

COMMERCIAL STUDIES

Maximum Marks: 80

Time allowed: Two hours

1. *Answers to this Paper must be written on the paper provided separately.*
 2. *You will **not** be allowed to write during the first 15 minutes.*
 3. *This time is to be spent in reading the question paper.*
 4. *The time given at the head of this Paper is the time allowed for writing the answers.*
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5. *Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*
 6. *The intended marks for questions or parts of questions are given in brackets [].*

Instruction for the Supervising Examiner

Kindly read aloud the Instructions given above to all the candidates present in the Examination Hall.

This paper consists of 11 printed pages and 1 blank page.

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Turn Over

SECTION A (40 Marks)

*(Attempt **all** questions from this **Section**.)*

Question 1

Choose the correct answer to the questions from the given options.

[16]

(Do not copy the questions, write the correct answers only.)

- (i) Which of the following is an example of *Off-the-Job* Training?
- (a) Job rotation
 - (b) Mentoring
 - (c) Apprenticeship
 - (d) Classroom training
- (ii) Rishav prepared a detailed plan of operations for a specific future period.
Identify the process.
- (a) Forecasting
 - (b) Marketing
 - (c) Budgeting
 - (d) Selecting

(iii) Sharma and Company is planning to spend ₹ 5,00,000 on advertising.

Under which type of expense can it be classified?

- (a) Capital expenditure
- (b) Revenue expenditure
- (c) Capital receipts
- (d) Deferred Revenue expenditure

(iv) Observe the picture and identify the type of Consumer Exploitation.



- (a) Overcharging
- (b) Under weighing
- (c) Adulteration
- (d) Fair pricing

- (v) **Assertion (A):** Preference shares are a hybrid form of financing.
- Reason (R):** Preference shares have characteristics of both equity shares and debentures.
- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
 - (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
 - (c) (A) is true and (R) is false.
 - (d) Both (A) and (R) are false.
- (vi) Which of the following is **NOT** true with reference to the Reserve Bank of India?
- (a) It is the sole custodian of foreign exchange reserves.
 - (b) It extends loans to the general public.
 - (c) It makes and receives payment on behalf of the government.
 - (d) It has the monopoly of issuing currency notes.
- (vii) Which type of selection test helps to measure an applicant's level of knowledge and skill in a particular occupation?
- (a) Aptitude test
 - (b) Interest test
 - (c) Trade test
 - (d) Dexterity test

(viii) Which of the following are true for a *Trading Account*?

I: This account contains personal and real accounts only.

II: This account contains opening balance of stock on the debit side.

III: It is prepared after the Profit and Loss Account.

IV: The result of this account is the Gross Profit or the Gross Loss.

(a) I and II are true.

(b) II and III are true.

(c) III and IV are true.

(d) II and IV are true.

(ix) Marketing aims to build the reputation of the enterprise over time.

(a) True

(b) False

(x) Expenses incurred by the firm to purchase a second-hand machine and make it ready for use, are treated as:

(a) Capital Expenditure

(b) Revenue Expenditure

(c) Capital Receipts

(d) Revenue Receipts

(xi) **Assertion (A):** The Central Bank is the sole custodian of foreign currency reserves.

Reason (R): The Central Bank has the monopoly of note issue.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- (c) (A) is true and (R) is false.
- (d) Both (A) and (R) are false.

(xii) Mohit goes to the bank with a credit instrument which is due three months later. The bank charges some commission and pays less than the face value of the instrument.

Identify the kind of loan granted by the commercial bank.

- (a) Term loan
- (b) Cash credit
- (c) Discounting of bills of exchange
- (d) Overdraft

(xiii) Which of the following Acts established the Central Pollution Control Board at the national level?

- (a) Consumer Protection Act, 2019
- (b) Environment Protection Act, 1986
- (c) Companies Act, 1956
- (d) Banking Regulations Act, 1949

(xiv) Observe the picture and identify what type of *Insurance* can be claimed.



- (a) Health
- (b) Fire
- (c) Life
- (d) Marine

(xv) A *social security scheme* has the following characteristics:

1. Any citizen of India, resident or non-resident, can become a member.
2. It has a Tier I account which is mandatory and Tier II which is optional.

Identify the scheme.

- (a) Provident Fund
- (b) Gratuity
- (c) National Pension Scheme
- (d) Maternity benefits

- (xvi) The accountant of Gupta & Co. Ltd. has to pass an entry for *Carriage Inwards*. Where would he post the entry?
- (a) Debit side of Profit and Loss Account
 - (b) Debit side of Trading Account
 - (c) Credit side of Trading Account
 - (d) Liabilities side of Balance Sheet

Question 2

Write *any two* differences between:

- (i) *Capital Expenditure* and *Revenue Expenditure* [2]
- (ii) *Trading Account* and *Profit and Loss Account* [2]
- (iii) *Product* and *Service* [2]
- (iv) *Direct Cost* and *Indirect Cost* [2]

Question 3

- (i) Mohan intentionally burns the old stock of damaged clothes in his warehouse. [2]
Then, he claims the insurance.
 - (a) Which type of insurance would he claim?
 - (b) Give *one* reason to state why the claim will not be settled.
- (ii) What is *Selection*? [2]
- (iii) Explain *Application Blank*. [2]
- (iv) Write in brief about a *Sales Budget*. [2]

Question 4

- (i) Briefly explain the *Principle of Indemnity*. [2]
- (ii) Who are *Internal Stakeholders*? Give *two* examples. [2]
- (iii) Identify the last step of the Final accounts, which is prepared after Profit and Loss Account. Explain in brief. [2]
- (iv) Write in brief about *E-tailing*. [2]

SECTION B (40 Marks)

(Attempt any four questions from this Section.)

Question 5

- (i) '*Pricing is not an end by itself but a means to achieve marketing objectives of the firm.*' [5]
Discuss *any five* objectives of Pricing.
- (ii) Write short notes on: [5]
 - (a) *Equity shares*
 - (b) *Mitigation of Loss* as a Principle of Insurance.

Question 6

- (i) '*Trade Unions provide workers with collective bargaining power, enabling them to negotiate for better benefits.*' [5]
Explain *any five* functions of a *Trade Union*.
- (ii) Briefly explain: [5]
 - (a) *Inventory Module of ERP*
 - (b) *ATM*

Question 7

- (i) Mention *three* merits and *two* demerits of *Air Transport*. [5]
- (ii) (a) Mr. Roy invented a product which uses less harmful chemicals. He paid Sen & Co. ₹5,00,000/- to promote the product. Sen & Co. used the product for their own gain without promoting it. [5]
1. What fraudulent practice was committed?
 2. What action can Mr. Roy take?
- (b) Write a short note on *Bonded Warehouse*.

Question 8

- (i) Explain *any five* features of the *Consumer Protection Act*. [5]
- (ii) Briefly explain: [5]
- (a) *Right to Choose / Right to be Assured*
 - (b) *Industrial Relations*

Question 9

- (i) Discuss the *Utility of Budgets*. [5]
- (ii) *This group of people offer raw materials, finished products or various services to a business organisation*. [5]
- (a) Identify this group of stakeholders.
 - (b) Give *four* expectations they may have from the business organisation.

Question 10

[10]

The following Trial Balance was extracted from the books of Mr. Joseph as on 31st March, 2024. You are required to prepare the Trading Account and the Profit and Loss Account for the year ended 31st March, 2024. Also, prepare a Balance Sheet as on 31st March, 2024.

Particulars	Amount (Dr.) Rs.	Amount (Cr.) Rs.
Capital		5,00,000
Drawings	7,500	
Opening Stock	20,000	
Purchases and Sales	90,000	2,00,000
Insurance	6,000	
Carriage Inward	1,500	
Carriage Outward	3,000	
Commission		8,000
Bad Debts	400	
Wages	9,500	
Rent	6,000	
Bills Receivable and Bills Payable	12,000	90,000
Cash in Hand	2,100	
Motor Car	9,80,000	
Investments	1,60,000	
Bank Overdraft		3,00,000
Creditors		2,00,000
Total	12,98,000	12,98,000

Closing Stock was valued at ₹20,000 on 31st March, 2024.