

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

Q1. State the characteristics of an ideal warehouse.
Ans 1: Proper space locatio , Transport facility
Ans 2: Economy in expenditures, Protection to goods.
Q2. What is meant by circular letter.
<b>Ans 1:</b> 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 inforantion to the correspondents.
Q3. How established Chamber of Commerce and Industry.
<b>Ans 1:</b> There were only two chambers functioning in Pakistan at the time of partition, one at Karachi, which was establishe din 1860 and the other at Lahore founded in 1923
Q4. Write down the qualities or elements of good business.
Ans 1: i. Expert management. ii. Large capital
iii. Good planning. iv. Sound organizational structure.
v. Ideal location. vi. Trained staff.
Q5. How does commerce make the aviable resources useful.
Ans 1: Goods can be exported imported easily with the help of commerce. /countries can specialize in the productio of particualr goods, which are suitble in than and other goods can be imported fromt he other countries. So, in this way all the countries can make optimum use of their resources.
Q6. List down the merits of mobile retailer.
Ans 1: i- No permanent shop ii- Small capital iii - Mobility
Ans 2: iv- Quantity of goods according to requirement

Ans 3: v- Seasonal busness vi - Availability of fresh items.

## Q7. Give the definition of sole tradership

Ans 1: Sole proprietorship is a type of business organization which one person owns and operates the business.

#### Q8. Define Life insurance.

**Ans 1:** Life Insurance is defined as a contract whereby the insurer in consideration of a premium paid in lamp sum of in periodic instalments undertakes to pay a specified sum either on the death of the insured or on the expiry of specified number of years in the policy.

#### Q9. What is town associations

**Ans 1:** The town associations, which have been licensed under trading Organization ordinace 1961, can be affiliated with the chamber of commerce and industry.

#### Q10. Define deferred shares.

**Ans 1:** The shares issued to promoters of the company are called " Deferred or founders shares:". The dividend on these shares is paid after the payment of dividend on all other kinds of shares.

## Q11. Define Cash Register.

**Ans 1:** It is a machine which keeps a duplicate record of all cash memos. It is generally used in retail shops and supermarkets. It is generally used in retail ships and supermarkets. It helps to check the misappropriations on the part of salesmen. These mechines are useful for those concerns whihe receive cash regularly from a large number of customers.

## 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 insolvenet partner

### Q13. What is menat by A Hawker.

**Ans 1:** They are teh mobile retailers having conveyance like bicycle, motorcycle etc. for carrying the goods, They save the time of customers by providing goods and services of daily use at their doorstep.

## Q14. What are the duties of company's director.

**Ans 1:** i- Directors make the arrangements to conduct the company meetings.

Ans 2: ii- They should prevent the misuse of capital
Ans 3: iii- They keep check to stop the worng payments.
Ans 4: iv- The directors should grame and implement the policies of business.
Ans 5: v- They submit the various reports to registrar.
Q15. State the rights of the partners.
Ans 1: i- Right of profit ii- Right of exercising powers iii- Right of management
Ans 2: iv- Right of inspection v- Right of opinion vi- Right of retrirement
Q16. What is menat by chain store shope.
<b>Ans 1:</b> A chain store is one of a group of retail stores of the same type it is centrally owned havng some degree of uniformity in operation.ie. e. sign boards, international decoration of types. qualities and prices of goods etc. These shops are scattered in various localities, for example Bata shoes, Nirala Sweets and Shezan Bakery etc.
Q17. What type of information is provided in quotation letter.
Ans 1: i- Quality of goods ii- Price of goods iii- Mode of transporation
Ans 2: iv- Mode of paymet v- Expenses on packing of goods
Ans 3: vi- Time required for delivery of goods
Q18. What are the objectives of co operative society.
Ans 1: i- Sale of goods at reasonable price
Ans 2: ii- Elimination of middleman iii- Increase in saving and capital
Ans 3: iv- Mutual cooperation vi- Issuance of Iona at Iow rate of interest.
Q19. Why is the single owner so much satisfiedwith his business affairs.
Ans 1: As all the business activities are accomplished under athe supervision of sole, owner so he feels personal satsifaction that the business is runnig smmothly

Q20. List out merits of air transport.

Ans 1: i- Fastest ii- Natural highway iii- Better service

**Ans 2:** iv- Shortest route v- Suitable for perishable goods.