

BANKING CHAPTER QUESTION AND ANSWERS

Section - A

One mark questions (Answers in a sentence each)

- 1. State any one importance of Banking system.**
Banking system offers many facilities to the people like Core banking, Electronic Fund Transfer, Tele-banking, Anywhere banking, Mobile banking etc.
- 2. State any one function of a Bank.**
Bank accepts deposits from the public for the purpose of lending or investments.
- 3. Why are pay-in-slips used in Banks ?**
Pay-in-slips are used to deposit cash or cheques into the Bank account of the account holder.
- 4. Mention any one need of Bank.**
Bank is needed to transfer funds from place to place by means of Bank drafts and cheques.
- 5. Name any one type of Bank account.**
Savings Bank account.
- 6. Mention any one use of Core-Banking.**
Core banking is useful to conduct banking business any where and at any time.
- 7. Give any one advantages of Tele Banking.**
Tele banking is useful to get information about Bank balance available.
- 8. State any one facility under Anywhere Banking.**
Anywhere banking facilitates to operate customers account from any branches of the bank at any place and at any time.
- 9. State any one services of Mobile Banking.**
Mobile banking helps for easy transfer of funds from one branch to another branch within no time.
- 10. Give a difference between Current account and Savings Bank account.**
Bank provides no interest to Current account holders.
Bank provides 3% to 4% interest to Savings bank a/c holders.
- 11. State a difference between Current account and Fixed Deposit account.**
Bank provides Overdraft facility to the Current account holders.
Bank does not provide such overdraft facility to the Fixed Deposit account holders.
- 12. Mention a difference between Savings Bank account and Fixed Deposit account**
S.B account is suitable for low and middle income group of people.
F.D. account is suitable for wealthy people and small investors.
- 13. Expand EFT.**
Electronic Fund Transfer.
- 14. Give expansion form of SMS.**
Short Messaging Services.
- 15. Expand ATM.**
Automated Teller Machine.

Section - B

Two marks questions (Answer in not more than two sentences each)

- 1. Give the meaning of Banking.**

The Indian Banking Regulation Act of 1949 defines Banking as “Accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise.”

Banking refers to performing several activities such as collection of cheques, drafts and bills, remittance of funds, acceptance of safe custody deposits which are known as subsidiary services.

2. What do you mean by Bank ?

“Bank is a financial institution which accepts deposits from public for the purpose of lending or investments and provides various utility services to the customers as well as to the public.”

3. State any two point of importance of bank.

1. **Provides safety and Security** :- Banks provides complete safety and security to the amount deposited by the depositors. The depositors may be free from the fear of theft and robbery of their money.
2. **Provide interest and promote saving habits** :-Banks provides higher and attractive rate of interest on the deposits and there by promotes the saving habits of the people.

4. What is Tele Banking ?

Tele banking is one of the popular technological developments in banking system. Tele-banking refers to telephone banking under which a number of banking services or facilities offered by bank to the customers by using telephone.

5. What is Overdraft ?

Overdraft is a type of facility offered by bank to the Current account holders. Under this facility current a/c holder is allowed to withdraw over and above of his deposits in his account. It is a temporary arrangement to the current account holders.

6. What is EFT ?

EFT is a scheme introduce by RBI as per the recommendations of SHARE Committee. EFT is a system by which money can be transfer from one account to another account at any time from any where electronically. The use of pay-in-slips, cheques and drafts are converted into electronic form and there by amount can easily be either debited or credited to the customer account within no time.

7. What is Core banking ?

Core banking is one of the technological developments in banking system. Core banking is type of banking in which a person who opens a bank account in a branch of a bank, will become a customer not only of that branch, but he becomes a customer of all branches of bank and can conduct banking transactions anywhere and at anytime. Thus he can deposit and withdraw cash from any where with the branches of same bank.

8. What is Anywhere banking ?

It is one of the banking facilities extended under core banking system. Under this facility, a bank customer can operate his account from any branches of the bank at any place and at any time. It is considered as 24x7 services. In this system customer can operate his a/c from any branches of the bank in one city (inter-city) between different cities (intra-city). It includes Tele-banking, Mobile banking, ATM, etc.

9. What do you mean by Mobile Banking ?

Mobile banking is a latest development in banking service. Mobile banking is a type of banking facility under which a customer can conduct banking transactions with his bank by using his mobile phone. Mobile banking works through SMS (Short Messaging Service) technology. Mobile banking works through a set of text messages appears on the mobile phone screen.

- 10. State any two features of Core banking.**
1. Under core banking system a customer will be remain as a bank's customer rather than a branch customer.
 2. In this system a customer can transact banking business anywhere and at any time.
- 11. Write any two types of Bank account.**
1. Savings Bank account
 2. Current account
- 12. Give the meaning of Current account.**
- Current account is a type Demand Deposit Bank account opened with the object of operating business Bank transactions continuously. Usually, this type of account is opened by Business people so as to conduct their transactions smoothly.
- 13. Give the meaning of Savings bank account.**
- Savings Bank account is kind of demand deposit Bank account opened with the object of saving the money out of the earnings of the people. Usually, this type of account is opened by students, salaried people, agriculturists, lower and middle income groups.
- 14. Give the meaning of Fixed deposit account.**
- Fixed deposit account is a type of term deposit bank account opened with the object of investing money on bank deposits at higher rate of interest. Usually, this type of account is opened by wealthy people and small investors who want safety for their investments.
- 15. Give the meaning of Recurring deposit account.**
- Recurring deposit a/c is a type of term deposit bank account in which deposits are made every month regularly and withdrawn at the end of some period. In this account, account holder deposits fixed amount every month and withdrew entire amount in lump sum at the end of certain period.
- 16. State any two features of Savings Bank account.**
1. **Low interest rate** :- Banks provide lower interest rate on this type account. Usually, the interest rate ranging from 3% to 4% and it may vary from Bank to Bank.
 2. **Deposits and withdrawals** : Pay-in-slips are used to deposit money or cheques into the bank. Similarly, cheques or debit card are used to withdraw money from the bank.
- 17. State any two features of Current account.**
1. **No interest** : Bank do not provide any interest to this type of account. Instead of providing interest, Bank collects some charges to these account holders for providing various services.
 2. **Deposits and withdrawals** : Pay-in-slips are used to deposit money or cheques into the bank. Similarly, cheques or debit card are used to withdraw money from the bank.
- 18. State any two features of Fixed deposit account.**
1. **High interest rate** : This type of account carries high rate of interest ranging from 4% to 10%. The longer the period of deposits, the higher the rate of interest is the basic principle to provide interest.
 2. **Deposits and withdrawals** : One time deposit and one time withdrawal is rule of this type of a/c. Deposits are made into bank by using pay-in-slips and withdrawals are made after certain period by producing fixed deposit receipts.
- 19. State any two features of Recurring deposit account.**
1. **Interest rate** : RD account carry higher rate of interest than SB account but lower than Fixed Deposit account
 2. **Deposits and withdrawals** : Deposits are made regularly every monthly and a fixed amount is given to the customers in lump sum at the end of certain period along with interest.

20. Write any two differences between S.B. account and Current account.

Point of Difference	Current account	Savings Bank account
1. Interest rate	Bank provide no interest to Current account	Bank provide interest to Savings Bank account
2. Suitability	Current account is suitable for business people who conducts large no. of bank transactions	Savings Bank a/c is suitable for low and middle income group who want to save money out of their earnings.

21. State any two differences between Current a/c and F.D. a/c.

Point of Difference	Current account	Fixed Deposit account
1. Interest rate	Bank provide no interest to this type of account	Bank provide higher rate of interest to this type of account
2. Suitability	Current account is suitable for business people who conduct large no. bank transactions	F.D. account is suitable for wealthy people and small investors who want safety for their investments.

22. State any two differences between S.B. account and F.D. account

Point of Difference	S.B. account	Fixed Deposit account
1. Interest rate	Bank provide lower rate of interest to Savings Bank account	Bank provide higher rate of interest to Fixed deposit account
2. Suitability	S.B. a/c is suitable for low and middle income group who want to save money out of their earnings	F.D. a/c is suitable for wealthy people and small investors who want safety for their investments

23. State any two features of Electronic Fund Transfer.

- EFT scheme provides facility for quick transfer of funds from one bank branch to another bank branch both inter-city (from one city to another) and intra-city (within a city).
- Under this system depositor and receiver of funds may be different branch customers.

24. State any two advantages of Tele Banking.

- Tele banking saves precious time of customers and bankers.
- It is useful to urban customers who have problems like transport bottleneck, traffic jam, lack of time etc.

25. Mention any two facilities under Anywhere banking.

Facilities offered under anywhere banking :

- Account balance enquires .
- Cash deposits.
- Cash withdrawals
- Enquires about debits and credits.

26. Give two services of Mobile banking.

- National and International transfer of funds** :- Mobile banking facilitates easy transfer of funds from one branch to any other branches of the bank.
- Request for cheque books** :- A customer can send request to bank for obtaining cheque book.

Section – C

5 Marks questions (Answer in not more than 15 lines each)

1. Write any five features of Savings Bank Account.

Features of Savings Bank account

1. **Low interest rate** :- Banks provide lower interest rate on this type a/c. Usually the interest rate ranging from 3% to 4% and it may vary from Bank to Bank.
2. **Deposits and withdrawals** : Pay-in-slips are used to deposit money or cheques into the bank. Similarly, cheques or debit card are used to withdraw money from the bank.
3. **Who can open the a/c ?**: Any person including minor can open this type of account by depositing minimum amount. Nowadays, we can open this type of account with zero balance so as to enjoy banking facility. As such, you students can also open this type of a/c to get your scholarship amount.
4. **Restrictions** : Bank imposes no restriction on amount of deposits. But there are restrictions on number of withdrawals on the amount to be withdrawn in a day.
5. **Pay-in-slips, Cheque books & Pass book** :- Bank gives pay-in-slips for deposit of money into bank, cheque book for withdrawal and payments from banks and pass book which gives details about deposits, withdrawals and available balance. Now a days Bank provide ATM card for the withdrawal of money.

2. Write any five features of Current Account.

Features of Current account

1. **No interest** : Bank do not provide any interest to this type of account. Instead of providing interest, Bank collects some charges to these account holders for providing various services.
2. **Deposits and withdrawals** : Pay-in-slips are used to deposit money or cheques into the bank. Similarly, cheques or debit card are used to withdraw money from the bank.
3. **Who can open the a/c ?**: Generally these type of account opened by such persons who want to conduct transactions continuously. For ex: Business people, Companies, Government etc.
4. **Restrictions** : Bank imposes no restriction on the number of deposits and number of withdrawals in a day.
5. **Overdraft facility** : Bank provide overdraft facility to this type of account under which account holder is allowed to withdraw over and above his deposit in the account.
6. **Pay-in-slips, Cheque books & Pass sheets** :- Bank gives pay-in-slips for deposit of money into bank, cheque book for withdrawal and payments to third parties and pass sheets which gives details about deposits, withdrawals and available balance.

3. Write any five features of Fixed Deposit Account.

1. **High interest rate** : This type of a/c carries high rate of interest ranging from 4% to 10%. The longer the period of deposits, the higher the rate of interest is the basic principle to provide interest.
2. **Deposits and withdrawals** : One time deposit and one time withdrawal is rule of this type of a/c. Deposits are made into bank by using pay-in-slips and withdrawals are made after certain period by producing fixed deposit receipts.
3. **Who can open the account?**: Generally this type of a/c opened by wealthy people and small investors who have surplus of money and wishes to deposit for long period.
4. **Restrictions** : Bank do not allow frequent deposits and withdrawals for this type of a/c. That means 'one time deposit & one time withdrawal' is the rule of this type of a/c.
5. **Facilities** : Bank provides loan facility on pledging the fixed deposit receipt in the same bank.

6. **Pay-in-slips, Cheque books & Pass book** : No pay-in-slip, Cheque books and Pass books are issued to the a/c holder of this a/c. However FD receipts are issued which is used for withdrawal in lump sum at the end of certain period.

4. Write any five features of Recurring Deposit Account.

1. **Interest rate** : This type of a/c carry higher rate of interest than SB a/c but lower than FD account
2. **Deposits and withdrawals** : Deposits are made regularly every monthly and a fixed amount is given to the customers in lump sum at the end of certain period along with interest.
3. **Who can open the a/c ?**: Generally, this type of account is opened by such people who have regular monthly income. For example salaried people.
4. **Restrictions** : In this type a/c deposits are made regularly every month and single withdraw is allowed at the completion of certain periods. That means “Many time deposits and one time withdrawal” is the basic principle of this type of account.
5. **Facilities** : Bank provides loan facilities on amount deposited by account holder.
6. **Pay-in-slips, Cheque books & Pass book** : No pay-in-slips and cheque book are issued but pass book is issued to this a/c holder.

5. Write any five differences between Current account & Savings Bank account.

Differences between Current account & Savings Bank account.

Point of Difference	Current account	Savings Bank account
1. Interest rate	Bank provide no interest to Current account	Bank provide interest to Savings Bank account.
2. Suitability	Current a/c is suitable for business people who conducts large number of bank transactions	S.B. account is suitable for low and middle income group who want to save money out of their earnings.
3. Restrictions	Bank imposes no restrictions on the no. of deposits and withdrawals in this type of account	Bank imposes some restrictions on the no. of deposits and withdrawals in this type of a/c
4. Facility	Current a/c holders enjoy overdraft facility	Savings bank account holders does not enjoy such overdraft facility.
5. Operation by cheques	Withdrawals from Current account are allowed only by cheques and not by withdrawal forms.	Withdrawals from Savings Bank account are allowed not only by cheques and even by using withdrawal forms.

6. Write any differences between Current account & Fixed deposit account.

Differences between Current a/c and F.D. a/c

Point of Difference	Current account	Fixed Deposit account
1. Interest rate	Bank provide no interest to Current account	Bank provide higher rate of interest to Fixed deposit account
2. Suitability	Current account is suitable for business people who conduct large number bank transactions	F.D. account is suitable for wealthy people and small investors who want safety for their investments.
3. Restrictions	Bank imposes no restrictions on the number of deposits & withdrawals to the Current a/c holders	Bank allows single withdrawal only after certain period.

4. Facility	Current account holder enjoys overdraft facility	F.D account holders do not enjoy such overdraft facility.
5. Operation by cheques	Withdrawals from this type of a/c are allowed only by cheques and not by any receipts.	Withdrawals from this type of a/c are allowed only by FD receipts and not by using any withdrawal forms.

7. Write any differences between Savings Bank Accounts.& Fixed Deposit Accounts.
Differences between S.B. a/c and F.D. a/c

Point of Difference	S.B. account	Fixed Deposit account
1. Interest rate	Bank provide lower rate of interest to Savings Bank account	Bank provide higher rate of interest to this type of a/c
2. Suitability	S.B. Savings Bank account is suitable for low and middle income group who want to save money out of their earnings	F.D. a/c is suitable for wealthy people and small investors who want safety for their investments
3. Restrictions	Bank imposes some restrictions on the no. of deposits and withdrawals to Savings Bank account	Bank allows single withdrawal only after certain period.
4. Withdrawals by Cheque	Withdrawals are made by cheques and withdrawal forms.	Withdrawals are made not by using cheques but by producing FD receipts.
5. Introduction	S.B a/c has to be opened by proper introduction by existing customers.	FD a/c can be opened even without any introduction.

8. Explain the procedure of opening a new Bank account

Procedure of opening Bank account

Following procedure is followed to open a new Bank account:

- Filling up of account opening form** : First of all the banker asks the applicant to fill up the account opening form. The prospective customer should fill up all details such as name, address, type of a/c he wants to open, nominee details, pan card no. etc. He should also give address proof and pan card zerox copy and passport size photograph to open a new bank a/c.
- Obtaining introduction or reference** : Secondly, the bank asks for proper introduction of respectable person known to the banker. This introduction is necessary to open S.B. a/c and Current a/c only and not for F.D. a/c and R.D. a/c. This introduction helps the banker to open a/c in the name of genuine persons and prevents to open falls a/c.
- Obtaining Specimen signature** : If the banker is satisfied with introduction, he permits the prospective customer to open an a/c by obtaining 3 specimen signature on a specimen signature card. This specimen signature helps banker for cross verification of customer signature at the time of withdrawal of cash by cheque.
- Obtaining Mandate** : If the customer wants to operate his a/c through his representative (agent), the bank take written authority from the customer which is known as 'Mandate.' The banker should also obtain specimen signature of that agent.
- Receiving initial Deposit and open a/c in the ledger** : After observing all above formalities the banker receives initial deposits from the customer and opens an a/c in the name of customer by writing details in the ledger of the bank.
- Supply of pay-in-slips, cheque book and pass book** : Finally, the banks supplies pay-in-slip book for deposit of cash or cheque into bank, cheque book for withdrawal of cash

from the bank and pass book showing the details of deposits, withdrawals and available balance. At the time opening a new bank a/c, the customer may request the bank for supply of ATM card and online transaction facility.

9. Briefly explain recent developments in Banking.

Recent developments in Banking (Technological development)

- | | |
|--------------------|-----------------------------|
| a) Core Banking | b) Electronic Fund Transfer |
| c) Tele Banking | d) Anywhere Banking |
| e) Mobile Banking. | |

- a) **Core Banking Meaning** :- Core banking is one of the technological developments in banking system. Core banking is type of banking in which a person, who opens a bank a/c in a branch of a bank, will become a customer not only of that branch, but he becomes a customer of all branches of that bank and can conduct banking transactions anywhere and at anytime. Thus he can deposit and withdraw cash from any where with the branches of same bank.
- b) **Electronic Fund Transfer:- (EFT) – Meaning** : EFT is a scheme introduce by RBI as per the recommendations of SHARE Committee. EFT is a system by which money can be transfer from one a/c to another a/c at any time from any where electronically. The use of pay-in-slips, cheques and drafts are converted into electronic form and there by amount can easily be either debited or credited to the customer a/c within no time.
- c) **Tele Banking- Meaning** : Tele banking is one of the popular technological developments in banking systems. Tele-banking refers to telephone banking under which a number of banking services or facilities offered by bank to the customers by using telephone.
- d) **Anywhere Banking – Meaning** :- It is one of the banking facilities extended under core banking system. Under this facility, a bank customer can operate his a/c from any branches of the bank at any place and at any time. It is considered as 24x7 services. In this system customer can operate his a/c from any branches of the bank in one city (inter-city) between different cities (intra-city). It includes Tele-banking, Mobile banking, ATM, etc.
- e) **Mobile Banking –Meaning** : Mobile banking is a latest development in banking service. Mobile banking is a type of banking facility under which a customer can conduct banking transactions with his bank by using his mobile phone. Mobile banking works through SMS (Short Messaging Service) technology. Mobile banking works through a set of text messages appears on the mobile phone screen.

10. Write any five features of Core banking.

Features / advantages :-

1. Under core banking system a customer will be remain as a bank's customer rather than a branch customer.
2. In this system a customer can transact banking business anywhere and at any time.
3. Core banking supports banking facilities like ATM, Tele banking, Internet banking, Debit card etc.
4. Core banking saves precious time of customers as well as banker.
5. Core banking helps the bank to handle a large volume of business world wide.

11. Write any five features of EFT.

Features :

1. EFT scheme provides facility for quick transfer of funds from one bank branch to another bank branch both inter-city (from one city to another) and intra-city (within a city).
2. Under this system depositor and receiver of funds may be different branch customers.
3. In this scheme services charges is collected, if the large amount is to be transferable.
4. This scheme avoids frauds in remittance of funds.
5. This scheme is most economical and time saving.

12. Write any five facilities under Tele Banking.

The facilities offered under Tele-banking system includes the following :

1. Bank balance enquires.
2. Enquires about the collection of cheques and incomes.
3. Enquires about account credits and debits.
4. Transfer of funds.
5. Request for account statements.
6. Opening of new account.
7. Stop payments for cheques.
8. Request for demand draft.

13. Write any five facilities under Anywhere Banking.

Facilities offered under anywhere banking

1. Account balance enquires .
2. Cash deposits.
3. Cash withdrawals
4. Enquires about debits and credits
5. Transfer of funds from customer account
6. Stop payments information
7. Transactions statement.

14. Write any Five merits of Mobile Banking.

1. National and International transfer of funds :- Mobile banking facilitates easy transfer of funds from one branch to any other branches of the bank.
2. Request for cheque books :- A customer can send request to bank for obtaining cheque book.
3. Enquiry about account balance :- Customer can enquire about available bank balance in his account.
4. Information about term deposits :- A customer can obtain information about the maturity of his term deposits. (RD a/c & FD a/c)
5. Stop payments :- A customer can give instructions to the bank for not honoring the issued cheques by sending SMS.

15. Give a specimen of Demand Draft (Practical oriented question for 5 Marks)

STATE BANK OF INDIA

Valid for 6 months only
Issuing branch : SIT Extension, Tumkur
Code no. :0816
Telephone no. 08161234567

Date: 01-02-2012
Sl.No. 984654

DEMAND DRAFT

ON DEMAND PAY TO The commissioner Dept. of P.U. Education,

Bangalore

Rupees

<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
THU	HUN	TEN	UNI

Rs. 5,000

STATE BANK OF INDIA
DRAWEE BRANCH : BANGALORE
MALLESWARA

Code no. : 080

No. : 826800

Branch Manager

TRANSPORT CHAPTER QUESTION AND ANSWERS

Section - A

One mark questions (Answers in a sentence each)

1. **Give the meaning of Transport.**
Transport means movement of 'men, materials, machines and money' from one place to another.
2. **Write any one features of Road transport.**
Road transport is an artificial (man made) means of transport.
3. **State any one features of Rail transport.**
Rail transport is most suitable to carry bulky goods over long distances.
4. **Mention any one feature of Water transport.**
Water transport is a free gift of nature.
5. **Give any one features of Air transport.**
Air transport is the fastest type of transport and so air vehicles can carry goods and passengers very quickly from place to place.
6. **Which is the slowest means of transport ?**
Water transport is the slowest means of transport.
7. **Which is the fastest means of transport ?**
Air transport is fastest means of transport.
8. **Mention any one artificial means of transport.**
Road transport is one of the artificial means of transport.
9. **Mention any one natural means of transport.**
Water transport is a natural means of transport.
10. **State any one merit of Air transport.**
Air transport enjoys high flexibility in operation. Air crafts can move at any direction and they need not stick on to a particular direction.
11. **Give any one demerit of Air transport.**
Air transport is the costliest means of transport when compared to other means of transport. Therefore poor people cannot use this kind of transport.
12. **What are Liners ?**
Liners are the ships engaged in overseas trade. These ships sail on regular routes according to the regular time table and carry both cargo and passengers.
13. **What are Tramps ?**
Tramps are the ships engaged in overseas trade. These ships do not follow regular routes and regular time table and carry only cargo but not passengers.
14. **What are Tankers ?**
Tankers are those ships which are specially designed to carry crude oil, petrol and other petroleum products.

Section - B

Two marks questions (Answer in not more than two sentences each)

1. **Stat any two functions of transport.**
 - i) **Widens the market :-** Transport is said to be the 'key to marketing'. It carries the goods from the place of production to the places of consumption. It converts local

market into national market further to international market. So it provides very wide market for all types of goods.

ii) **Mobility of labour** :- Transport helps labourers to move from one area to another. So it has resulted the movement of the people within the country and from country to country

2. State any two features of Road transport.

i) **Door delivery and collection of goods** :- Road vehicles can deliver the goods to the doors of customers and also collect the goods at the doors of the people. So road vehicles provide road delivery and collection of goods.

ii) **Flexibility** :- Road vehicles enjoy flexibility in operations. That means the road services can move at any directions and need not stick on to a particular direction.

3. Write any two features of Rail transport.

i) **Suitable for long distance** :- Rail transport is most suitable to carry bulky goods over long distances.

ii) **Safety for goods** :- Rail transport provides safety for movement of goods because the goods are not exposed to any sun, rain, winds etc.

4. Give any two features of Water transport.

i) **Less capital investments** : Water transport does not require huge amount of capital for construction and maintenance of water ways.

ii) **Cheapest** :- Water transport is a free gift of nature. So, it is cheapest means of transport.

5. Mention any two features of Air transport.

i) **Latest** :- Air transport is the latest type transport.

ii) **Fastest** :- Air transport is the fastest type of transport. So air vehicles can carry goods and passengers very quickly from place to place.

6. What are Liners ?

Liners are the ships engaged in overseas trade. These ships sail on regular routes according to the regular time table. They carry both cargo and passengers. They have to sail whether they get full load or not. They have to halt at scheduled ports. They sail at a greater speed and they are owned by big shipping companies.

7. What do you mean by Tramps?

Tramps are the ships engaged in overseas trade. These ships do not follow regular routes and time table. They carry only cargo but not passengers. They sail only when they get full capacity. They sail any way and at any time wherever and when ever they get full capacity. They do not halt at scheduled ports. They sail at a lower speed and they are owned by individuals and small shipping companies.

8. Give the meaning of Tankers.

Tankers are those ships which are specially designed to carry crude oil, petrol and other petroleum products. These ships carry highly inflammable goods and so they are provided with greater amount of safety.

9. State any two differences between Liners and Tramps.

Differences between Liners and Tramps

Points of Difference	Liners	Tramps
1. Regular route	Liners follow regular routes	Tramps do not follow regular routes
2. Regular time table	Liners follow definite time table	Tramps do not follow definite time table

10. **State any two advantages of Road transport.**
- Less expensive** :- Road transport services do not require special tracks, platforms, signal arrangements. So, they are less expensive than other types of transport.
 - Suitable for short distances** :- Road transport is most suitable and advantageous to carry goods for short distances. That is why, perishable items are carried by this type of transport.
11. **Give any two merits of Rail transport.**
- Unit of conveyance can be adjusted** :- In case of rail transport, unit of conveyances (number of wagons) can be adjusted depending upon the volume of traffic.
 - Less cost of carriage** :- Rails can carry a large number of passengers also they get return loads. So, they charge lower rate for carrying goods and passengers.
12. **Mention any two merits of Water transport.**
- Flexibility** :- Water transport services enjoys flexibility in operation. Ships can sail at any direction as they like and need not stick on to particular direction only.
 - Suitability** :- Water transport services are most suitable to carry bulky goods like coal, petroleum products, machineries etc. for long distances.
13. **State two advantages of Air transport.**
- Free gift** :- Air transport is free gift of nature and it is a natural means of transport. So, it does not require capital investment for construction & maintenance of air routes.
 - Availability** :- Air transport services are useful both for Home trade & Foreign trade.
14. **State any two disadvantages of Road transport.**
- Not suitable for long distances** :- Road transport is not at all suitable to carry bulky goods over long distances.
 - Limited capacity** :- Road vehicles cannot carry a large number of people and hence it has limited carrying capacity.
15. **Give any two demerits of Rail transport.**
- Heavy capital expenditure** :- Railways requires huge amount of capital for construction of railway tracks, special platforms, signal arrangements etc.
 - Not suitable for short distances** :- Railway transport not at all to carry light articles over short distances. That is why perishable items are not carried by railways.
16. **Mention any two demerits of Water transport.**
- Less Speed** :- Water transport is the slowest means of transport. Ships cannot go at a greater speed across the sea and ocean.
 - Less safety** :- Water transport vessels have to move on the sea even in times of floods, rain and other calamities. Therefore there is less safety for the movement of cargo and passengers.
17. **State two disadvantages of Air transport.**
- Costliest** :- Air transport is the costliest means of transport when compared to other means of transport. Therefore poor people cannot use this kind of transport.
 - Not suitable** :- Air transport is not at all suitable to carry bulky and inflammable articles like coal, petroleum products etc.

Section – C

5 Marks questions (Answer in not more than 15 lines each)

1. **State any five advantages of Road ways.**
- Cheap transport** :- Road Transport is a cheaper type of transport, because the cost of construction and maintenance of roadways is comparatively lesser than other types of transport. Further the Govt. constructs the roads and the users of roads have to pay some amount of taxes.

- b) **Greater speed :-** Road Transport services can carry men & materials at greater speed.
 - c) **Door delivery and collection of goods :-** Road vehicles can deliver the goods to the doors of customers and also collect the goods at the doors of the people. So road vehicles provide road delivery and collection of goods.
 - d) **Flexibility :-** Road vehicles enjoy flexibility in operations. That means the road services can move at any directions and need not stick on to a particular direction.
 - e) **Less expensive :-** Road transport services do not require special tracks, platforms, signal arrangements. So, they are less expensive than other types of transport.
2. **Give any five merits of Railways.**
- a) **Suitable for long distance :-** Rail transport is most suitable and advantageous to carry bulky goods over long distances.
 - b) **Safety for goods :-** Rail transport provides safety for movement of goods because the goods are not exposed to any sun, rain, winds etc.
 - c) **Unit of conveyance can be adjusted :-** In case of rail transport, unit of conveyances (number of wagons) can be adjusted depending upon the volume of traffic.
 - d) **Less cost of carriage :-** Rails can carry a large number of passengers also they get return loads. So, they charge lower rate for carrying goods and passengers.
 - e) **Rapid Industrial development :-** Railway helps for the movement of raw materials to the manufacturing centers. It carry finished goods to various marketing centers. Thus it promote for rapid industrial development of a country.
3. **Mention any five advantages of water ways.**
- a) **Less capital investments :** Water transport does not require huge amount of capital for construction and maintenance of water ways.
 - b) **Cheapest :-** Water transport is a free gift of nature. So, it is cheapest means of transport.
 - c) **Flexibility :-** Water transport services enjoys flexibility in operation. Ships can sail at any direction as they like and need not stick on to particular direction only.
 - d) **Suitability :-** Water transport services are most suitable to carry bulky goods like coal, petroleum products, machineries etc. for long distances.
 - e) **Capacity :-** When compared to other means of transport, water transport has greater carrying capacity of goods and passengers.
4. **Briefly explain any five merits of Air ways.**
- a) **Fastest :-** Air transport is the fastest type of transport. So air vehicles can carry goods and passengers very quickly over long distances within a short time.
 - b) **Flexibility :-** Air transport enjoys high flexibility in operation. Air craft need not stick on to a particular direction. They can fly at any direction across the sea, mountain or desert.
 - c) **Free gift :-** Air transport is free gift of nature and it is a natural means of transport. So, it does not require capital investment for construction and maintenance of air routes.
 - d) **Availability :-** Air transport services are useful both for Home trade & Foreign trade.
 - e) **Defense :-** Defense of a country is well served by this type of transport. Air craft provide safety to the people during the times of war.
5. **State any five disadvantages of Road ways.**
- a) **Not suitable for long distances :-** Road transport is not at all suitable to carry bulky goods over long distances.
 - b) **Limited capacity :-** Road vehicles cannot carry a large number of people and hence it has limited carrying capacity.
 - c) **Less speed :** Road transport services cannot move at a greater speed as air transport services.

- d) **Costly** :- Road transport is an artificial means of transport. Huge amount has to be invested for construction and maintenance of routes. So, it is a costly means of transport.
- e) **Possibility of damages** :- Goods carrying by road transport vehicle are exposed to sun, rain, wind etc. and hence there is possibility of damages.
6. **Give any five demerits of Railways.**
- a) **Heavy capital expenditure** :- Railways requires huge amount of capital for construction of railway tracks, special platforms, signal arrangements etc.
- b) **Not suitable for short distances** :- Railway transport not at all to carry light articles over short distances. That is why perishable items are not carried by railways.
- c) **No flexibility** :- Rail transport does not enjoy the benefits of flexibility in operation. That means trains cannot move at any direction as they like but they have to stick on to a particular direction only.
- d) **No door delivery and collection of goods** :- Rails cannot deliver or collect at the doors of the people. Also trains cannot go to the doors of the people for pick up like road vehicles.
- e) **Not suitable in mountain regions** :- Railways cannot be operated in mountain and hilly areas. Villages are not well served by this type of transport.
7. **Mention any five disadvantages of water ways.**
- a) **Less Speed** :- Water transport is the slowest means of transport. Ships cannot go at a greater speed across the sea and ocean.
- b) **Less safety** :- Water transport vessels have to move on the sea even in times of floods, rain and other calamities. Therefore there is less safety for the movement of cargo and passengers.
- c) **Not available** :- Water transport is available only where there are seas and oceans and therefore they are not available in all the areas.
- d) **Needs transshipment** :- In water transport goods have to be boarded to the ship at the port by bringing them from other means of transport. So there is need for transferring goods from one service to other by which goods likely to be damaged.
- e) **High cost** :- In water transport huge amount of capital is to be invested for the construction of ships, signal arrangements, ports etc. So it requires high cost of operation for water transport services.
8. **Briefly explain any five demerits of Air ways.**
- a) **Costliest** :- Air transport is the costliest means of transport when compared to other means of transport. Therefore poor people cannot use this kind of transport.
- b) **Risky** :- Air transport is a very risky means of transport. When there is air crash all the passengers are likely to lose their lives.
- c) **Limited capacity** :- Air transport has limited carrying capacity. It cannot carry bulky goods and large number of passengers.
- d) **Not suitable** :- Air transport is not at all suitable to carry bulky and inflammable articles like coal, petroleum products etc.
- e) **Needs transshipment** :- Air transport requires transshipment of goods and passengers. That means the people or goods have to move from one transport service to get into the air services.
9. **Write any five special features of Air transport.**
- a) **Latest** :- Air transport is the latest type transport.
- b) **Fastest** :- Air transport is the fastest type of transport. So air vehicles can carry goods and passengers very quickly from place to place.
- c) **Costliest** :- Air transport is the costliest means of transport when compared to other means of transport.

- d) **Free gift :-** Air transport is a free gift of nature and therefore no capital is invested for construction and maintenance of air routes.
- e) **Risky :-** Air transport is a very risky means of transport. When there is air crash all the passengers are likely to lost their lives.

10. State any five differences between Liners & Tramps.

Differences between Liners and Tramps

Points of Difference	Liners	Tramps
1. Regular route	Liners follow regular routes	Tramps do not follow regular routes
2. Regular time table	Liners follow definite time table	Tramps do not follow definite time table
3. Carry cargo/passengers	Liners carry both cargo and passengers	Tramps carry only cargo but not passengers
4. Halts	Liners halt at scheduled ports	Tramps do not halt at scheduled ports
5. Speed	Liners sail at greater speed	Tramps sail at lower speed

Section – D

10 Marks questions (Answer in not more than 30 lines each)

1. Briefly explain functions of transport.

Functions of Transport :- Transport plays a vital role in the economic development of a Nation. It is considered as ‘measuring rod’ to measure the development of a country. It performs following functions :-

- 1. Widens the market :-** Transport is said to be the ‘key to marketing’. It carries the goods from the place of production to the places of consumption. It converts local market into national market further to international market. So it provides very wide market for all types of goods.
- 2. Mobility of labour :-** Transport helps labourers to move from one area to another. So it has resulted the movement of the people within the country and from country to country.
- 3. Mobility of Capital :-** Transport also helps even capitalist to move from country to country in search of good returns. In the absence of transport the mobility of this factor of production would have been restricted.
- 4. Provides Employment :-** Transport provides jobs to so many people. Transport industries are the significant places for the employment to a large number of people.
- 5. Safety to the nation :-** Transport provide safety to the nation. The defense of a country is well served by quick and efficient means of transport.
- 6. Rapid industrial development :-** Transport helps easy and quick men, materials, machines and money which are considered to the key to the industrial development. It helps for the fast growth of industries, agriculture, mining etc.
- 7. Maintain price stability :-** Transport helps to carry the goods from the place of abundance where the prices are low to the places of scarcity where the prices are high. Thus it maintains stability in price by carrying goods.
- 8. Social contacts :-** Transport leads to social unity and develops social contacts. Further it also improves trade relations among nations.
- 9. Quick relief :-** During the times of floods, earthquakes and other natural calamities, transport carry food, cloth and other items to the suffers and there by provide quick relief.
- 10. Growth of towns :-** Transport encourages so many economic activities and there by helps for the growth of towns, cities and ports.

2. Explain any five advantages and five disadvantages of Road transport.

Advantages of Road Transport

- a) **Cheap transport :-** Road Transport is a cheaper type of transport, because the cost of construction and maintenance of roadways is comparatively lesser than other types of transport. Further the Govt. constructs the roads and the users of roads have to pay some amount of taxes.
- b) **Greater speed :-** Road Transport services can carry men & materials at greater speed.
- c) **Door delivery and collection of goods :-** Road vehicles can deliver the goods to the doors of customers and also collect the goods at the doors of the people. So road vehicles provide road delivery and collection of goods.
- d) **Flexibility :-** Road vehicles enjoy flexibility in operations. That means the road services can move at any directions and need not stick on to a particular direction.
- e) **Less expensive :-** Road transport services do not require special tracks, platforms, signal arrangements. So, they are less expensive than other types of transport.

Disadvantages of Road transport

- a) **Not suitable for long distances :-** Road transport is not at all suitable to carry bulky goods over long distances.
- b) **Limited capacity :-** Road vehicles cannot carry a large number of people and hence it has limited carrying capacity.
- c) **Less speed :** Road transport services cannot move at a greater speed as air transport services.
- d) **Costly :-** Road transport is an artificial means of transport. Huge amount has to be invested for construction and maintenance of routs. So, it is a costly means of transport.
- e) **Possibility of damages :-** Goods carrying by road transport vehicle are exposed to sun, rain, wind etc. and hence there is possibility of damages.

3. Write any five advantages and five disadvantages of Rail transport.

Advantages of Rail Transport

- a) **Suitable for long distance :-** Rail transport is most suitable and advantageous to carry bulky goods over long distances.
- b) **Safety for goods :-** Rail transport provides safety for movement of goods because the goods are not exposed to any sun, rain, winds etc.
- c) **Unit of conveyance can be adjusted :-** In case of rail transport, unit of conveyances (number of wagons) can be adjusted depending upon the volume of traffic.
- d) **Less cost of carriage :-** Rails can carry a large number of passengers also they get return loads. So, they charge lower rate for carrying goods and passengers.
- e) **Rapid Industrial development :-** Railway helps for the movement of raw materials to the manufacturing centers. It carry finished goods to various marketing centers. Thus it promote for rapid industrial development of a country.

Disadvantages of Rail transport

- a) **Heavy capital expenditure :-** Railways requires huge amount of capital for construction of railway tracks, special platforms, signal arrangements etc.
- b) **Not suitable for short distances :-** Railway transport not at all to carry light articles over short distances. That is why perishable items are not carried by railways.
- c) **No flexibility :-** Rail transport does not enjoy the benefits of flexibility in operation. That means trains cannot move at any direction as they like but they have to stick on to a particular direction only.

- d) **No door delivery and collection of goods** :- Rails cannot deliver or collect at the doors of the people. Also trains cannot go to the doors of the people for pick up like road vehicles.
- e) **Not suitable in mountain regions** :- Railways cannot be operated in mountain and hilly areas. Villages are not well served by this type of transport.

4. Give any five merits and five demerits of Water transport.

Merits of Water Transport

- a) **Less capital investments** : Water transport does not require huge amount of capital for construction and maintenance of water ways.
- b) **Cheapest** :- Water transport is a free gift of nature. So, it is cheapest means of transport.
- c) **Flexibility** :- Water transport services enjoys flexibility in operation. Ships can sail at any direction as they like and need not stick on to particular direction only.
- d) **Suitability** :- Water transport services are most suitable to carry bulky goods like coal, petroleum products, machineries etc. for long distances.
- e) **Capacity** :- When compared to other means of transport, water transport has greater carrying capacity of goods and passengers.

Demerits of Water transport

- a) **Less Speed** :- Water transport is the slowest means of transport. Ships cannot go at a greater speed across the sea and ocean.
- b) **Less safety** :- Water transport vessels have to move on the sea even in times of floods, rain and other calamities. Therefore there is less safety for the movement of cargo and passengers.
- c) **Not available** :- Water transport is available only where there are seas and oceans and therefore they are not available in all the areas.
- d) **Needs transshipment** :- In water transport goods have to be boarded to the ship at the port by bringing them from other means of transport. So there is need for transferring goods from one service to other by which goods likely to be damaged.
- e) **High cost** :- In water transport huge amount of capital is to be invested for the construction of ships, signal arrangements, ports etc. So it requires high cost of operation for water transport services.

5. State any five merits and five demerits of Air transport.

Merits of Air Transport

- a) **Fastest** :- Air transport is the fastest type of transport. So air vehicles can carry goods and passengers very quickly over long distances within a short time.
- b) **Flexibility** :- Air transport enjoys high flexibility in operation. Air craft need not stick on to a particular direction. They can fly at any direction across the sea, mountain or desert.
- c) **Free gift** :- Air transport is free gift of nature and it is a natural means of transport. So, it does not require capital investment for construction and maintenance of air routes.
- d) **Availability** :- Air transport services are useful both for Home trade and Foreign trade.
- e) **Defense** :- Defense of a country is well served by this type of transport. Air craft provide safety to the people during the times of war.

Demerits of Air Transport

- a) **Costliest** :- Air transport is the costliest means of transport when compared to other means of transport. Therefore poor people cannot use this kind of transport.

- b) **Risky :-** Air transport is a very risky means of transport. When there is air crash all the passengers are likely to lost their lives.
- c) **Limited capacity :-** Air transport has limited carrying capacity. It cannot carry bulky goods and large number of passengers.
- d) **Not suitable :-** Air transport is not at all suitable to carry bulky and inflammable articles like coal, petroleum products etc.
- e) **Needs transshipment :-** Air transport requires transshipment of goods and passengers. That means the people or goods have to move from one transport service to get into the air services.

6. Distinguish between Road transport and Railway transport.

Differences between Road and Rail Transport

Points of Difference	Road Transport	Rail Transport
1. Cost of construction	Cost of construction and maintenance of road ways is very low	Cost of construction and maintenance of railways is very high
2. Door delivery and collection	Road vehicles facilitates door delivery and collection of goods and passengers	Road vehicles do not facilitates door delivery and collection of goods and passengers
3. Flexibility in operation	Road services enjoys flexibility and so vehicles can go at any directions	Railway services do not enjoys flexibility and so trains cannot go at any directions
4. Suitability	Road transport services are suitable to carry light goods over short distances	Rail transport services are suitable to carry bulky goods over long distances.
5. Unit adjustments	In road transport unit of conveyance cannot be adjusted according to the volume of traffic	In rail transport unit of conveyance can be adjusted according to the volume of traffic
6. Needs facilities	Road services do not require facilities like special tracks, signal arrangements, platforms	Rail services do requires facilities like special tracks, signal arrangements, platforms
7. Safety	Goods carried by means of road services are exposed to air, sun shine, rain etc. and there is no safety for goods	Goods carried by means of railway services are not exposed to air, sun shine, rain etc. and there is safety for goods
8. Operation	Road transport can be operated even in mountain and hilly areas	Rail transport cannot be operated in mountain and hilly areas
9. Reaches rural areas	Road vehicles can go even to rural areas and so villages are well served by roadways	Rails cannot go to rural areas and so villages are not well served by railways
10. Ownership	Road services can be owned even by private people	Railways cannot be owned by private people
