

**Greenlawns High School**  
**Terminal Examination -2025-26**

**Subject: Commercial Studies**

**Marks: 80**

**Class: X**

**Time: 2 hours**

Answer to this paper must be written on answer-sheets provided.

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)**

**(All questions are compulsory)**

**Question 1: Pick the correct answer and mention the option along with the answer. [16]**

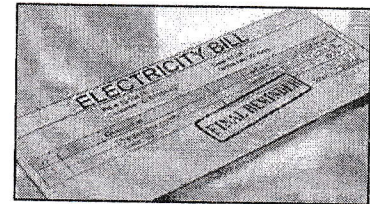
1 \_\_\_\_\_ Principle of Insurance applies only after the insurer has paid the claim to the insured.

- a) Insurable Interest
- b) Indemnity
- c) Doctrine of Subrogation
- d) Contribution

2 Which of the following is not posted in the Profit and Loss Account?

- a) Customs duty
- b) Interest paid
- c) Advertisement
- d) Interest received on investment

3 Mr. Shah paid ₹2000 as a rental for the factory electricity meter and ₹4500 as a usage bill for his electricity consumption. Identify the type of cost in the given situation.



- a) Fixed cost
- b) Variable cost
- c) Semi-variable cost
- d) Overheads

4 Assertion(A): Revenue receipts are shown in Balance sheet.

Reason(R): They are recurring in nature.

- a) A is true and R is the correct explanation for A
- b) A is true and R is not the correct explanation for A
- c) A is true and R is false
- d) A is false and R is true

5 A waiting list of all the unsolicited applicants may be prepared and they may be screened to fill the vacancies as they arise. This is \_\_\_\_\_ source of recruitment.

- a) Advertisement
- b) Recommendation
- c) Casual callers
- d) Direct recruitment

6 Closing stocks can appear in the Trail Balance.

- a) True
- b) False

- 7 The \_\_\_\_\_ scheme was launched with the objective of providing long-term recurring financial assistance to an employee after retirement and his family in case of premature death.
- a) Provident Fund
  - b) Gratuity
  - c) Pension
  - d) NPS
- 8 This budget forecasts the closing inventory of finished products and is based upon sales budget.
- a) Production
  - b) Sales
  - c) Purchase
  - d) Material
- 9 Commission received is treated as \_\_\_\_\_.
- a) Capital expenditure
  - b) Capital receipt
  - c) Revenue expenditure
  - d) Revenue receipt
- 10 Which of the following feature does not describe budget?
- a) Less flexible
  - b) Anticipates future financial outcome
  - c) Sets targets and allocates resources
  - d) Requires management authority
- 11 Assertion(A): Preference shares appeal to conservative and orthodox investors.  
Reason(R ): The nominal value of these shares generally high as dividend are regular and fixed.
- a) A is true and R is the correct explanation for A
  - b) A is true and R is not the correct explanation for A
  - c) A is true and R is false
  - d) A is false and R is true
- 12 To \_\_\_\_\_ so as to ensure industrial peace by providing better working and living standards to workers.
- a) Safeguard the interest of labour
  - b) Avoid all forms of industrial conflicts
  - c) Raise productivity in an era of full employment.
  - d) Establish and maintain industrial democracy.
- 13 The owner of a \_\_\_\_\_ warehouse gives on undertaking not to release the goods until the customs duty is paid.
- a) Bonded
  - b) Public
  - c) Private
  - d) Cold
- 14 Trainer creates a conflict situation where the trainees have to experience a conflict personality and work out its resolution. This method is part of \_\_\_\_\_.
- a) Vestibule training
  - b) Classroom training
  - c) Simulation exercises
  - d) Apprenticeship training
- 15 In the running of a particular train, cost of railway station and railway staff are \_\_\_\_\_ costs.
- a) Direct
  - b) Semi-variable
  - c) Indirect
  - d) Variable
- 16 The borrower of \_\_\_\_\_ maybe asked to repay in lumpsum or in instalments.
- a) Cash credit
  - b) Term loan
  - c) Overdraft
  - d) Discounting of bills



## Question 2

Write difference between:

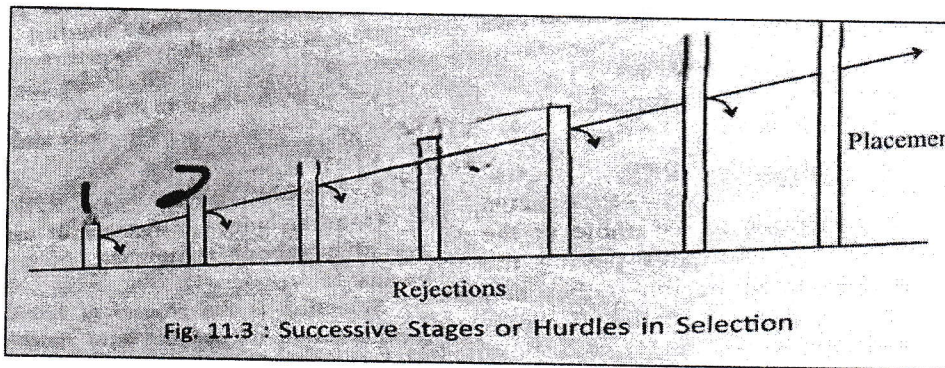
- a) NEFT and RTGS [2]
- b) Central Bank and Commercial Bank. [2]
- c) Gratuity and Provident fund. [2]
- d) Selection and Recruitment. [2]

## Question 3

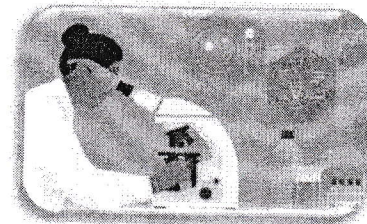
- a) Define Recruitment. List the sources of recruitments. [2]
- b) State the accounting treatment of Returns Inward and Return Outward in the final accounts. [2]
- c) Give any two examples of indirect materials used for ancillary purposes. [2]
- d) State any two functions of Trade unions. [2]

## Question 4

- a) Observe the selection procedure and mention the fourth and fifth stage used in the selection of employees.



- b) Observe the image and identify the item. Explain its accounting treatment.



[2]

- c) What is the significance of cash budget? [2]
- d) How is air transport better than road transport? [2]

## Section B (40 Marks)

*{Attempt any four questions from this Section}*

### Question 5

- a) Explain the following functions of Central Bank:
- i) Custodian of foreign exchange
  - ii) The Clearing house function [5]
- b) Write short note on : i) Causa Proxima                      ii) Contribution [5]

### Question 6

- a) Enumerate the methods used in selection tests. [5]
- b) Panshul wants to establish a full fledge warehouse for his products. Enumerate the significance of warehousing. [5]

### Question 7

- a) Distinguish between Capital Receipt and Revenue Receipt. [5]
- b) Write short note on : i) Group Life Insurance                      ii) NPS [5]

### Question 8

- a) Banks usually insist on life insurance policy to be taken by the borrowers and be payable to them as mortgage for the safety of their housing loans given.
- i) Which principle of insurance is being mentioned here? [1]
  - ii) What are the essential features of the above principles? [2]
  - iii) How is this principle different in case of life insurance and marine insurance? [2]
- b) Explain Rian the classification of cost on the basis of their behaviour with example each. [5]

### Question 9

- a) Ms. Chanda Kochhar of ICICI Bank Ltd is being interrogated for a false financial accounting fraud committed in her term as a Chairperson of the bank.
- i) What do you understand by False Accounting fraud? [1]
- ii) What are reasons behind the false accounting? [2]
- iii) What are the steps taken by the organisation to protect itself from false accounting fraud? [2]
- b) As an investment advisor, list down the difference between Equity shares and Preference shares for Kashvi. [5]

### Question 10

The following is the Trial Balance of M/s Aarnav & Co as on 31<sup>st</sup> March 2025: [10]

Particular	Debit Amount (₹)	Credit Amount (₹)
Capital and Drawings	1000	50000
Building	88000	
Furniture	7500	
Returns	750	550
Opening Stock	28000	
Purchase and Sales	90000	172000
Carriage Inwards	1200	
Interest received on Investment		18550
Bank Loans		20000
Interest on Bank Loan	3300	
Commission	4750	
Royalty received		5800
Advertisement	3600	
Salaries	26100	
Cash in Hand	2700	
Debtors and Creditors	25000	15000
<b>TOTAL</b>	<b>281900</b>	<b>281900</b>

Closing Stock was valued as ₹ 45000 in the Books and ₹ 50000 in the Market.

You are required to prepare the final accounts for the year ending 31<sup>st</sup> March 2025.