

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 15 Short Questions Preparation

Q1. State any three characteristics of a commission agent.

Ans 1: i- Commission agents are appointed for the sale and purchase of goods.

Ans 2: ii- sometimes , the principal transfers the possession of goods to commission agent.

Ans 3: iii- A commission agent cannot transact the goods with own name.

Q2. Define the factor.

Ans 1: A factor is an agent who sells goods after taking them in his possession or under his control on behalf of his principal

Q3. Define Common Agent

Ans 1: Sometimes wholesale traders and manufactures appoint certain shop keepers in different parts of the country as their selling agents. The principal supplies the goods to his agents according to their requirement they sell the goods and receive commission as their remuneration.

Q4. List out the type of agents who help in the transportation.

Ans 1: i - Exporting agent ii- Importing agents iii- Forwarding agent

Ans 2: iv- Clearing agent v- Warehouse keeper

Q5. Define Sole agents.

Ans 1: Sole agents work only for a particular trader or institution He is appointed for a specific area . The advantage of sole agent is that the principal agrees not to supply the goods to any one else in that area.

Q6. State any three characteristics of a factor.

Ans 1: i- He is given the possession of goods by the principal.

Ans 2: ii- He sells the goods in his own name.

Ans 3: iii- He receives payment from the purchaser

Q7. Define delcredere agent.

Ans 1: A delcredere agent is a selling agent, who in consideration of high commission undertakes to indemnify the principal from bad debts which generally occur due to non payment of prices of the goods sold to the customers on credit.

Q8. Define middlemen.

Ans 1: The term " Middlemen" includes all firms and individuals who directly or indirectly participate in buying and selling of goods from the producer to final consumer.

Q9. State any three characteristics of a broker.

Ans 1: i- He is not given the possession of goods by the principal

Ans 2: ii- He simply conducts negotiations for sale of goods.

Ans 3: iii- He cannot enter into a trade agreement

Q10. Define forwarding agent.

Ans 1: He is appointed when goods are exported to the foreign countries. His principal function is to receive the goods at the docks, to arrange freight, to perform custom formalities, to process bills of lading and to insure the delivery of goods.
