
COMMERCIAL STUDIES

(Two Hours)

Answers to this Paper must be written on the paper provided separately.

*You will **not** be allowed to write during the first **15** minutes.*

This time is to be spent in reading the question paper.

The time given at the head of this Paper is the time allowed for writing the answers.

*Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*

The intended marks for questions or parts of questions are given in brackets [].

SECTION A (40 Marks)

*Attempt **all** questions from this Section*

Question 1

Distinguish between:

- (a) Stakeholders and Shareholders [2]
- (b) Advertising and Publicity [2]
- (c) Equity Shares and Debentures [2]
- (d) Recruitment and Selection [2]
- (e) Life Insurance and General Insurance [2]

Question 2

- (a) Mention any two expectations of society from a business organization. [2]
- (b) What is meant by Social Advertising Media? [2]
- (c) Explain the New Pension Scheme as a social security measure. [2]
- (d) What is 'Indirect Material Cost'? [2]
- (e) Briefly explain the role of consumer courts as a grievance redressal system. [2]

Question 3

- (a) What is a Master Budget of a business firm? [2]
- (b) Explain 'Preference shares' as a long term source of capital. [2]
- (c) Mention any two types of general insurance. [2]
- (d) Distinguish between gratuity and provident fund as measures of social security. [2]
- (e) Distinguish between fixed and variable cost. [2]

Question 4

- (a) State two advantages of Campus Interviews as a source of recruitment. [2]
- (b) Give two points of distinction between Public and Private warehouses. [2]
- (c) State two rights of a consumer. [2]
- (d) What is an Advertising Agency? [2]
- (e) State any two advantages of Rail transport over Road transport. [2]

SECTION B (40 Marks)

Attempt any four questions from this Section

Question 5

- (a) What is 'E- Commerce'? State any four of its benefits over traditional methods of transactions. [5]
- (b) What is Pricing? Explain any four of its objectives. [5]

Question 6

- (a) Explain any five types of 'selection tests'. [5]
- (b) Differentiate between Internal and External stakeholders. Briefly state the expectations of employees from a commercial organization. [5]

Question 7

- (a) Mention any five points of distinction between 'Budgeting and 'Forecasting'. [5]
- (b) Explain in brief the five functions of the Central bank of a country. [5]

Question 8

- (a) Explain Cash Credit and Overdraft as sources of short term capital. [5]
- (b) Describe the procedure in the selection of employees for an organization. [5]

Question 9

- (a) Explain "Principle of Indemnity" and "Principle of Subrogation" in an insurance contract. [5]
- (b) 'Environmental degradation is leading to adverse climate conditions'. In this context briefly explain the significance of the Environmental Protection Act. [5]

Question 10

The trial balance of Mr. Nath shows the following balances on 31-3-2008. [10]

	Dr.		Cr.
Opening stock	22,500.00	Sales	1,89,000.00
Depreciation	7,000.00	Commission received	2,000.00
Carriage	700.00	Capital	1,71,300.00
Furniture	8,000.00	Creditors	27,000.00
Machinery	2,00,000.00	Bills Payable	5,000.00
Cash	8,900.00	Returns outwards	3,800.00
Salaries	7,500.00		
Debtors	19,000.00		
Discount	1,500.00		
Bills Receivables	17,000.00		
Wages	16,000.00		
Sales Return	4,000.00		
Purchases	86,000.00		
	<u>3,98,100.00</u>		<u>3,98,100.00</u>

Closing stock on 31-3-2008 is ₹ 45,000.

Prepare a Trading, Profit & Loss A/C for the year ended 31-3-2008 and a Balance sheet as on 31-3-2008.