
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)

*Answer **all** questions from this Section.*

Question 1

Distinguish between:-

- (a) *Stakeholders and Shareholders.* [2]
- (b) *Fixed Costs and Variable Costs.* [2]
- (c) *Balance Sheet and Trial Balance.* [2]
- (d) *Product and Service.* [2]
- (e) *Strikes and Lockouts.* [2]

Question 2

- (a) *What is meant by Master Budget?* [2]
- (b) *Mention two advantages of Direct Taxes.* [2]
- (c) *Explain the term social security.* [2]
- (d) *State any two purposes of accounting standards.* [2]
- (e) *What is a patent? State any two of its characteristics.* [2]

This Paper consists of 3 printed pages and 1 blank page.

Question 3

- (a) State any two expectations of the *community* from a business enterprise. [2]
- (b) How is the *distribution of free samples* considered a device of sales promotion? [2]
- (c) Mention two limitations of a *cash flow statement*. [2]
- (d) What does ROI indicate? [2]
- (e) Mention any two functions of *Trade Unions*. [2]

Question 4

- (a) What is meant by *Quick Ratio*? [2]
- (b) 'Both, the *Income and Expenditure Account* and the *Profit and Loss Account* indicate the profit or loss of an organisation but are not the same'. Explain. [2]
- (c) Mention two factors which influence the demand for a commodity. [2]
- (d) What is the role of *ethics* in a business enterprise? [2]
- (e) How are the needs of shareholders and consumers conflicting? [2]

SECTION B (40 Marks)

Answer any **four** questions from this Section.

Question 5

Mr. Lal bought a packet of cream biscuits manufactured by Tasty Confectioneries from a local retailer. On opening the packet, he found that the biscuits were stale and emitted a foul smell. In this context, answer the following questions:-

- (a) Name the Act which can protect the interest of Mr. Lal. State any four salient features of this Act. [5]
- (b) Explain any five rights of the Consumers under the Act. [5]

Question 6

- (a) In a factory which manufactures steel billets, a worker is injured while working on one of the machines. In this context, mention two conditions under which the employer will be liable to pay compensation to the worker and two conditions under which he will not be required to pay compensation. [4]
- (b) Mention four functions of the Human Rights Commission. [4]
- (c) State the benefits of the Provident Fund Scheme. [2]

Question 7

- (a) Mr. Khanna is launching a cellphone in the market. Explain the factors that must be kept in mind while designing its advertising copy. [5]
- (b) What is meant by *market research*? Describe the steps involved in the market research process. [5]

Question 8

- (a) What is *financial accounting*? Enumerate the basic principles of *financial accounting*. [5]
- (b) What is a *Trading Account*? State the objectives of preparing a *Trading Account*. [5]

Question 9

- (a) Explain the various types of deposits received by Commercial Banks. [5]
- (b) Describe any five functions of the Central Bank. [5]

Question 10

Mr. Gupta is the head of the H.R.D. Department of *Style Cosmetics*, a well-known cosmetic company. As part of the expansion of the company, Mr. Gupta has been assigned the task of recruiting fifty 'A' Grade Officers. Approximately 700 applications have been received. Enumerate the steps Mr. Gupta ought to take to select the right candidates as part of the expansion strategy. [10]



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