
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) Marketing and Sales | [2] |
| (b) Central Bank and Commercial Bank | [2] |
| (c) Product and Service | [2] |
| (d) Debit Card and Credit Card | [2] |
| (e) Shares and Debentures | [2] |

Question 2.

- | | |
|---|-----|
| (a) Mention <i>any two</i> objectives of Pricing. | [2] |
| (b) Explain 'Sales Budget'. | [2] |
| (c) What is 'Social Advertising Media'? | [2] |
| (d) What is 'Discounting of bills of exchange'? | [2] |
| (e) What do you mean by On-the-job training and Off-the-job training? | [2] |

This paper consists of 4 printed pages.

Question 3.

- (a) What is meant by 'Deferred Revenue Expenditure'? [2]
- (b) What do you understand by 'Semi-variable Costs'? [2]
- (c) How do warehouses help in price stabilization? [2]
- (d) Why is a 'Master Budget' also known as a Summary Budget? [2]
- (e) Explain the term 'Logistics'. [2]

Question 4.

- (a) What is 'National Electronic Fund Transfer'? [2]
- (b) State *any two* precautions while using an 'ATM'. [2]
- (c) What do you understand by 'Health Insurance'? [2]
- (d) What do you mean by Internet and Cyber Fraud? [2]
- (e) Explain *any two* features of Environment (Protection) Act, 1986. [2]

SECTION B (40 Marks)

Attempt any four questions from this Section

Question 5.

- (a) State *any five* expectations of employers from a business enterprise. [5]
- (b) Briefly discuss *any five* advantages of E-commerce over traditional methods of transactions. [5]

Question 6.

- (a) What is an Advertising Agency? Explain any two of its functions. [5]
- (b) Explain *any five* rights enjoyed by consumers as per The Consumer Protection Act, 1986. [5]

Question 7.

- (a) What is a Capital Market? Explain any two of its functions. [5]
- (b) Explain *any five* objectives of Industrial Relations. [5]

Question 8.

- (a) Explain the 'Clearing House Function' of the Central Bank. [5]
- (b) Explain *any five* disadvantages of Air Transport. [5]

Question 9.

- (a) Explain the following Principles of Insurance: [5]
- (i) Doctrine of Subrogation
- (ii) Mitigation of Loss
- (b) Explain briefly *any five* functions of 'Central Pollution Control Board'. [5]

Question 10.

The following is the Trial Balance of ABC Industries as on 31st December 2015. [10]

**Trial Balance of ABC Industries
as on 31.12.2015**

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)
Salaries	4,000.00	Sales	83,000.00
Cash Balance	2,000.00	Rent Received	2,000.00
Bank Balance	3,000.00	Purchases Returns	1,000.00
Wages	1,500.00	Creditors	7,000.00
Insurance	500.00	Capital Account	25,000.00
Trade Expenses	7,000.00		
Discount Allowed	750.00		
Opening Stock (1/1/2015)	5,000.00		
Buildings	40,000.00		
Furniture	15,000.00		
Sales Returns	250.00		
Drawings	1,000.00		
Debtors	5,000.00		
Purchases	30,000.00		
Legal Charges	1,000.00		
Advertisement Expenses	2,000.00		
Total	1,18,000.00		1,18,000.00

The closing stock was valued at ₹ 9,000.

You are required to prepare a Trading Account and a Profit and Loss Account for the year ending 31st December 2015 and a Balance Sheet as on 31st December, 2015.