

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Full Book Short Questions Preparation

Q1. Write down any five disadvantages of a joint stock company.

Ans 1: i- Monopoly ii- Late decisions iii- Lack of secrecy

Ans 2: iv- Difficulty informatoin v- Double taxation

Q2. Explain the organizational structure of a joint stock company.

Ans 1: The managment of the company is entrusted to the board of directors elected by theshareholders shareholders are not allowed to participate directly the affairs of management.

Q3. How does commerce help in developing the style of living of the people.

Ans 1: Due to commerce, the availability of cheap and high quality consumer goods improves the standard of living, promotes saving ann increase the income of people

Q4. What is meant by limited liability of the shareholders in a jjoint stock company.

Ans 1: In joint stock company, the liability of the shareholders is limited to the extent of shares purchased by them. It menas the private property of shareholders cannot be used for the loss of company.

Q5. What is name of members of chamber.

Ans 1: Chamber member, Associate memebrs , group members , town association

Q6. Define the term profession.

Ans 1: When a person provides his services to society on the basis of his specialized knowledge and experience in a particular field, it is known as profession (e.g) doctors, professors, engineers and accountants etc.

Q7. Explain the preference shares of a joint stock company.

Ans 1: These are teh shares whose holders have preferntial rights in respectf of the payment of dividend and repayment of capital in the event of winding up.

Q8. What is the meant by an official note.

Ans 1: Whenever an officer wants to discuss an official matter with another officer he then sends the file after writing a note on it. This note is called an official note.

Q9. What is management committee of chamber.

Ans 1: A committee is formed for the conduct of daily matters of chamber. This committee is called management committee or executive committee.

Q10. Define export trade.

Ans 1: If the goods and services are sold to the trader of another country then it is called export trade.

Q11. Which one is the best option of partnership agreement.

Ans 1: The best form of partnership deed is that it must be written, registered and signed by all partners so that partners can know their rights and duties.

Q12. State the liabilities of partners.

Ans 1: i- Joint Liability ii- Liability of a new partner

Ans 2: iii- Liability of retired partners iv- Liability of deceased partner

Ans 3: v- Liability of insolvent partner

Q13. Define closed indent

Ans 1: If the price and quality of goods along with other factors are decided before the execution of order then it is called closed indent.

Q14. What are the kinds of official letters.

Ans 1: i- Official Letters ii- Memorandum or memo

Ans 2: iii- Demi official iv- Reminders v- Unofficial note vi- Endorsement

Ans 3: vii- Notification viii- Circulars ix- Press note x- Office order

Q15. How does the distribution of assets take place after the dissolution of partnership.

Ans 1: When the legal entity of partnership business comes to an end then all assets of the firm are sold and realized amount is divided according to following methods.

Ans 2: 1- Firstly the debts of the outsiders are paid.

Ans 3: 2- After this, the invested capital of the partners is paid

Ans 4: 3- After this if any amount remains intact then it is distributed among the partners according to their profit sharing ratio.

Q16. How does cooperative society play its role in the economic development of a country.

Ans 1: Cooperative society is one type of the business units. It also contributes toward the economic development by increasing output and providing employment etc. In the presence of cooperative societies, the balanced growth of country is possible

Q17. State the importance of warehousing

Ans 1: i- Seasonal production ii- Seasonal demand

Ans 2: iii- Surplus production iv- Raw material

Ans 3: v- Processing vi- Efficient marketing

Ans 4: vii- Protection of goods vii- Stability in prices

Q18. What is meant by circular letter.

Ans 1: A circular letter is written and sent to a number of persons engaged in business. The nature and pattern of this letter is like an announcement to convey some definite message or information to the correspondents.

Q19. State the important features of cooperative society.

Ans 1: i- Voluntary membership

Ans 2: ii- Voluntary registration

Ans 3: iii- Elected management. iv- One vote right

Ans 4: v- Specific objectives vi- Cash transactions.

Q20. State the importance of means of transportation.

Ans 1: i- Widens the market ii- Industrial and agricultural development

Ans 2: iii- Stabilizes prices iv- Full utilization of resources

Ans 3: v- Mobility of labour vi- Provides employment
