

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

Q1. Why is the single owner so much satisfied with his business affairs.

**Ans 1:** As all the business activities are accomplished under the supervision of sole, owner so he feels personal satisfaction that the business is running smoothly.

Q2. What is meant by bill of sight.

**Ans 1:** If the importer has not received the documents regarding the goods imported, then he requests the custom authorities to inspect the goods in their supervision. This request is known as bill of sight.

Q3. Define Industry.

**Ans 1:** Industry is that part of business which is connected with the production of goods and services.

Q4. Define Secondary industry.

**Ans 1:** These industries use raw materials and make useful goods of another form. Raw material of those industries is obtained from primary industry.

Q5. What is meant by Shirkat ul Wajooz

**Ans 1:** 1- In this partnership, no partner brings capital.

**Ans 2:** 2- This partnership may be started by taking loan or purchasing goods on credit.

**Ans 3:** 3- Profit or loss of the business is distributed among the partner on the basis of their loans taken for the business.

Q6. What is meant by the channels of distribution.

**Ans 1:** A channel of distribution for a product is the route taken by the title to the goods as they move from the producer to the ultimate consumer or industrial user.

Q7. 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.

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Q8. What are the difficulties of foreign trade.

**Ans 1:** i- Remittance of price ii- Govt Restrictions

**Ans 2:** iii- Diversity of language iv- Heavy taxes

**Ans 3:** v- Long distance vi- Costly transportation

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Q9. What is open indent

**Ans 1:** If the exporter is made responsible for deciding the quality and price of goods, along with other factors, then it is called open indent.

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Q10. Write down the demerits of cooperative society.

**Ans 1:** i- Less finance. ii- inefficient management.

**Ans 2:** iii- Absence of discipline iv- Unlimited liability

**Ans 3:** v- Lack of legal governance vi - Lack of secrecy

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Q11. Define commanded Human activities.

**Ans 1:** The activities in which human desire plays an important part i.e. speaking, walking and thinking etc. are called commanded human activities.

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Q12. State any three characteristics of a commission agent.

**Ans 1:** i- Commission agents are appointed for the sale and purchase of goods.

**Ans 2:** ii- sometimes, the principal transfers the possession of goods to commission agent.

**Ans 3:** iii- A commission agent cannot transact the goods with own name.

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Q13. Write names of the types of overseas shipping

**Ans 1:** i- Liner ii- Tramp iii- Tankers

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Q14. What is meant by type-writer

**Ans 1:** The type-writer is an important machine used for typing correspondence and reports. It is most commonly used machine in the offices which was introduced in 1873. Typewriters are of diversified nature.

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Q15. Why is there total independence in sole proprietorship.

**Ans 1:** In sole proprietorship, the control and supervision of the business remains in the hands of one person, Sole trader can do what ever he likes, because there is no interference of any other person in business matters.

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Q16. How does a business improve the standard of living of people.

**Ans 1:** It is the national duty and object of business to provide better standard of living to the people. Because, the income of people increases with the expansion in business activities (e.g). The developed countries are rich on account of stable business activities.

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Q17. Define a multi members private ltd. company.

**Ans 1:** 1- IN this company, minimum member of members is two and maximum is fifty.

**Ans 2:** 2- The company uses the word" Private" with its name and cannot sell its shares to public.

**Ans 3:** 3- The share of the company are not transferable.

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Q18. State the difference between the shareholder and debentureholder.

**Ans 1:** The people who provide finance to company by purchasing shares are called shareholders.

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Q19. What is the meant by Co operative store.

**Ans 1:** Co operative store are the stores, run by consumers cooperative societies on the principle of self and mutual help They purchase goods directly from manufacturing and distribute them on retail basis to its members and outsiders. They work on no profit basis and for the welfare of the members

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Q20. Define Letter.

**Ans 1:** When a person sends his message to another person in writing, this written message is called letter.

**Ans 2:** If we want to say anything to person but cannot say due to the hindrance of distance then we write the message on paper and send to him, the message written on paper is called letter.

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