

## Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 12 Short Questions Preparation

Q1. Define consular invoice.

**Ans 1:** Consular invoice is a certificate which shows that the value of the exported goods mentioned there in is correct. This certificate is issued by consular office situated in exporting country.

Q2. Explain the types of bill of lading.

**Ans 1:** i- Clean bill of lading: If the captain of vessel is satisfied with the packing of goods then he signs bill of lading without writing any comment on it, it is called clean bill of lading.

**Ans 2:** ii- Foul bill of lading: If the captain of vessel writes any comment on bill of lading regarding his dissatisfaction about packing of goods then it is called foul bill of lading.

Q3. What is meant by charter party.

**Ans 1:** It is an agreement according to which the whole ship or major part of it is reserved for exporter to carry his goods to a particular place at an agreed freight. A charter party may be.

**Ans 2:** i- A voyage charter party for a particular voyage.

**Ans 3:** ii- A time charter party for a specific period.

Q4. What is meant by international or foreign trade.

**Ans 1:** When there is any dealing in goods or services between two or more countries. It is called foreign trade.

Q5. List down the contents of a bill of lading.

**Ans 1:** i- Name of exporter ii- Name of importer

**Ans 2:** iii- Name of ship on which goods are loaded iv- Type of goods

**Ans 3:** v- Quantity of goods vi- Mark of packing

**Ans 4:** vii- Name of the port where goods are to be unloaded.

Q6. What is meant by the bill of entry.

**Ans 1:** The importer or agent provides information or detail of imported goods to custom authority to pay custom duty on this detail or information about imported goods is called bill of entry.

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Q7. What is meant by letter of indemnity.

**Ans 1:** It is a document which insures a person or firm for the compensation of loss in case of happening of certain events. Sometimes, the goods reach to port before receiving bill of lading in this case, the importer collects the goods by getting letter of indemnity in the favour of charter company.

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Q8. What is meant by certificate of origin.

**Ans 1:** When there is an agreement between the countries for exempting their goods from import duties or imposing less import duty then it is necessary for exporting or secure a certificate called Certificate of Origin.

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Q9. What is meant by invoice.

**Ans 1:** Invoice is an important business document which is made out by the seller containing full information about the description of goods, the date of sale, the terms on which the goods are sold and full address of the buyer and seller.

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Q10. What is meant by a bill of lading.

**Ans 1:** A bill of lading is a very important document used in the overseas merchandise transactions. It is a receipt issued by the steamship agent representing the title to the goods when they are on the high seas.

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