



DELHI PUBLIC SCHOOL NEWTOWN  
SESSION 2024-25  
MONDAY TEST

CLASS: IX  
SUBJECT: COMMERCIAL STUDIES

FULLMARKS:40  
DATE: 18/10/24

1. Attempt all questions.
2. The intended marks for questions or parts of questions are given in brackets [ ]
3. This paper consists of *two* printed pages.

SECTION A

Question 1

Choose the correct answer to the questions from the given options

[1x8]

(Do not copy the question, write the correct answers only)

(i) Assertion : Purchase of raw materials in a business is considered to be an expense.

Reason : According to the rule of Real accounts, 'Debit what comes in and Credit what goes out.'

- (a) Assertion is true and Reason is the correct explanation of Assertion
- (b) Assertion is true and Reason is not the correct explanation of Assertion
- (c) Assertion is true but Reason is false
- (d) Assertion is false but Reason is true

(ii) The Matching Principle in accounting requires:

- (a) Expenses to be recorded only when paid.
- (b) Expenses to be recorded in the same period as the revenues they help to generate.
- (c) Revenue to be recognized when cash is received.
- (d) All assets to be recorded at fair value.

(iii) Which of the following is classified as a liability?

- (a) Debtors
- (b) Bank Overdraft
- (c) Prepaid Expenses
- (d) Office Equipment

(iv) The concept that assumes a business will continue to operate indefinitely is known as:

- (a) Going Concern
- (b) Full Disclosure
- (c) Matching
- (d) Entity Concept

(v) Kareem sold goods worth ₹ 2,500 to Kareena. In Kareem's books the correct journal entry will be:

- (a) Debit Kareem's A/c by ₹ 2,500; Credit Sales A/c by ₹ 2,500
- (b) Debit Kareena's A/c by ₹ 2,500; Credit Sales A/c by ₹ 2,500
- (c) Debit Purchases A/c by ₹ 2,500; Credit Sales A/c by ₹ 2,500
- (d) Debit Kareem's A/c by ₹ 2,500; Credit Purchases A/c by ₹ 2,500

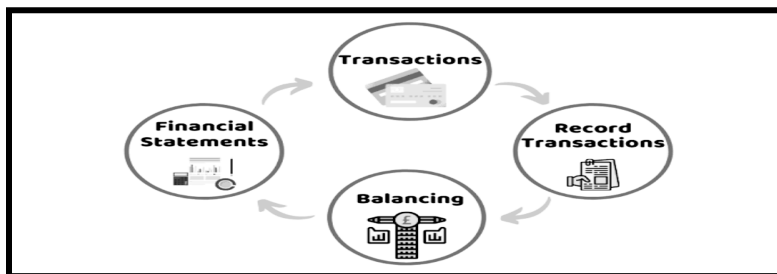
(vi) Tim started his business with ₹ 50,000. Which equation should he follow to show the proper allocation of the said amount?

- (a) Capital= Assets + Liabilities
- (b) Capital= Assets x Liabilities
- (c) Capital= Assets - Liabilities
- (d) Capital= Assets / Liabilities

(vii) In a Journal the transactions are recorded in this order:

- (a) Chronological
- (b) Random
- (c) Disclosing
- (d) Arithmetical

(viii) The cycle below is followed in every commercial organization. Name the cycle.



- (a) Journal Cycle
- (b) Accounting Cycle
- (c) Book-keeping Cycle
- (d) Purchase Cycle

### Question 2

- (i) Explain the term 'Journal'. [2]
- (ii) Rukma purchased goods on credit from Dev. How are Rukma and Dev related to each other? [2]
- (iii) Trade discount and Cash discount are not the same. Justify the statement. [2]
- (iv) What is the Accounting Period principle? [2]
- (v) Distinguish between Book-keeping and Accounting. [2]
- (vi) Name the following:
  - (a) These assets do not have any physical existence -
  - (b) It refers to the amount of money withdrawn by the owner for his/her personal use -
  - (c) It refers to the amount received by the firm on selling their commodities -
  - (d) These types of assets are said to have no value - [2]

## SECTION B

### Question 3

- (i) Explain the meaning of Personal Accounts and Nominal Accounts. Also state the rule of Debit and Credit of these accounts. [5]
- (ii) Write short notes on the following principles of accounting with an example of each: [5]
  - (a) Business Entity Concept
  - (b) Money Measurement Concept

### Question 4

- (i) What is a Liability? Explain any two types of Liabilities with an example of each. [5]
- (ii) Journalize the following transactions in the books of Rama for the month of April 2024:
  - 01.04.2024: Commenced business with ₹ 50, 000.
  - 03.04.2024: Purchased goods worth ₹ 3,000 from Rex in cash.
  - 05.04.2024: Purchased a typewriter worth ₹ 10,000 and paid by cheque.
  - 07.04.2024: Sold goods for ₹ 1,500
  - 09.04.2024: Bought stationery worth ₹ 950. [5]