

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.

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 Principle of Insurance emphasizes that insurance contracts are based on trust and honesty between the insurer and the insured?
- (a) Principle of Subrogation
 - (b) Principle of Contribution
 - (c) Principle of Utmost good faith
 - (d) Principle of Causa Proxima
- (ii) Ram has a current account with State Bank of India. He issues a cheque of ₹ 55,000/- to his supplier but the balance in his account was only ₹ 50,000/-. The cheque is cleared. The bank provides him:
- (a) Cash credit
 - (b) Overdraft
 - (c) Short term loan
 - (d) Discounting of bills

(iii) Which function is depicted in the given picture?



- (a) E-commerce
- (b) Promotion
- (c) Selection
- (d) Marketing

(iv) Babita purchased a pressure cooker. The packaging did not mention any precautions. The safety valve of the pressure cooker malfunctioned and Babita was seriously injured.

Which consumer right was violated?

- (a) The Right to Consumer Awareness
- (b) The Right to be Assured
- (c) The Right to Safety
- (d) The Right to be Heard

(v) **Assertion (A):** Advertisement is an important means for facing competition.

Reason (R): By creating brand loyalty, advertising helps to maintain sales and market share.

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

(vi) If a stakeholder provides raw material to a firm, what does he expect in return?

- (a) Job security and continuity in service.
- (b) Atmosphere of healthy competition.
- (c) Safety of capital.
- (d) Fair and timely payments.

(vii) With regards to a Balance Sheet, identify which of the following statements are true:

- I: It is made on a particular date.
 - II: It calculates the Net Profit or Net Loss.
 - III: It is a statement of Assets and Liabilities.
 - IV: Debit side records expenses and credit side records income.
- (a) I and II are true.
 - (b) II and III are true.
 - (c) I and III are true.
 - (d) II and IV are true.

- (viii) Raman is a small trader who does not have his own warehouse. Which type of warehouse will help him store his goods economically?
- (a) Private warehouse
 - (b) Public warehouse
 - (c) Bonded warehouse
 - (d) Cold storage
- (ix) **Assertion(A):** Capital expenditure increases the earning capacity of the business.
- Reason(R):** Capital expenditure is incurred for day-to-day conduct of the business.
- (a) A is true, and R is the correct explanation of A.
 - (b) A is true, but R is not the correct explanation of A.
 - (c) A is true, but R is false.
 - (d) A is false, but R is true.
- (x) Debenture holders are creditors of the company.
- (a) True
 - (b) False
- (xi) Dexterity tests help to determine a candidate's:
- (a) ability to learn new skills in the industry.
 - (b) capacity to use hands and fingers in industrial work.
 - (c) emotional balance and temperament.
 - (d) knowledge in a particular occupation or trade already achieved.

- (xii) Identify the type of expenditure incurred in building temporary huts for workers engaged in construction of a factory building.
- (a) Revenue Expenditure
 - (b) Deferred Revenue Expenditure
 - (c) Capital Expenditure
 - (d) Capital Receipts
- (xiii) The following image is an example of _____.



- (a) Direct Marketing
 - (b) Sales Promotion
 - (c) Pricing Strategy
 - (d) Packaging Design
- (xiv) Which module of Enterprise Resource Planning (ERP) helps to manage employee information and track employee records?
- (a) Supply chain management module
 - (b) Customer relationship management module
 - (c) Engineering module
 - (d) Human Resource Module

- (xv) Which one of these is **NOT** a method of External Recruitment?
- (a) Casual callers
 - (b) Transfer
 - (c) Placement agencies
 - (d) Campus interviews
- (xvi) Identify the step of selection which helps to know from reliable sources about the background and character of the candidate.
- (a) Application blank
 - (b) Medical examination
 - (c) Checking references
 - (d) Placement

Question 2

Write *any two* differences between:

- (i) *Budget and Forecast* [2]
- (ii) *Advertising and Publicity* [2]
- (iii) *NEFT and RTGS* [2]
- (iv) *Traditional business and E-business* [2]

Question 3

- (i) Explain briefly the term *E-marketing*. [2]
- (ii) What is meant by *Provident Fund*? [2]
- (iii) What is *Social Advertising Media*? Give *two* examples. [2]
- (iv) *Central Pollution Control Board (CPCB) was constituted for prevention of control of all forms of pollution.* [2]
Explain briefly *any two* functions of the Board.

Question 4

- (i) What is a *Profit and Loss Account*? [2]
- (ii) *A portion of this type of expenditure is debited to the Profit and Loss Account in the current year and the remaining portion is shown as asset in the Balance Sheet.* [2]
Identify the type of expenditure. Give *two* examples.
- (iii) Briefly explain *Distribution of free samples* as a Sales Promotion technique. [2]
- (iv) What is *Semi-Variable cost*? Give *one* example. [2]

SECTION B (40 Marks)

(Attempt **any four** questions from this **Section**.)

Question 5

- (i) Explain *five* functions of a *Capital Market*. [5]
- (ii) Write short notes on: [5]
 - (a) *Production budget*
 - (b) *Revenue receipts*

Question 6

- (i) Discuss *any two* advantages and *any three* disadvantages of *Rail Transport*. [5]
- (ii) Write short notes on: [5]
 - (a) *Causa Proxima*
 - (b) *Right to Safety*

Question 7

- (i) What is *Internal Recruitment*? Explain *any two* merits and *any two* demerits of Internal Recruitment. [5]
- (ii) Describe *any five* objectives of *Industrial Relations*. [5]

Question 8

- (i) *Individuals or institutions provide money as loan to commercial organisations and charge interest on it.* [5]
- (a) Identify the above stakeholders.
- (b) State *any four* expectations that the above may have from a business enterprise.
- (ii) Give *five* points of difference between *Advertising* and *Sales Promotion*. [5]

Question 9

- (i) *Consumer awareness is increasingly becoming important so that buyers can take the right decision and make right choices.* [5]
- Explain the importance of consumer awareness by giving *five* points.
- (ii) Write short notes on: [5]
- (a) *Private Warehouse*
- (b) *Insurance*

Question 10

Given below is the Trial Balance of M/S. Raj & Co Ltd. as on 31st March, 2024.
Prepare a Trading and a Profit and Loss account for the year ending 31st March, 2024
and a Balance Sheet as on 31st March, 2024.

[10]

Trial Balance of M/S. Raj & Co Ltd.
as on 31st March, 2024

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock	5,000	Capital	25,000
Purchases	30,000	Purchase return	1,000
Cash in hand	2,000	Sundry creditors	7,000
Wages	1,500	Sales	83,000
Sales return	250	Rent received	2,000
Drawings	1,000		
Trade expenses	7,000		
Salaries	4,000		
Insurance	500		
Discount allowed	750		
Furniture	55,000		
Debtors	5,000		
Cash at bank	3,000		
Advertising expenses	3,000		
Total	1,18,000	Total	1,18,000

Closing stock was valued at ₹ 9,000.