

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 17 Short Questions Preparation

Q1. State t	he sources of long term finance.
Ans 1: i	- Underwriters ii- bonds iii - incorporate savings.
Ans 2 : i	v- New partners v- Debentures vi. mortgage
Ans 3:	ii- Musharika investment viii- Modaraba certificates.
Q2. Define	Business sources
	- Trae creditors ii- Customers iii- Factors ercial peper house.
Q3. Define	Business finance and state the types of finacne.
	Finance consists of providing and utilizing the money capital, rights, credit and funds of any kind which are employed to the of an enterprise.
Q4. Write	a personal sources
Ans 1: i	- Friends and relatives ii- Indigenous bankers
Ans 2: i	ii- Public deposits iv- Personal loan companies
Ans 3:	- Co operative societies.
Q5. Expoa	in Types of Modaraba.
	- Multipurpose Modarba: If a moderaba company is formed for more than one objectives, it is called multipurpose automatically.
	i- Specific Moderaba: Specific moderaba is established for the specific purpse. After completionof task, it will be automatically.

Ans 1: The word Musharika is derived from the world shirkat shirkat means shring Musharika is a business organization in which

Q6. Give a breif explanation of Musharika.

to their	nore than two parties. contribute capital and skill. The profit and loss of the business is distributed among persons according agreed ratio.
Q7. Wha	at is menat by long term finance.
	Long term finance is generally required for more than 10 years. Some banking experts say that the period of long term is 6 to 10 years. It is used for purchasing permanent assets or to start a big business.
Q8. Stat	e the sources of medium term finance.
Ans 1:	i- Life insurance companies ii- Partial payment method
Ans 2:	iii- Fiance facility by agent iv- Financial institutions
Ans 3:	v- TFC's vi- PTC's
Q9. Stat	e the sources of short term finance.
Ans 1:	i- Commerical banks ii- Foreign exchange banks
	iii- Federal government agencies.

Ans 1: Short term finance is generally required for I year or less. It is available at low rate of interest to meet the seasonal

requirements of business.