

+1 COMM Annual – March 2026 Madurai (Dt)

Answer all questions

20 x 1 = 20

1. A Making Profit
2. A Transport
3. A Sole Proprietorship
4. A Robert owen
5. C Cold storage
6. D Air
7. A E-Commerce
8. C Reasonable price
9. D All of them
10. B Owners
11. C 25
12. B Foreign Currency Convertible Bond
13. C Entrepot
14. A Wholesaler
15. B Bill of Lading
16. A Washington DC
17. D Contract
18. D All the above
19. B a direct tax
20. C Goods and Services Tax

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. KARTA: All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as 'Karta' or 'Manager'.

23. Mobile Banking: Most of the Commercial Banks have designed Computer Programs, called Apps which can be downloaded in Smart Phones. With this app in the smart phone a customer can operate his account transactions from anywhere. This service is known as mobile banking .

24.Elements of business ethics:TOP MANAGEMENT COMMITMENT:Top management has a very important role to guide the entire organization towards Ethical behaviour. **CODE:**The organization principles are defined in the written document called code. It should be followed by the employees of the organization.

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

26.Trade:i)The buying and selling of goods and services consist of trade, ii)Trade is conducted to earn Profit.

27.Indent:An Indent is an order received from abroad for export of goods. i.e. sale of goods. The order may be directly received from the importer or through an agent.

28. Contract: "Contract" is an agreement enforceable by law. The agreements not enforceable by law are not contracts..

29. What is Income Tax:Income tax is a direct tax under which tax is calculated on the income, gains or profits earned by a person such as individuals and other artificial entities (a partnership firm, company, etc.)

30. State two disadvantages of Franchising.

a) Franchising fees:The initial franchising fee and the subsequent renewal fees can be very high in case of successful businesses.

b) Fixed royalty payment:The franchisee has to make payment of royalty to the franchiser on a regular basis.

c) Lack of freedom:The franchisee does not have the freedom to run his business in an independent manner.

Answer any 7 questions:

7 x 3 = 21

31.Human activities:Human activity is an activity performed by a human being to meet his/her needs and wants or may be for personal satisfaction.1. Economic Activities,2.Non-Economic Activities

32.Unlimited liability:The liability of the sole proprietorship is unlimited. So, the creditors have the right to recover their dues even from the personal property of the proprietor in case the business assets are not sufficient to pay their debts is called unlimited liability.

33.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.

34.Impact of e-commerce on buyers:

A) General Impact of E – commerce:i) More contemporary customers are buying through Flipkart and Amazon.ii) Direct marketing companies are using

internet to promote products and render efficient customer service

B) Impact of E-commerce on vendors:i) Vendors could have a wider access to customers across the globe
ii) Vender could interact with multiple buyers and sellers.

C) Impact of E-commerce on buyers:

i) Buyers could have a global access to information about variety of products and services available in the market
ii) They could buy the products/services round the clock from anywhere in world.

35. Concept of Social Responsibility:“Social Responsibility refers to the obligation to pursue those policies to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society.” – **Howard R. (or)**

“Social Responsibility requires managers to consider whether their action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength and harmony”. – **Peter F. Drucker.**

36.Sources of business finance on the basis of period.

1. Short term finance:1. Loans and Advances 2. Bank Overdraft 3. Discounting Bills of Exchange 4. Trade Credit 5. Pledge 6. Hypothecation

2. Medium term finance:1. Loans from Banks 2. Loan from Financial Institutions 3. Lease Financing

3. Long term finance:1. Shares 2. Debentures 3. Retained Earnings 4. Public Deposits 5. Long Term Loan from Commercial Banks

37. Characteristics of Super markets:1. Supermarkets are generally situated at the main shopping centres.2. The goods kept on racks with clearly labelled price and quality tags in such stores,3. The goods are sold on cash basis only. 4. It requires huge investment.

38. Three benefits of WTO: 1. WTO is promoting international peace and creating a conducive environment for conducting international trade.2. It settles the trade disputes amicably among the member countries.3. It promotes the standard of living of people by increasing their income level from free trades. 4. WTO has removed quantitative restrictions and non-tariff barriers.

39. Perform the Contract:i)Promisor himself,ii)Agent
iii)Representations, iv)Third Person, v)Joint Promisors
vi)Time and place of performance of Promise

40.Objectives of GST:1. The foremost objective of GST is to create a common market with uniform tax rate in India.2. To eliminate the cascading effect of taxes, GST allows set-off of prior taxes for the same transactions as input tax credit. 3. To boost Indian exports, the GST already collected on the inputs will be refunded and thus, there will be no tax on all exports. 4. To increase the tax base by bringing more number of tax payers and increase tax revenue..

Answer all the questions:

7 x 5 = 35

41.A) Explain the hindrances of Commerce? (any 5)

1. Hindrance of person: Manufacturers do not know the place and face of the consumers this is known as hindrance of person. Business removes this hindrance.

2. Hindrance of place: Production takes place in one centre and consumers are spread throughout the country and world this is known as hindrance of place. Transports removes this hindrance.

3. Hindrance 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.

4. 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.

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

6. Hindrance 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.

41.B) What are the benefits of Corporate Governance:

1. Good corporate governance enables corporate success and economic development.

2. Ensures stable growth of organizations.

3. Aligns the interests of various stakeholders.

4. Improves investors' confidence and enables raising of capital.

5. Reduces the cost of capital for companies.

6. Has a positive impact on the share price

7. Provides incentive to managers to achieve organizational objectives.

8. Eliminates wastages, corruption, risks and mismanagement.

9. Improves the image of the company.

10. The organization is managed to benefit the stakeholders.
11. Ensures efficient allocation of resources
12. Creates a strong brand as an ethical business

42A). Sl.No	<u>Basic</u>	<u>Internal</u>	<u>International trade</u>
1.	Participants in Business	within the country people	Outside the country people
2.	Mode of Transport	It is mainly transported by roadways and railways	It is mainly transported by water and airways
3.	Currency Used	local currency of a country.	foreign currencies. Commerce
4.	Risk Exposure	The risks are relatively less.	The risks are high
5.	Scope of Market	The scope of market is limited	The scope of market is unlimited

42.B) Advantages of MNC's:

1. **Low-Cost Labour:** MNC set up their facilities in low-cost countries and produce goods/service at lower cost.
2. **Quality Products:** MNCs in the sphere of research and development which helps it in producing quality goods and services at least possible cost.
3. **Proper Use of Idle Resources:** Because of their advanced technical knowledge, MNCs are in a position to properly utilise idle physical and human resources of the host country.
4. **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.
5. **Technical Development:** MNCs are a vehicle for transference of technical development from one country to another.
6. **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.

43.A) 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 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

43.B) Explain the essentials of a Valid Contract:

1. **Offer and Acceptance:** There must be two parties to an agreement namely one party making the offer and the other party accepting it.
2. **Legal Relationship:** The parties must have the intention to create legal relationship between them.
3. **Lawful Consideration (quid pro quo):** As per Contract Act under Sec.2 (d) Consideration means something in return. A contract without consideration becomes invalid. It may be in cash or kind.
4. **Lawful Object (Section 23):** The object of agreement should be lawful and legal. It must not be immoral, illegal or opposed to public policy.
5. **Free Consent (Section 13 & 14):** Consent of the parties must be free and genuine. Consent means agreeing upon same thing in the same sense at the same time.
6. **Capacity of Parties (Section 11):** The parties to a contract must have capacity (legal ability) to make valid contract.

44.A) Distinction Between Wholesaler and Retailer:

1 Link: A wholesaler serves as a link between producers and retailers. On the other hand, a retailer provides a link between wholesalers and consumers. Wholesaler is the first

link, whereas retailer is the last link in the chain of distribution of goods.

2 Scale of Operations: A wholesaler carries on business on a large scale and requires huge capital. A retailer, on the other hand, deals generally on a small scale and capital invested in retail trade is relatively small.

3 Range of Goods: A wholesaler generally deals in one commodity. But a retailer deals in a large variety goods and caters to the diverse needs of his end customers.

4 Dealings: A wholesaler generally sells goods to retailers on credit. But a retailer usually sells goods to end consumers on cash basis.

5 Purpose of Selling: A wholesaler sells goods for resale. On the other hand, a retailer sells goods for ultimate consumption or use.

6 Source of Supply: A wholesaler buys goods from manufacturers and their agents in large quantities. On the other hand, a retailer generally buys goods from wholesalers and their agents in small quantities.

7 Location: A wholesaler operates his business in big commercial cities and expand his business to different areas. A retailer operates in a smallest village and also big cities and locates his business in particular place of area.

44.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.

The factor accepts the risk burden of loss of bad debts..

Around 80% of the total amount of accounts receivables is paid as advance cash to the client.

Issuing reminders, receiving part payments, collection of cheques form part of the factoring service.

The factor is able to provide advices regarding credit worthiness of customers, and perception of customers.

45.A) Explain different types of transport:

A. Surface / Land Transport: Transport of people and goods by land vehicles is known as Surface transport. It is also called as ‘Land Transport’.

1. Pack Animals: Animals like horse, mule, donkey camel, and elephant etc., are used for carrying small loads in backward areas, hilly tracks, forest regions and deserts known as pack animals.

2. Bullock Carts: It constitutes the predominant form of rural road transport in India for goods traffic and to some extent for passengers’ traffic.

3. Road Transport: Road Transport is one of the most promising and potent means suitable for short and medium distances.

4. Motor Lorries and Buses: The credit of

revolutionizing the road transport and introducing the elements of speed and greater carrying capacity into the system goes to motor lorries and buses.

5. Tramways: It made their appearance in the 19th century as a form of transport suitable for big cities.

6. Railway Transport: Railways are the cheapest and quickest means of transport for carrying heavy goods over long distance.

B. Water Transport: “Water is a free gift of nature’.

They are of two types: 1. Inland Waterways Inland Waterways comprise of rivers, canals and lakes. It is also known as internal water transport. 2. Ocean or Sea Transport Ocean transport enjoys a pride of place in aiding international trade. Cheapness is its great virtue.

C. Air Transport: Air transport is the fastest and the costliest mode of transport. Commercial air transport is now one of the most prominent modes of overseas transport.

45.B) Sr.no	Basic	Direct Taxes	Indirect Taxes
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 help in reducing the inflation	Indirect tax contributes to Inflation
4	Shiftability	Cannot be shifted to others	Can be shifted to others
5	Examples	Incometax wealth Tax, Capital Gain Tax, etc.	GST, Excise duty

46.A) Objectives of SHGs:

- i. Focusing on empowerment of women.
- ii. Saving people from the clutches of Money Lenders.
- iii. Creating the habit of Saving in the minds of the people who are economically backward.
- iv. Promoting entrepreneurship skills among women.
- v. Elevating the economic standard of the member’s family.

46.B) Write a short note on:

a. 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. Examples: The seeds, nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary etc.

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

47.A. Explain the different types of Foreign Trade:

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

B. Export Trade: Export trade means the sale of domestic goods to foreign countries. Examples: 1. Export of Iron ore from India to Japan 2. Selling of Tea from India to England. 3. Export of jasmine flowers from Madurai to Singapore

C. 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'. Examples: Indian diamond merchants in Surat import uncut raw diamonds from South Africa.

47.B. Advantages of Departmental undertaking:

i. Easy Formation: It is easy to set up a departmental undertaking. The departmental undertaking is created by an administrative decision of the Government, involving no legal formalities for its formation.

ii. Direct and Control of Parliament or State Legislature: The departmental undertaking is directly responsible to the Parliament or the State legislature through its overall head i.e. the minister concerned.

iii. Secrecy Maintained: Strategic industries like defence and atomic power cannot be better managed other than government departments. Department undertakings can maintain secrecy in their working.

iv. Lesser Burden of Tax on Public: Earnings of departmental undertaking are entirely paid into Government treasury, resulting in lesser tax burden on the public.

V. Instrument of Social Change: Government can promote economic and social justice through departmental undertakings.