

24 AB CP 103
UG PROGRAM (4 YEARS HONOURS) WITH SINGLE MAJOR
AT THE END OF FIRST SEMESTER
FUNDAMENTALS OF COMMERCE
(COMMON FOR B.COM(CA), BBA, BBA-DM, BBA-BA, BCA, BCA-DS)
(w.e.f. Admitted Batch 2024 - 25)

Time: 3Hours

Maximum: 70 Marks

SECTION - A

I. Multiple Choice Questions:

30 x 1 = 30 M

1. What is trade?
 - A) Exchange of goods and services within a country
 - B) Exchange of goods and services between countries
 - C) Production of goods and services
 - D) All of the above
2. How is trade classified?
 - A) Internal and International
 - B) Wholesale and Retail
 - C) Direct and Indirect
 - D) Only A and B
3. Which of the following is an aid to trade?
 - A) Banking
 - B) Insurance
 - C) Transportation
 - D) All of the above
4. What is commerce?
 - A) Production of goods and services
 - B) Exchange of goods and services
 - C) All activities related to buying and selling of goods and services
 - D) Only A and B
5. What role does commerce play in economic development?
 - A) Facilitates production and exchange of goods and services
 - B) Generates employment opportunities
 - C) Increases national income
 - D) All of the above
6. How does commerce contribute to economic growth?
 - A) By increasing the standard of living
 - B) By mobilizing savings and investments
 - C) By facilitating domestic and international trade
 - D) All of the above
7. Which of the following best describes demand?
 - A) Desire for a product without willingness to pay
 - B) Willingness and ability to buy a product
 - C) Quantity of a product supplied in the market
 - D) Price of a product
8. According to the Law of Demand, what happens when the price of a good increases?
 - A) Quantity demanded increases
 - B) Quantity demanded decreases
 - C) Demand remains constant
 - D) Supply increases
9. Which of the following is a determinant of demand?
 - A) Consumer's income
 - B) Price of related goods
 - C) Consumer's taste and preferences
 - D) All of the above
10. Which of the following is an exception to the Law of Demand?
 - A) Veblen goods (snob appeal)
 - B) Essential goods
 - C) Normal goods
 - D) Only A
11. What type of price elasticity of demand occurs when a 1% price change leads to a greater than 1% change in quantity demanded?
 - A) Unitary elasticity
 - B) Elastic demand
 - C) Inelastic demand
 - D) Perfectly inelastic demand

12. Which method estimates national income by adding up the value of goods and services produced within a country?
A) Product Method B) Income Method C) Expenditure Method D) All of the above
13. What is the primary objective of accounting?
A) To provide financial information to stakeholders
B) To manage business operations C) To comply with legal requirements D) To maximize profits
14. Which step comes first in the accounting cycle?
A) Journalizing transactions B) Preparing financial statements
C) Analyzing transactions D) Closing accounts
15. Which branch of accounting deals with the preparation of financial statements for external users?
A) Financial Accounting B) Cost Accounting C) Management Accounting D) Auditing
16. What distinguishes Cost Accounting from Financial Accounting?
A) Focus on external reporting B) Emphasis on cost control and analysis
C) Use of financial statements D) Management decision-making
17. Which accounting concept assumes that a business will continue to operate indefinitely?
A) Going Concern Concept B) Accrual Concept
C) Materiality Concept D) Matching Concept
18. Which accounting convention requires accountants to recognize revenues and expenses in the period earned or incurred?
A) Matching Principle B) Materiality Concept
C) Consistency Concept D) Realization Principle
19. What is a tax?
A) Compulsory payment by citizens to fund government activities
B) Voluntary contribution to support public welfare
C) Fee for government services rendered D) Fine imposed for non-compliance
20. Which characteristic distinguishes direct tax from indirect tax?
A) Direct tax is paid by businesses, indirect tax by individuals
B) Direct tax is levied on income, indirect tax on goods and services
C) Direct tax is voluntary, indirect tax is compulsory
D) Direct tax is paid directly to the government, indirect tax through intermediaries
21. What is the main difference between customs duty and excise duty?
A) Customs duty is levied on imported goods, excise duty on domestic goods
B) Customs duty is levied on exported goods, excise duty on imported goods
C) Customs duty is a direct tax, excise duty an indirect tax
D) Customs duty is levied by state governments, excise duty by central government
22. Under tax laws, who can be considered a "person"?
A) Only individuals B) Only businesses
C) Individuals, businesses, and organizations D) Only government entities
23. What is the "previous year" in taxation?
A) Year preceding the assessment year B) Year in which income is earned
C) Year in which tax is paid D) Year in which tax return is filed

24 Who is an "Assessee"?

- A) Person liable to pay tax
B) Person employed by the tax department
C) Person providing tax consultancy services
D) Person auditing tax returns

25. What is the primary goal of responsive web design?

- A) To increase website loading speed B) To enhance visual appeal
C) To ensure a user-friendly experience across devices D) To improve search engine rankings

26. Which digital marketing strategy focuses on improving website visibility in search engine results pages (SERPs)?

- A) Pay-Per-Click (PPC) Advertising
B) Social Media Marketing
C) Search Engine Optimization (SEO)
D) Content Marketing

27. What is the primary objective of social media engagement?

- A) To increase website traffic
B) To generate leads and sales
C) To build brand awareness and customer relationships
D) To monitor competitor activity

28. Which type of content marketing involves creating valuable, informative content to attract and retain customers?

- A) Branded content B) Sponsored content C) Inbound marketing D) Outbound marketing

29. What is the primary metric for measuring email marketing campaign success?

- A) Open rate B) Click-through rate (CTR) C) Conversion rate D) Bounce rate

30. Which data analytics tool helps track website interactions, goal conversions, and user behavior?

- A) Google Analytics B) Google Ads C) SEO tools like Ahrefs D) Social media insights

SECTION- B(FILL IN THE BLANKS)

10x1=10 M

31. Trade refers to the exchange of _____ between individuals, businesses, or countries.

32. Commerce facilitates economic development by providing _____ opportunities.

33. The Law of Demand states that as the price of a good increases, the _____ decreases.

34. Price elasticity of demand measures the responsiveness of _____ to changes in price.

35. The primary objective of financial accounting is to provide ____ to external stakeholders.

36. The matching principle requires that revenues be recognized when _____ and expenses be recognized when incurred.

37. Direct tax is levied directly on an individual's or business's _____.

38. Customs duty is a type of indirect tax levied on _____.

39. Responsive web design adopts to different _____.

40. Data analytics involves examining data to gain insights and inform _____.

SECTION - C (VERY SHORT ANSWERS QUESTIONS) 10 x 1 = 10 M

41. Define WTO.

42. Role of Commerce

43. What is Marginal Utility?

44. What is National Income?

45. What is the primary goal of GAAP?

46. What is Accounting Cycle?

47. What is Income Tax?

48. What is GST?

49. Define Social Media Marketing.

50. What is Web Design?

SECTION - D (MATCHING)**2 x 5 = 10 M**

Concepts		Definitions	
51	Financial Accounting	()	A) Accounting for cost control and analysis
52	Cost Accounting	()	B) Process of recording, classifying, and reporting transactions
53	Management Accounting	()	C) Matching revenues with expenses
54	Accounting Cycle	()	D) Accounting for internal decision-making
55	Matching Principle	()	E) Accounting for external stakeholders

Concepts		Definitions	
56	Direct Tax	()	A) Individual, firm, or organization
57	Indirect Tax	()	B) Tax on goods and services
58	Customs Duty	()	C) Tax on imported goods
59	Excise Duty	()	D) Tax on income or wealth
60	Person	()	E) Tax on domestic goods

SECTION - E (TRUE OR FALSE)**10 x 1 = 10 M**

61. Commerce refers to the exchange of goods and services within a country.
62. Transportation is an aid to trade that facilitates the movement of goods from one place to another.
63. According to the Law of Demand, as the price of a good increases, the quantity demanded also increases.
64. Price elasticity of demand measures the responsiveness of quantity demanded to changes in consumer income.
65. The primary objective of financial accounting is to provide information to internal stakeholders for decision-making.
66. The matching principle, a fundamental concept of accounting, requires that revenues be recognized when earned and expenses be recognized when paid.
67. The assessment year is the financial year immediately preceding the previous year.
68. Excise duty is a type of indirect tax levied on goods imported into a country.
69. Content marketing aims to directly sell products or services through promotional content.
70. In web design, responsiveness refers to a website's ability to load quickly.

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