

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

Q1. Define the kinds of commission agents.

**Ans 1:** Sometimes wholesalers appoint a number of agents who go from place to place, show catalogues, price lists etc. to wholesalers and retailers, book orders and forward them to their principals who execute them. Such agents are called Travelling Agents.

Q2. 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

Q3. 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 agents is that the principal agrees not to supply the goods to any one else in that area.

Q4. Define Agent.

**Ans 1:** The persons appointed by businessmen to represent them or to act on their behalf in business matters.

Q5. 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

Q6. 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 customs formalities, to process bills of lading and to insure the delivery of goods.

Q7. What type of agents help in buying and selling.

**Ans 1:** i- Brokers ii- Factors iii- Commission agent iv- Delcredere agent

**Ans 2:** v- Auctioneer

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Q8. State the kinds of middlemen.

**Ans 1:** i- Merchant middleman

**Ans 2:** 2- Agent middlemen

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Q9. Define Agency.

**Ans 1:** The relationship exists between an agent and a principal is known as agency.

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Q10. Define Principal.

**Ans 1:** The person for whom such act is done or who its so represented is called the principal