

COMMON HALF YEARLY EXAMINATION DECEMBER 2014

12th Std Key Answers for Commerce

Maximum Marks: 200

Note: Answers written only in BLUE or BLACK in should be evaluated

PART-A

I.Choose the Correct Answers: (20x1=20)			II.Fill in the blanks: (20x1=20)	
1	a.	Joint Hindu family business	21	Departmentation
2	a.	Joint Stock company	22	Departmental enterprises
3	a.	Quick	23	Sole trader or Sole trading
4	b.	Optional	24	Sole trader or Sole trading
5	a.	Principal and Agent	25	Partners
6	a.	Agreement	26	Dissolution of Firm
7	c.	Articles of Association	27	Rs.100/ hundred
8	d.	Both dividend and return of capital on winding up	28	Joint Venture
9	a.	Creditors	29	Articles of Association
10	a.	90 days	30	Rs.5000/ five thousand
11	c.	Being named in the Articles of association	31	Proxy
12	d.	All of these	32	Agenda
13	b.	Bear	33	Special
14	c.	New shares are offered to existing shareholders	34	Shareholders/ Members
15	c.	6	35	21
16	d.	Unlimited	36	Mutual Fund
17	a.	England	37	Memorandum of Association
18	b.	District headquarters	38	Co-operative Society
19	b.	Indian Companies Act 1956	39	Nationalisation
20	b.	Public Corporation	40	Private Sector

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PART-B												
	Answer any 10 questions:	10x4=40										
41	Scalar Principle: <ul style="list-style-type: none"> ❖ Line of authority must proceed from the highest executive to the worker at the bottom level through a downward flow. ❖ This is known as 'chain of command'. ❖ The superior has a direct authority over his immediate subordinate. ❖ He is responsible for efficient performance of the work entrusted. 	Any 2 points 2x2= 4										
42	Delegation of Authority <ul style="list-style-type: none"> • Delegation means the entrustment of part of the work or some duties to the subordinates. • Superior has to entrust some of his duties to his immediate subordinate. • The subordinates should be granted necessary powers and rights. He becomes accountable to his superior. • Delegation creates obligation on the part of the subordinate. 	Any 2 points 2x2= 4										
43	Unlimited Liability: <ul style="list-style-type: none"> • The liability of the Soletrader is Unlimited. • The creditors have right to recover the personal property of the proprietors in case of the business assets are not sufficient to pay their debts. 	2x2=4										
44	Joint and Several Liability: <ul style="list-style-type: none"> • The liability of partners is joint and several. • The creditors of partnership firm can claim their dues from the private assets of all the partners taken together is called Joint Liability. • The Creditors can take action against the private properties of any one of the partners to get back their dues is called several Liability. 	2x2=4										
45	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Dissolution of Partnership</th> <th style="width: 50%;">Dissolution of Partnership Firm</th> </tr> </thead> <tbody> <tr> <td>1. The termination of original agreement.</td> <td>The termination of relationship between all Partners</td> </tr> <tr> <td>2. Business is continued.</td> <td>Business is not continued.</td> </tr> <tr> <td>3. Business cannot comes to an end.</td> <td>Business is comes to an end.</td> </tr> <tr> <td>4. It is not a Dissolution of a Firm.</td> <td>It is Dissolution of Partnership.</td> </tr> </tbody> </table>	Dissolution of Partnership	Dissolution of Partnership Firm	1. The termination of original agreement.	The termination of relationship between all Partners	2. Business is continued.	Business is not continued.	3. Business cannot comes to an end.	Business is comes to an end.	4. It is not a Dissolution of a Firm.	It is Dissolution of Partnership.	Any 2 points 2x2= 4
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46	1. Memorandum of Association 2. Articles of Association 3. Written consent of the first Board of Directors of a public Company 4. Agreement copy with the Secretary 5. Statutory declaration by an advocate, solicitor or a Chartered Accountant that formalities of registration have been complied with. 6. Agreement of Directors to take qualification shares 7. Copy of the prospectus	Any 4 4 x 1 = 4										
47	Limited Liability: <ul style="list-style-type: none"> ❖ The liability of the members of a company is generally limited to the value of shares. <ul style="list-style-type: none"> ○ When once the full value of the shares is paid up, there is no more liability for the 	2x2=4										

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	shareholders.	
48	<p>Minutes:</p> <ul style="list-style-type: none"> ❖ The term minutes refers to accurate official record of decisions taken at various company meetings. ❖ Every company must keep the minutes containing summary of all proceedings of general and Board meetings in books. ❖ Minutes should be brief and factual. 	2x2=4
49	<p>Proxy: A person Appointed to attend a meeting on behalf of a share holder is known as Proxy. It also means the instrument by which the proxy is authorized. Proxy can attend a meeting but he has no right to speak. A member can appoint more than one proxy.</p>	2x2=4
50	<p>Listing: The inclusion of the name of a company in the official trade list of a stock exchange is called 'listing'. Listing is now made compulsory for all public companies.</p>	2x2 =4
51	<p>Speculators: (Any two points relate to Speculators) The speculators buy securities with a hope to sell them at a profit, in future. They retain their securities for a short period.</p>	2x2=4
52	<p>One Man One Vote:</p> <ul style="list-style-type: none"> ❖ One man one vote principle is followed in "Co-operative Society". ❖ Every member has an equal vote irrespective of his capital contribution. Or ❖ Every member has only one vote irrespective of the number of shares held by him. ❖ The society is formed on the principle of democracy which means " One vote for one member". 	2x2=4
53	<p>Rochdale Pioneer:</p> <ul style="list-style-type: none"> ❖ ROBERT OWEN started the first ever co-operative movement in the year 1844 with 28 members called as ROCH DALE society of Equitable pioneers. ❖ It was a first consumer's cooperative society. ❖ The father of this movement was ROBERT OWEN. 	2x2 =4
54	According to Indian Companies Act 1956 , "Government Company means any company in which not less than 51% of the paid-up share capital is held by the Central Government or any other State Governments"	4 marks
55	<ul style="list-style-type: none"> ❖ The industries like defence, nuclear energy etc. cannot be left in the private sector. ❖ If defence industries are owned by private individuals / firm, in times of national emergency, they may not co-operate with the state. ❖ There is also the danger of defence secrets being given out to the enemy. So for the security of the country, defence Industries are always owned and managed by the state. ❖ Hence Defence industries is suitable for Departmental Enterprises. 	2x2=4

	PART – C	
	Answer any 5 Questions:	5x8=40
56	1. Joint Hindu family business system is found only in <u>India</u>	Any 8

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	<ol style="list-style-type: none"> 2. Joint Hindu Family comprises of father, mother, sons, daughters, grandsons and granddaughters. 3. These families have been engaged in occupations like <u>agriculture, handicrafts, small industries</u> etc. 4. The firm is owned by the members of the family who have <u>inherited their ancestral property</u>. 5. Their membership is conferred upon the members by virtue of their by birth in the family. 6. They do the business under the control of the head of the family. 7. <i>The head of the family is known as 'KARTA'.</i> 8. The members are called <u>Coparceners</u>. 9. It is regulated by the provisions of <u>Hindu Law</u>. 10. Since <u>1985, female members</u> of the family are also eligible to <u>get a share in the property</u> of the family. As per Hindu Succession Act. 11. According to 'mitakshara' Law only the male members in the family get the right of inheritance by birth. It is applied throughout India except Assam and West Bengal. 12. <i>Conclusion:</i> With the advent of Industrialisation the joint families are reduced to small families. As a result, this system is declining. 	Points 8x1=8
57	<p>Contents of Partnership Deed *(Write any 8 points)</p> <ol style="list-style-type: none"> 1. Name of the firm. 2. Date of agreement and principal place of business. 3. Names and addresses of all the partners. 4. Nature of the business. 5. Duration of the partnership. 6. Amount of capital contributed by each partner. 7. Amount of withdrawal of each partner. 8. Profit sharing ratio. 9. Salary payable to active partner or partners. 10. Interest on capital and interest on drawings. 11. Procedure for admission or retirement of partners. 12. Maintenance of books of accounts and their audit. 	8x1=8
58	<ol style="list-style-type: none"> 1. The shares to be issued at a discount must be of a <u>class already issued</u>. 2. It means a company cannot originally issue shares at a discount. 3. <u>Only subsequent issues</u> can be at a discount. 4. It must be authorised by an <u>ordinary resolution</u>. 5. It should be sanctioned by the <u>Central Government</u>. 6. The resolution must specify the maximum rate of discount at which the shares are to be issued. It should not exceed <u>10% of nominal value</u>. 7. However <u>higher percentage</u> of discount may be allowed by the <u>Central Government</u> under <u>special circumstances</u>. 8. At least <u>one year</u> should have elapsed since the company was entitled to commence business. 	8x1=8
59	<p>Memorandum of Association:</p> <p>❖ Memorandum of Association is a document define the <u>scope of a company's Activities</u>.</p>	2 marks

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	<p>(or)</p> <p>❖ It contains “ the fundamental conditions upon which alone the company is allowed to be incorporated.</p> <p>Contents: (With Explanation)</p> <p>1.Name Clause 2. Situation Clause 3.Object Clause 4.Liability Clause 5. Capital Clause 6. Association or Subscription Clause</p>	Any 4 points with explanation 4x1½=6						
60	<p>Special Resolution</p> <p>Special resolution is one which is required for transacting any special business. It has to be passed by a three-fourths majority.</p> <p>Some of the items requiring special resolution: (Any 4 points)</p> <ol style="list-style-type: none"> 1. Altering the objects clause of the memorandum. 2. Changing the place of the registered office from one State to another. 3. Altering the Articles of Association. 4. Reducing share capital. 5. Making loans to other companies under the same management. 6. Paying interest out of capital in certain cases. 7. Voluntary winding up of the company. 	4 marks 4x1=4						
61	<p>BOLT is the online trading system in use at the stock exchange, Mumbai since March 1995. Brokers send their quotes, orders, negotiated deals and in house deals from their offices to the Central Trading Engine (CTE) from their broker’s workstation.</p> <p>Strength of BOLT: (Any 4 points)</p> <ol style="list-style-type: none"> 1. Reduces or eliminates operational inefficiencies inherent in manual systems. 2. Increases the trading capacity of the stock exchange. 3. Improves transparency, eliminates unmatched trades. 4. No delay in reporting. 5. Smooth market operations using the latest technology. 6. Provides user information like scrip prices and indices. 7. Provides analytical data to the stock exchange. 	4 marks 4x1=4						
62	<p>Meaning:</p> <ul style="list-style-type: none"> ❖ Super Market refers to a type of large scale retailing. ❖ They are usually located only in cities and big towns. ❖ In India the first supermarket was started in New Delhi ❖ Super markets have a dominant provision section, <u>with more varieties</u>. <p>Features: (Any 6 points)</p> <ol style="list-style-type: none"> 1. It is a form of large scale retailing. *** 2. There is a wide variety of goods made available. *** 3. The system of self-service is used. 4. There is no need for sales men in self services section. 5. The layout is in the form of different departments. 6. Sales are on cash basis. *** 7. Goods are sold after cleaning and packing. 8. No adulteration is practiced. 9. Correct weight and measurement. 10. Scarce commodities are also supplied. 	2x1=2 6x1=6						
63	<p>Difference Between Private Sector and Public Sector:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Basis of Difference</th> <th style="width: 33%;">Public Sector</th> <th style="width: 33%;">Private Sector</th> </tr> </thead> <tbody> <tr> <td>1. Motive</td> <td>Service</td> <td>Profit</td> </tr> </tbody> </table>	Basis of Difference	Public Sector	Private Sector	1. Motive	Service	Profit	8x1=8
Basis of Difference	Public Sector	Private Sector						
1. Motive	Service	Profit						

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2. Goal	Twin Goal i) Economic Development ii) Economic Equality	Only Goal i) Maximise the Profits
3. Economic Power	Check Concentration (Reduces) In the hands of few	Leads to Concentration (Increases) In the hands of few Individuals.
4. Importance of Sector	Develop Sectors Neglected by Private Sector	Develop Sectors / Industries Which risk is less & Returns is more
5. National Wealth	Preserves National Wealth	Exploitation of natural Resources i.e. Forests, Mines etc.,
6. Financial Resources	Unlimited Resources Successful in mobilizing Savings Through Banks, Bonds etc	Limited Resources Not Successful in mobilizing Savings from foreign countries
7. Backward Area	Balanced Growth: Starts Industries in Backward area	Unbalanced Growth Do not Establish Industries in Backward area
8. Suitable type of Industry	Heavy, Basic, Defence Industries	Consumer Goods Industries Agriculture are in Private Sectors
9. Consumer Welfare	Consumer Welfare is protected Supply Goods and Services at Cheaper prices	Consumer is Exploited. Supply Goods and Services at Higher Prices
10. Unemployment Problem	Solves Unemployment Problem	Welfare of Employees is neglected Exploitation of Employees.
11. Management	Managed by Civil Servants. Lack Efficiency/Skill to Run Public Enterprises on Commercial Lines	Private Owners / Individuals have Technical Qualification and Experience is used for Effective Management

PART-D

Answer all questions with either or choice:

		4x20=80
64) A	Principles of Organisation: (Any 10) 1. Unity of objectives 2. Division of work 3. Span of control 4. Scalar principle 5. Unity of command 6. Functional definition 7. Unity of direction 8. Co-ordination 9. Delegation of authority 10. The principle of responsibility 11. Flexibility 12. Efficiency 13. Personal ability 14. Simplicity	Any 10 Points with explanations 10x2=20
64)	Departmental Enterprises	20 marks

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	II. Dissolution through Court (Sec.44) 5. <u>Partner's Insanity</u> : 6. <u>Permanent Incapacity</u> : 7. <u>Breach of Agreement</u> : 8. <u>Misconduct of a Partner</u> : 9. <u>Transfer of Share</u> : 10. <u>Continuous Loss</u> : 11. <u>Just and equitable grounds</u> :			on 10x2=20	
67) A	Sl. No.	Basis of Difference	Joint Stock Company	Co-operative Societies	Any 10 Differen ces 10x2=20
	1.	Meaning	Association of an Artificial person created by Law. Object of Making Profit.	Voluntary Association of the Weaker section or the people. Object of Rendering Services.	
	2.	Registration	As per Indian Companies Act of 1956	As per Co-operative Societies Act of a State Government	
	3.	Minimum Number of Members	Private Limited – 2; Public Limited – 7.	Minimum: 25 members As per the Taminadu co-operative societies Act 1983.	
	4.	Maximum Number of Members	Private Limited – 50 (exclusive of Present and Past employee-members) Public Limited – Un limited or limitless	Maximum: No limit or Unlimited members	
	5.	Local Membership	Different Parts of the Country Different Countries of the World	Members are Same Locality	
	6.	Object	Profit – Primary motto	Service – Primary motto	
	7.	Transfer of Shares	<u>Free</u> Transferable in Public Limited Company	<u>Restricted</u> Cannot Transfer of Shares	
	8.	Management	Board of Directors elected by <u>Shareholders</u>	Members entitled to participating in Management /Board of Directors	
	9.	Right to Vote	“one share one vote” principle	“one man one vote” principle	
	10.	Repayment of share capital	No-repayment during Life time of the company	Surrender the shares - Get back the Share capital- Canceling the Membership	
	11.	Feeling of Self-interest	Competition remain present	“Each for all and all for each” – Guiding principle	
	12.	Importance	Money is more important than Man	Man is more important than Money	
	13.	Exploitation	Capitalistic- Exploit the Public	Protect the members from Exploiting	
	14.	Facilities	No concession provide by Government	Get concession like Exemption from Income tax, Stamp duties and Registration Fees.	
	15.	Value of Shares	Sell shares at Par, at Premium or at Discount.	Offered only at Par.	
67 B)	Difference between Private Limited Company and Public limited Company:				

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Sl. No.	Basis of Difference	Private Limited Company	Public Limited Company	Any 10 differences 10x2=20
1.	Number of Members	Minimum – 2 Maximum – 50 exclusively present and past employees	Minimum -7 Maximum – unlimited members	
2.	Name	End with the word “Private Limited “	End with the word “Limited”	
3.	Articles of Association	Own- Articles of Association with the Registrar	Own Articles or Model set of Articles – Table-A of the Companies Act	
4.	Minimum Subscription	Does not arise – Shares are not issue to public	Minimum Subscription Specified in Prospectus – 90 % of Issued Shares	
5.	Allotment of Shares	Do not apply	Minimum Subscription – allotting Existing shareholders first.	
6.	Directors	At least -2 directors Maximum one person (director) can act as unlimited companies Need not retire by rotation	At least – 3 directors Maximum one person can act as 15 companies at a time –as Director. Retire by rotation.	
7.	Statutory Meeting	Not necessary	Must hold within 6 months – commencement of business	
8.	Qualification Shares	Not Acquire - Qualification shares of Director	Acquire Qualification shares of Director must.	
9.	Quorum	Minimum numbers – 2	Minimum numbers – 5	
10.	Managerial Remuneration	No limit	Overall remuneration not exceed - 11% of the net profits.	
11.	Written Consent	No need for the list first directors	Directors list – of written consent – with the Registrar of companies.	
12.	Commencement of business	Start business – Certificate of incorporation	Start business – Received -After the Certificate of Commencement of business.	
13.	Issue of Prospectus	Prohibited issue of Prospectus	Can issue Prospectus to public.	
14.	Transfer of Shares	Restriction of Transfer of Shares	Freely transferable	
15.	Issue of subsequent shares	Rights issue not arise	First Existing share holders.	
16.	Issue of shares and warrants	Cannot issue Share warrants	Can issue Share warrants	



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