hire a whole or major part of a ship, when the goods exported is heavy
ii)Transferable	It can be transferred to third party by endorsement and delivery	It cannot be transferred to third party
iii)Loan	Loan can be raised against it	Loan cannot be raised against it
iv)Crew	Master and Crew remain the agent of Ship Owner	Master and Crew become the agent of exporter for a temporary period
v)Lease	It is not a Lease of Ship	It is a Lease of Ship