

QB365 Question Bank Software Study Materials

Cooperative Organisation Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

11th Standard

Commerce

Total Marks : 75

2 Marks

10 x 2 = 20

1) What do you mean by Co-operative organization?

Answer : A cooperative is a form of business organisation that is owned and controlled by the people who use its products, supplies or services. Although cooperatives vary in type and membership size, all were formed to meet the specific objectives of members, and are structured to adapt to member's changing needs.

2) Define Cooperatives.

Answer : According to Sir Horace Plunkett, Co-operation is "better farming, better business and better living".

3) What is Credit Cooperatives?

Answer : Cooperative credit societies are societies formed for providing short-term financial help to their members. Agriculturists, artisans, industrial workers, salaried employees, etc., form these credit societies.

4) Who are Rochadale Pioneers?

Answer : The cooperative movement was started by Robert Owen, in the year 1844. He formed a consumer's cooperative society in England with 28 workers as members, called "Rochadale Society of Equitable Pioneers".

5) Is low taxes possible in Cooperative Society?

Answer : i. Yes, Possible.
ii. Government provides various exemptions and tax concessions.

6) Give Four Examples of Co-operative Society.

Answer : (i) Indian Coffee House
(ii) Mother Diary
(iii) Indian Farmers Fertilizers Co-operative Limited.
(iv) The Indian Airlines (Cargo) C.G.H.S. Ltd.

7) What is agricultural credit society?

Answer : Agricultural credit society is the credit society, organised mostly by agriculturists of a village. The societies provide loans to its members for various productive and unproductive purposes relating to agriculture. Agriculture credit societies are also called rural credit societies or primary societies.

8) What is the non-agricultural, non-credit society? .

Answer : Non-agricultural non-credit societies are formed in order to assist the middle and lower income groups of people. Their main aim is for rendering different types of service to their members at nominal rates of interest.

The different types are:

(i) Consumer's co-operatives,
(ii) Manufacturer's co-operatives,
(iii) Housing co-operatives and
(iv) Co-operative warehouses.

9) What is the meaning of co-operation?

Answer : The word co-operation is derived from the Latin word 'Co-operation' meaning 'to work with'. So co-operation means working together with others for a common purpose.

10) Define co-operation according to Co-operative Societies Act.

Answer : The Indian Co-operative Societies Act 1912 defines a co-operative enterprise as "A society which has its objectives for promotion of the interests of its members in accordance with the principles of co-operation."

3 Marks

10 x 3 = 30

11) What are the disadvantages of Co-operatives? (Any 3)

Answer : Benefit to rural rich:

Co-operatives, have benefited the rural rich and not the rural poor.

Inadequate rural credit:

Co-operative societies give loans only for productive purposes and not for personal or family expenses.

Lack of managerial skills:

Co-operative societies are managed by the managing committee elected by its members. The members of the managing committee may not have the required qualification, skill or experience.

12) Write a note on Housing Cooperatives.

Answer : (i) These co-operative housing societies are meant to provide residential accommodation to their members on ownership basis or on rent.

(ii) People who intend to build houses of their own join together and form housing societies.

13) What is meant by Producers Cooperative Society?

Answer : (i) Producer co-operatives are established and operated by producers.

(ii) Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.

14) Write a note on industrial Co-operatives.

Answer : Industrial cooperatives are formed by industrialists. They can decide to work together to increase marketing possibilities. This helps to protect themselves and solve their problems. Examples : Matchbox factories, chemical industries and crackers industries.

15) Write a note on Rural Credit.

Answer : (i) Co-operative societies have contributed significantly in freeing villagers from money lenders.

(ii) Earlier, money lenders used to charge high rates of interest and the earnings of the villagers were spent on payment on interest alone.

(iii) Co-operatives provide loans at cheaper interest rates and have benefited the rural community.

16) Write a note on Tamil Nadu warehousing Corporation (TNWC):

Answer : It was established in 1959. The available storage capacity of TNWC is 6.83 Lakh MT with 7 Regional offices and 256 Godowns across the state. It is one of the biggest public warehouses operating in the state, offering logistic services to a diverse group of clients.

17) What are all the value added services rendered by the warehouses?

Answer : Warehouses also provide certain value added services, such as in transit mixing, grading, packaging, and labelling. Sometimes goods are repacked and labelled again at the time of inspection by prospective buyers.

18) Describe the features of co-operatives?

Answer : The features of co-operative societies are:

Voluntary Membership:

Any person can become the member of the society and can leave it any time.

Equal Rights:

Each member of the society has an equal right to vote and ownership. Each shareholder has one vote.

Democracy:

The principle of democracy is adopted while making the decisions. The decision of the majority is honored.

Honesty:

It is the basic principle of this society. Its members should be honest. Selfish people can not run the business of cooperative society.

Mutual Confidence:

The foundation of Cooperative society is laid on mutual confidence. Members of the society should trust each other and work like a team.

Welfare Main Objective:

Its main objective is to provide goods and services to its members at lower price.

Cash Payment:

Credit term is prohibited and goods are supplied to its members on cash payment.

Economy:

The member of the society should act upon the principle of economy. They should not misuse capital of the society and always keep in view best interest of the society.

Distribution of Profit:

The profit can be distributed among the members according the cooperative act. One fourth (1/4)of the profit can be kept in reserve. Then (10%) of the profit can be used for providing facilities to the members.

Self Service:

All the business activities are conducted by the members themselves. All are the owner and all are the consumers. So self service rule is employed in the organisation.

19) How co- operative provide rural credit?

- Answer :**
1. Co-operatives have benefited the rural rich and not the rural poor.
 2. The rich people elect themselves to the managing committee and manage the affairs of the co-operatives for their own benefit.
 3. The agricultural produce of the small farmers is just sufficient to fulfill the needs of their family.

20) Write note on consumer co-operatives.

- Answer :**
- i. Consumer cooperatives are organized by consumers that want to achieve better prices or quality in the goods or services they purchase.
 - ii. In contrast to traditional retail stores or service providers, a consumer cooperative exists to deliver goods or services rather than to maximize profit from selling those goods or services.

5 Marks

5 x 5 = 25

21) What are the Principles of Cooperatives? (Any 5)

Answer : 1. Voluntary and Open Membership:

Co-operatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control:

Co-operatives are democratic organizations controlled by their members-those who buy the goods or use the services of the co-operative-who actively participate in setting policies and making decisions.

3. Member's Economic Participation:

Members contribute equally to, and democratically control, the capital of the co-operative. This benefits member in proportion to the business they conduct with the co-operative rather than on the capital invested.

4. Autonomy and Independence:

Co-operatives are autonomous, self-help organizations controlled by their members. If the co-operative organisation enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

5. Education, Training, and Information:

Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operative. Members also inform the general public about the nature and benefits of co-operatives.

22) What are the advantages of Cooperative Society? (any 5)

Answer : Advantages :

The following are some of the important advantages of co-operative societies.

a) Voluntary organization :

1. The membership of a co-operative society is open to all. Any person With common interest can become a member.
2. The membership fee is kept low so that everyone would be able to join and benefit from cooperative societies.
3. At the same time, any member who wants to leave the society is free to do so. There are no entry or exit barriers.

b) Easy formation:

1. Cooperatives can be formed much easily when compared to a company.
2. Any 25 members who have attained majority can join together for forming a cooperative society by observing simple legal formalities.

c) Democracy:

1. A co-operative society is run on the principle of "one man one vote".
2. It implies that all members have equal rights in managing the affairs of the enterprise.
3. Members with money power cannot dominate the management by buying majority shares.

d) Equal distribution of surplus:

1. The surplus generated by the cooperative societies is distributed in an equitable manner among members.
2. Therefore all the members of the cooperative society are benefited.
3. Further the society is also benefited because a sum not exceeding 10 per cent of the surplus can be utilized for promoting the welfare of the locality in which the cooperative is located.

e) Limited liability:

1. The liability of the members in a cooperative society is limited to the extent of their capital contribution.
2. They cannot be personally held liable for the debts of the society.

f) Separate Legal entity:

1. A cooperative society enjoys separate legal entity which is distinct from its members.
2. Therefore its continuance is in no way affected by the death, insanity or insolvency of its members. It enjoys perpetual existence.

23) What are the types of Cooperative Society? (any 5)

Answer : Consumers Cooperative:

Consumer cooperatives are organized by consumers that want to achieve better prices or quality in the goods or services they purchase.

Producers Cooperative:

Producer cooperatives are established and operated by producers. Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.

Marketing Cooperative:

Cooperative marketing societies are associations of small producers formed for the purpose of marketing their produce.

Credit Cooperative:

Cooperative credit societies are societies formed for providing short-term financial help to their members.

Housing Cooperative:

These cooperative housing societies are meant to provide residential accommodation to their members on ownership basis or on rent.

Coopeative Farming Societies:

When various farmers in a village pool their land together and agree to treat the pooled piece of land as one big farm for the purpose of cultivation, purchase the necessary inputs for the cultivation, and market the crops jointly, they are assumed to have formed a cooperative farming society. Such a society, for its proper working elects its office bearers on the basis of one member-one-vote.

- 24) Briefly explain the method of Warehousing in India:

Answer : India is an agrarian country but the importance of warehousing was not felt till 1950. Agriculture contributes 16 percent of the overall GDP and accounts for employment of approximately 52 percent of the Indian population. It is estimated that more than 40 percent of our agricultural productions wasted due to poor storage facilities. On the recommendation of the All India Rural Credit Survey Committee, the Agricultural Produce(Development and Warehousing) Corporation Act enacted in 1956 authorized the Government to setup National Co-operative Development and Warehousing Board to develop agricultural Co-operatives and warehousing.

- 25) What are all the documents used in the process of warehousing?

Answer : The following are used in connection with the warehousing:

Warehouse Warrants:

It is a document issued in favour of the owner or depositor of goods by the warehouse keeper. This is a document of title of goods and can be transferred by simple endorsement and delivery To transfer all the goods the warehouse warrant is sufficient. If only a part of the goods are to be transferred then delivery order is needed. The delivery order is to be accompanied by the warehouse warrant.

Warehouse Keeper's Receipt:

It is a document issued by the warehouse keeper, which acknowledges the receipt of goods from the depositor of goods. It also shows the existence of an agreement to keep the goods in the warehouse subject to certain conditions. This is not a document of title of goods and is not transferable.

Dock Warrant:

Dock is a place in the harbor where the goods are kept for loading into the ship. Dock warrant is a document of title of goods issued by dock authorities. This document certifies that the dock authorities hold the goods. To take delivery of the goods this certificate should be given back to dock authorities. The right of getting delivery of goods can be assigned to third parties too.

Dock Receipt:

Dock receipt is an acknowledgement of receipt of goods issued by dock authorities to the owner of the goods. It is not a document of title of goods. Therefore, the right of taking of delivery of goods cannot be transferred.

Delivery Order:

This is a document through which the depositor directs the warehouse keeper to deliver the specified goods either to the party mentioned in the document or to the bearer. The warehouse keeper delivers the goods as per the instruction. Transfer of ownership takes place through this document.