

**GREENLAWNS HIGH SCHOOL**  
**TERMINAL EXAMINATION 2022**

**SUB: COMMERCIAL STUDIES STD: XA/B MARKS: 60 TIME: 1 HOUR 30 MIN**

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

*You will NOT be allowed to write during the first 10 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.*

*Write your answer in chronological order.*

**SECTION A**

**30M**

**[attempt all questions]**

**Question 1**

**12**

- i. Gross Profit/Loss is transferred to \_\_\_\_\_.
- (A) Trading Accounts
  - (B) Profit/Loss Account
  - (C) Balance Sheet
  - (D) Trial Balance
- ii. Which of these is a capital expenditure?
- (A) Purchased machinery ₹ 25000.
  - (B) Rent Received ₹50000.
  - (C) ₹ 40000 paid on account of GST.
  - (D) Issued debentures ₹ 1000.
- iii. Financial market is a market for creating and exchanging of \_\_\_\_\_.
- (A) Equity shares
  - (B) Preference shares
  - (C) Debentures
  - (D) Financial Assets

iv. \_\_\_\_\_ is not an internal stakeholder.

- (A) The CEO
- (B) The General Manager
- (C) The Suppliers
- (D) Mr. Sharma who has 50 equity shares of the company.

v. 'Reasonable rate of returns on capital' is an expectation of \_\_\_\_\_ from the company.

- (A) Owners
- (B) Government
- (C) Suppliers
- (D) Creditors

vi. Sununda's factory incurs a fixed monthly bill on telephone lines. In addition, she pays extra every month when she makes a few international calls to her clients. What type of cost does she incur with respect to this.

- (A) Fixed cost
- (B) Controlled cost
- (C) Variable cost
- (D) Semi- variable cost

vii. Govind & Sons sold goods to Mr. Laxon on credit. On the due date, Mr. Laxon turned insolvent. How should Govind & Sons make this entry in their final account?

- (A) P/L Ac debit side as Bad debts Recovered A/c
- (B) P/L Ac credit side as Bad debts Recovered A/c
- (C) P/L Ac credit side as Bad debts A/c
- (D) P/L Ac debit side as Bad debts A/c

viii. \_\_\_\_\_ shareholders have privileged rights.

- (A) Debentureholders
- (B) Equity shareholders
- (C) Creditors
- (D) Preference shareholders

- ix. \_\_\_\_\_ is not a fictitious asset.
- (A) Closing stock
  - (B) Preliminary expenses
  - (C) Discount on issue of shares
  - (D) Discount on issue of debentures
- x. Which of these statements is false.
- (A) Customers have both a negative and positive impact on the company.
  - (B) Expenditure incurred for extension of fixed asset is considered as capital expenditure.
  - (C) Sales budget is the fundamental budget on which all other budgets are built up.
  - (D) Equity shareholders are the real risk-bearer of the company.
- xi. Indrani started a new venture. She paid ₹13500 for acquiring various licenses. How should she treat this expenditure?
- (A) Revenue expenditure
  - (B) Deferred revenue expenditure
  - (C) Capital expenditure
  - (D) Consider it as a loss and subtract the figure from profits of that year.
- xii. Creditors, bills payable, bank overdraft are examples of \_\_\_\_\_
- (A) Current Liabilities
  - (B) Fixed Liabilities
  - (C) Contingent Liabilities
  - (D) Long-term liabilities

**Question 2**

**Distinguish between**

- a. Fixed Assets and Fixed Liabilities
- b. Revenue Receipts and Capital Receipts
- c. Direct material and indirect material

**Question 3**

- a. Explain any two features of the budget.
- b. List the four elements of cost.

6

6

c. What is deferred revenue expenditure? Give an example.

**Question 4**

6

- a. Explain positive and negative impacts of stakeholders on a company.
- b. Illustrate four examples of revenue expenditure.
- c. Why is it necessary to distinguish between direct cost and indirect cost?

**SECTION B**

30M

(Attempt any 3 questions)

**Question 5**

10

- a. Briefly explain the features of equity shares.
- b. What are the expectations of the employees from a commercial organisation?

**Question 6**

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- a. Explain the features of the capital market.
- b. How is fixed cost different from variable cost?

**Question 7**

10

- a. Explain the following loans from commercial banks-
  - i. Discounting of bills of exchange
  - ii. Overdraft
- b. Distinguish between budgeting and forecasting.

**Question 8**

10

The following trial balance was extracted from the books of Mr. Chandaraman on the last day of the financial year in 2021.

Particular	Debit Balances [₹]	Credit balances [₹]
Capital and Drawings	400	83400
Purchases and Sales	50000	75000

Wages and Salaries	8000	
Salaries and wages	6000	
Advertisement	1000	
Bills of exchange		5500
Carriage	750	
Machinery	48000	
Office Equipment	34500	
Debtors and Creditors	11300	6750
General expenditure	4500	
Insurance Premium	2200	
Bank		3600
Rent		4500
Cash	1500	
Returns	2300	1500
Opening stock	9800	
	<b>180250</b>	<b>180250</b>

The closing stock was ₹2000 more than the opening stock. The market value was ₹10,000. Prepare the final accounts for him.