

GREENLAWNS SCHOOL, WORLI  
PRELIMINARY EXAMINATION  
COMMERCIAL STUDIES

STD : X  
DATE :

MARKS : 80  
TIME : 2 hours

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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.

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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**

(Attempt **all** questions from this **Section**)

Q.1. Choose the correct answer to the questions from the given option. [16]

(Do not copy the question, write the correct answer only)

(i)

**Assertion:** Life insurance is not a contract of indemnity.

**Reasoning:** A person's life cannot be valued in terms of money.

- a. A is true, and R is the correct explanation of A
- b. A is true, but R is not the correct explanation of A
- c. A is true, but R is false.
- d. A is false, but R is true

(ii) A businessman sells wide variety of products to consumers at reasonable prices to ensure his own profits. How is this important to society?

- a. It helps him to earn goodwill
- b. It helps people get jobs
- c. It improves standard of living of people
- d. It helps him to generate more revenue

(iii) Identify the sales promotion technique depicted in the picture.



- a. Distribution of free samples
- b. Coupons
- c. Free offer
- d. Prize contest

- (iv) A group of consumers coming together to file a common complaint is known as:
- Group complaint
  - Class complaint
  - Common complaint
  - None of the above
- (v) Which of the following is NOT a capital expenditure?
- Replacement of old machinery with new machinery.
  - Repair cost on overhauling a second hand machine before it is put to use
  - Money paid as sales tax to the government
  - Legal charges paid on purchase of freehold land
- (vi) Mr. Deepak was charged Rs.12 for a bottle of water costing Rs.10 as vendor claimed money for supplying a cold bottle. Which type of consumer exploitation has Deepak endured in this case?
- Overweighing
  - Over cheating
  - Over coverage
  - Over charging
- (vii) An example of direct material is:
- Cost of electricity for making air fried chips.
  - Cost of gardener for a florist shop
  - Cost of paper for making decorative Diwali lanterns
  - Cost of stationery for printing bills in a grocery shop
- (viii) An Overdraft facility is only available to a Current Account holder.  
State which of the following statements are true with regards to Overdraft.
- It is a permanent solution to a salary earner's financial needs
  - It is a temporary financial accommodation extended by a bank to its regular customers.
  - Interest has to be paid prior to using the sanctioned funds
  - Interest is charged on the amount actually overdrawn
- 1 & 2 are true
  - 3 & 4 are true
  - 1 & 3 are true
  - 2 & 4 are true
- (ix) Maternity Benefits in India are given to each and every woman working in any field or organization.
- True
  - False
- (x) An interview as a selection step suffers from drawbacks like:
- Being time consuming and expensive
  - Not being able to test skills of the candidate
  - Personal bias of the interviewer
  - All of the above

- (xi) **Assertion:** Industrial relations is a dynamic and developing concept.  
**Reasoning:** Industrial relations develop between employers and workmen
- A is true, and R is the correct explanation of A
  - A is true, but R is not the correct explanation of A
  - A is true, but R is false.
  - A is false, but R is true

(xii) \_\_\_\_\_ is an example of publicity.

- Sponsors putting up their banners at the school fun fair
- A furniture vendor selling his newly designed beds at an exhibition.
- A salesman selling newly launched detergent door to door
- A soft drink company promoting their product on television.

(xiii) Identify the picture



- Google Hangout
- Snapchat
- Skype
- Wechat

(xiv) The RBI creates special institutions for promoting different sectors of the economy. It studies economic problems of the country and takes steps to solve them. Which function of the Central Bank is explained here?

- Lender of Last Resort
- Government's Bank
- Development function
- Controller of Credit

(xv) As an accountant of Patel & Company you have to pass an entry for discount given by the company to a customer. What will be the accounting treatment?

- Debit side of Trading Account
- Debit side of Profit and Loss Account
- Credit side of Trading Account
- Credit side of Profit and Loss Account

(xvi) National Pension System is mandatory for all Central Government employees.

- True
- False

Q.2. Write any two differences between:

- (i) Internal stakeholders and external stakeholders. [2]
- (ii) E-commerce and Traditional business. [2]
- (iii) Trading Account and Profit & Loss Account. [2]
- (iv) Direct cost and Indirect cost. [2]

Q.3.

- (i) An employee gives a good interview and is retained for the position of the manager of a firm. Identify this step taken by the Human Resource Department and state the reason why it is considered as a 'negative' process. [2]
- (ii) What is Capital Market? [2]
- (iii) What do you mean Intellectual Property fraud? [2]
- (iv) State any two expectations of the creditors from a commercial organization. [2]

Q.4.

- (i) What is E-marketing? [2]
- (ii) Explain in brief the Principle of Causa Proxima. [2]
- (iii) 'Road transport is the best for short distance trade' Justify this statement giving two points. [2]
- (iv) Explain in brief the concept of group insurance. [2]

## SECTION B

(Attempt **any four** questions from this **Section**)

Q.5.

- (i) A voluntary body emerged in 1926 for the purpose of regulating relations between workmen and employers. Identify this body and explain any four functions of the above. [5]
- (ii) Write short notes on: [5]
  - (a) NEFT
  - (b) Right to be Heard

Q.6.

- (i) Discuss five objectives of training in detail. [5]
- (ii) Write short notes on: [5]
  - (a) Equity shares
  - (b) Fire insurance

Q.7.

- (i) Mention any two demerits and three merits of water transport. [5]
- (ii) (a) Ms. Sanghvi received a phone call claiming to be from the bank asking for her ATM pin and OTP for a particular online transaction she had made. As soon as she shared her details her card was hacked and transactions worth Rs. 5,00,000 were made using her card for which she received a statement at the end of the month.
  - (1) Will Ms. Sanghvi be liable to pay the credit card bill?
  - (2) Identify the fraud that she has been the victim of?
- (b) Write a short note on Fixed cost

Q.8.

- (i) Explain any five features of the Consumer Protection Act. [5]  
(ii) Write short notes on: [5]  
(a) External recruitment  
(b) Consumer exploitation

Q.9.

- (i) Differentiate between Marketing and Selling. State any five points. [5]  
(ii) Write short notes on: [5]  
(a) Provident Fund  
(b) Sales Budget

Q.10. Prepare Final Accounts for Mr. Dhyanchand as on 31<sup>st</sup> March 2018 from his Trial Balance given below.

	Debit	Credit
Plant and Machinery	55,000	
Fixtures and Fittings	1720	
Factory Fuel and Power	542	
Office Salaries	3745	
Lighting (Factory)	392	
Travelling expenses	925	
Carriage on Sales	960	
Cash in Hand	68	
Sundry Debtors and Creditors	47,800	22,680
Purchases and Sales	83,290	1,26,177
Manufacturing Wages	9915	
Rent and Taxes	1765	
Office expenses	2778	
Carriage on Purchases	897	
Discount	422	
Drawings	6820	
Stock on 1 <sup>st</sup> April 2017	21,725	
Legal expenses	2680	
Sales Returns	7422	
Insurance	570	
Capital		93,230
Purchase Returns		3172
Bills receivable and Bills payable	2245	6422
	<u>2,51,681</u>	<u>2,51,681</u>

Closing stock of Rs. 28,000 was valued at Rs. 23,000

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