

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 9 Short Questions Preparation

Q1. Define consumer.

Ans 1: A person or group of persons or an institution purchases a particular commodity to consume is known as consumer. His aim is to satisfy his desires and not a resale for making profit.

Q2. What is meant by invoice in home trade.

Ans 1: It is an important document of internal trade, which includes quantity, price and total value of the goods sold. It is sent to the buyer and payment is made according to the amount written on it.

Q3. Define Trader.

Ans 1: Trader is a person who buys goods from producers or other traders and sells these goods to consumers.

Q4. State the merits of home trade.

Ans 1: i- Creates more demand ii- No legal formalities
iii- Source of employment.

Ans 2: iv- Free movement of goods

Ans 3: v- Use of local currency

Ans 4: vi- Price stability.

Q5. What is meant by Tender.

Ans 1: Sometimes buyer calls tenders from many suppliers by advertising in magazines and newspapers. In response to this call, anybody interested in supplying goods can submit his tender. The order is placed to that person who quotes the lowest price of goods or supplies goods at the most favorable terms.

Q6. State the demerits of home trade.

Ans 1: i- Drugs ii- Expansion of weapons iii- Black marketing.

Ans 2: iv- Monopoly v- Bad debts.

Q7. What is meant by quotation letter.

Ans 1: The reply of enquiry letter by the seller is known as quotation it includes all the required information, terms and conditions regarding the sale of goods. Generally it contains.

Ans 2: a- Quality of goods b- Price and discounts

Ans 3: c- Means of transportation and expenses

Ans 4: d- Time required for such delivery e- Mode of payment.

Q8. Define credit note.

Ans 1: If goods sold on credit are returned by the buyer, the seller credits the buyer's account and informs the buyers through a note. This note is called Credit Note.

Q9. What is an enquiry letter.

Ans 1: When a trader wants to buy goods then he gets necessary information from seller with the help of this letter. It contains information like.

Ans 2: i- Availability of goods. ii- Quality of goods

Ans 3: iii- Price and discount etc.

Q10. State the definition and kinds of trade.

Ans 1: Trade is an activity of buying and selling of goods for money or other goods.

Ans 2: Kinds: Home Trade: In home trade exchange of goods or business is conducted within the boundaries of a particular country. Seller and buyer relate to a same country.

Ans 3: Foreign Trade: Trade or exchange of goods and services between two or more independent countries for their mutual advantages is described as foreign trade.
