

QB365 Question Bank Software Study Materials

Historical Background of Commerce in The Sub-Continent 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 is meant by Barter System?

Answer : Barter system refers to a system where "Goods were exchanged for goods prior to invention of money".

2) What is meant by Nallangadi?

Answer : Day market was called as Nalangadi.

3) What is meant by Allangadi?

Answer : The night market was called as Allangadi.

4) What is hindrance of finance?

Answer : (i) Producers and traders may not have the required funds at the time of their need.

(ii) The problem of finance affects the producer, trader and the consumer.

(iii) This Hindrance is known as Hindrance of Finance.

5) List out the Important Hindrance of Business.

Answer : (i) Hindrance of Person

(ii) Hindrance of Place

(iii) Hindrance of Time

(iv) Hindrance of Finance

(v) Hindrance of Knowledge

6) What are all the supports of trade network in Pandiya Country?

Answer : The Hebrew and Latin literature, archaeological remains in Aden, Alexandria, Java, Sumatra and even China adds support to the trade network in Pandiya Country.

7) What is cashless system?

Answer : Commerce activities are heading for a cashless system through e-commerce which means business activities enabled through electronic modes like Online trading, Mobile banking and e-marketing.

8) What was advocated by Kautilya?

Answer : Kautilya advocated maintenance of perfect balance between State management and people's welfare through trading activities.

9) What is hindrance of person?

Answer : 1. Manufacturers do not know the place and face of the consumers. It is the retailer who knows the taste, preference and location of the consumers.

2. The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the producers and consumers.

10) What are the business activities?

Answer : 1. Banking

2. Transport

3. Warehousing

- 4. Insurance
- 5. Advertising

3 Marks

10 x 3 = 30

11) Explain the meaning of the term "Vanigam".

Answer : (i) The word "vaniyam" or "Vanipam" would have had a Dravidian origin.
(ii) The early Tamils produced their products and goods in their lands and bartered their surplus and that is how trade came into existence.
(iii) The word "Vanigam" has been widely used in sangam literature like Purananuru and Thirukkural.

12) State the meaning of Maruvurapakkam and Pattinapakkam.

Answer : Big cities like Poompuhar had two towns called 'Maruvurappakam' (inland town) and Pattinapakkam (Coastal town) had market and bazaars where many merchants met one another for the purpose of selling or buying different kinds of commodities and food stuff.

13) What are the ports developed by Pandiya Kingdom?

Answer : Port towns like Tondi, Korkai, Puhar and Muziri were developed by Pandiya kingdom.

14) Write a short note on "Angadi".

Answer : The place where the goods were sold was called "Angadi". Day market was called as Nalangadi while the night market was called as Allangadi according to St. Poet Ilango Silapathigaram, Madurai-Kanchi.

15) What are all the conditions under Barter System worked on?

Answer : 1. Each party to barter must have surplus stocks for the trade to take place.
2. Both buyers and sellers should require the goods of each other desperately i.e., double coincidence of wants.
3. Buyer and Seller should meet personally to effect the exchange.

16) What is the course of commerce activities in today's technology driven society?

Answer : In a technology driven society today again the course of commerce activities is heading for a cashless system through e-commerce which means business activities enabled through electronic modes like Online trading, Mobile banking and e-marketing.

17) How was the trade and traders in the Pandya Dynasty?

Answer : Trade and commerce was so common to Pandya Dynasty. Information collected from the diaries of foreign travellers, voyagers, mariners and adventurers of the ancient world highlighted the prosperity of trade in the Pandya country. The Hebrew and Latin literature, Archaeological remains in Aden, Alexandria, Java, Sumatra, and even China add support to the fact of existence of trade network in the Pandya country. Trade in copper, cloth, salt, flower, sandalwood, fish, paddy, cereals, pearls, etc., flourished during their period.

18) What are the important Ancient Trade centres in Tamil Nadu?

Answer : The important Ancient Trade centres in Tamil Nadu are:

- (i) Alagankulam (Ramanathapuram),
- (ii) Mylarphan (Mylapore, near Chennai),
- (iii) Keberis (Kaveripumpattinam),
- (iv) Poduke or Podge (Arikamedu, Puducherry),
- (v) Soptana (Marakanam),
- (vi) Nikam (Nagapattinam),
- (vii) Periyapattinam, .
- (viii) Kayalpattinam,
- (ix) Colchi (Korkai),
- (x) Comari (Kanyakumari).

19) What are the conditions under which barter system work?

Answer : The conditions under which barter system work are:

- (i) Each person should have surplus stock. Only then he can exchange it with another person's surplus stock.
- (ii) For the exchange of goods face to face meeting is essential.
- (iii) The needs of both parties should coincide. Each party should be willing to take other parties offering otherwise exchange will not take place.

Eg. If Murugan has surplus rice and Ganesh has surplus wheat. Unless Murugan is willing to exchange rice for wheat, bargain will not take place.

20) What was focused in Arthasasthra about trade?

- Answer :**
1. Kautilya's Arthasasthra describes trade in Medieval India was centralized.
 2. Since the commodities produced could not be sold in the location of production, the state designated certain places for selling the commodities.
 3. It levied duties on goods brought into the city and could be sold after payment of duty.
 4. Import of foreign goods was encouraged to enhance the standard of living of people.

5 Marks

5 x 5 = 25

21) What are the hindrances of commerce?

Answer : The passage of goods and services between the producer and the consumer is best with many hindrances and some of them are as follows:

Hindrance of person:

1. Manufacturers do not know the place and face of the consumers.
2. It is the retailer who knows the taste, preference and location of the consumers.
3. The chain of middlemen consisting of wholesalers, agents and retailers establish the link between the producers and consumers.

Hindrance of place:

1. Production takes place in one centre and consumers are spread throughout the country and world.
2. Rail, air, sea and land transports bring the products to the place of consumer.

Hindrance of time:

1. Consumers want products whenever they have money, time and willingness to buy.
2. Goods are produced in anticipation of such demands.
3. They are stored in warehouses in different regional centres so that they can be distributed at the right time to the consumers.

Hindrance of risk of deterioration in quality:

1. Proper packaging and modern air conditioned storage houses ensure that there is no deterioration in quality of products.
2. Goods are protected against insects, rats, evaporation etc..

Hindrance of risk of loss:

1. Fire, theft, floods and accidents may bring huge loss to the business.
2. Insurance companies serve to cover the risk of such losses.

Hindrance of knowledge:

Advertising and communication help in announcing the arrival of new products and their uses to the people.

Hindrance of exchange:

Money functions as a medium of exchange and enable the buying and selling of any product or service by payment of the right price.

Hindrance of finance:

1. Producers and traders may not have the required funds at the time of their need.
2. Banks and other financial institutions provide funds and help in transfer of funds to enable the functioning of business smoothly.

Hindrance of developing the exact product:

Research and development helps in developing the exact product or service which can satisfy the specific wants of consumers and thus improve the standard of living of the people.

Hindrance of both selection and delivery at doorsteps:

E-Commerce enables the consumer to select the product in the website, place online orders and make payment after receiving the product at the door step.

22) State the demerits in barter system.

Answer : The barter system envisages mutual exchange of one's goods to other without the intervention of money as a medium of exchange. It imposes certain constraints in the smooth flow of trade as explained below.

Lack of Double Coincidence of Wants:

Unless two persons who have surplus have the demand for the goods possessed by each other, barter could not materialize. For instance 'A' is having a surplus of groundnut and 'B' is possessing rice in surplus. In this case A should be in need of rice possessed by B as the latter should desperately need groundnut possessed by A. If this "coincidence of wants" does not exist, Barter cannot take place.

Non - Existence of Common Measure of Value:

Barter system could not determine the value of commodities to be exchanged as they lacked commonly acceptable measures to evaluate each and every commodity. It was difficult to compare the values of all articles in the absence of an acceptable medium of exchange.

Lack of Direct Contact between Producer and Consumers:

It was not possible for buyers and sellers to meet face to face in many contexts for exchanging the commodities for commodities. This hindered the process of barter in all practical sense.

Lack of Surplus Stock:

Absence of surplus stock was one of the impediments in barter system. If the buyers and sellers do not have surplus then no barter was possible.

23) Briefly explain the Coastal trade in ancient Tamil Nadu.

Answer : Coastal Trade in Ancient Tamil Nadu:

1. Big cities like Poompuhar had the 'Maruvurappakam' (inland town) and 'Pattinapakkam' (coastal Town) had market and bazaars where many merchants met one another for the purpose of selling or buying different kinds of commodities and food stuff.
2. Port towns like Tondi, Korkai, Puhar and Muziri were always seen as busy with marts and markets with activities related to imports and exports.
3. In such a brisk trade, people of the coastal region, engaged themselves in coastal trade and developed their intercontinental trade contacts.
4. They were engaged in different kinds of fishing pearls, and conches and produced salts and built ships.
5. Boats like 'Padagu', 'Thimil', 'Thoni', 'Ambu' 'Odampunai', etc... were used to cross rivers for domestic trade while Kalam, Marakalam, Vangam, Navai, etc.. were used for crossing oceans for foreign trade.

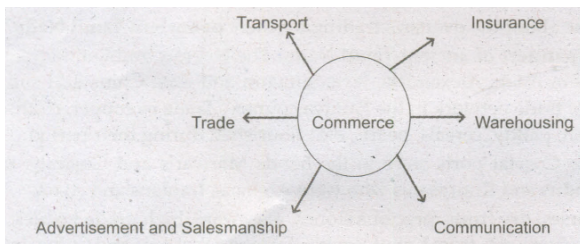
24) What do you know about the overseas trading partners of ancient Tamil nadu?

- Answer :**
1. Roman and Greek traders frequented the ancient Tamil country and forged trade relationship with ancient kings of Pandiya, Chola and Chera dynasties.
 2. Cholas had a strong trading relationship with Chinese Song Dynasty.
 3. The Cholas conquered the Sri Vijaya Empire of Indonesia and Malaysia to secure a sea trading route to China.
 4. During the 16th and 18th centuries, India's overseas trade expanded due to trading with European companies.
 5. The discovery of new all-sea routes from Europe to India via Cape of Good Hope by Vasco da Gama had far-reaching impact on the civilized world.
 6. The arrival of Portuguese in India was followed by the advent of other European communities
 7. India's maritime trade was a monopolized one over Europeans and at one stage the global trade share of India was 55 percent which is just 2 percent in 21st century.
 8. The European merchants who came to India were not only individual merchants but also represented their respective governments.
 9. They gained a strong foothold in India's maritime trade by virtue of their strong naval power.
 10. In course of time their commercial motives turned into territorial ambition like the East India Company which became the British Empire here.
 11. Textiles and ship building earned name and fame in the 17th and 18th centuries.
 12. Britishers gradually abolished Princely order in the Indian territories.
 13. Thus the demand for Indian goods declined during the British rule.
 14. Britishers put in place policies prohibiting the export of some of the popular goods like Indian textile goods, handicrafts to Great Britain.
 15. Between early 1600 and mid-19th century, the British East India company led establishment and expansion of foreign trade all over Asia.
 16. Although initial interest of the East India Company was aimed at reaping profits, their single minded focus on establishing a trade monopoly throughout Asia Pacific made them heralding agent of British Colonial Imperialism.

25) Explain the branches of commerce.

Answer : Commerce is concerned with buying and selling of goods and services in the course of exchange. It also facilitates its smooth flow from producer to consumers.

Commerce is integrated by its branches as shown below:



(i) Trade:

It removes hindrance of person. It deals with buying and selling of goods and services with profit motive. Through wholesalers, retailers and mercantile agents goods reach to the final consumer. Ownership and possession of goods must pass on from the producers to the ultimate consumers. Then only consumer can enjoy these goods. This is made possible by the organisation of trade .

(ii) Transport:

It removes place hindrance. Goods may be produced at places where they are in less demand. These goods are to be taken to the place of consumption with the help of transport facilities we can create 'place utility' in goods. The various modes of transport are road, rail, sea, air, etc.,

(iii) Warehousing:

It removes hindrance of time. Many goods, such as cotton jute, food' grains, sugar, etc., are produced during particular seasons of the year. But they are needed throughout the year. To make these goods available throughout the year arrangement must be made for their proper storage. This is called warehousing.

(iv) Banking:

It removes finance hindrance. There is always a time-gap between the time of production and consumption. During this period of time-gap, traders need funds to carry on their trade. These funds are made available by commercial banks .and other financial institutions.

(v) Advertisement and Salesmanship:

It removes knowledge hindrance. The consumers may not be aware of the availability of various goods in the market. The absence of information is a great hindrance for buying them. The producer will also like to have more consumers. Advertisement and salesmanship help in informing the consumers about the availability and usefulness of various products in the market. T.V, Radio, Internet, etc., help in increasing awareness.

(vi) Insurance:

It removes risk hindrance. There is a risk involved in transporting goods from one place to another. This can be a risk of fire or theft. The fear of loss of goods causes an obstacle in the development of trade. The insurance companies provide the coverage for all types of goods.

(vii) Communication:

The buyers and sellers need the services of various agencies for communicating their messages among themselves. The producer informs their customers about the production of goods. The intending buyers send orders to producers for the supply of goods. The services of post office, private courier services, fax, telephones, cell-phones, etc., are utilised for communication purpose.