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.

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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 (40 Marks)

*Attempt **all** questions from this Section*

Question 1

Distinguish between:

(a) *Capital Receipts* and *Revenue Receipts.* [2]

(b) *Direct Costs* and *Indirect Costs.* [2]

(c) *Shareholders* and *Customers.* [2]

(d) *Budgeting* and *Forecasting.* [2]

(e) A *Trading Account* and a *Profit and Loss Account.* [2]

Question 2

(a) What is meant by formal communication? [2]

(b) Name *four* important methods used for training. [2]

(c) State any *two* methods of Marketing Research. [2]

(d) What are *Liquid Assets*? [2]

(e) Give *two* aims of *The Consumer Protection Act 1986.* [2]

Question 3

(a) What is meant by *Non-Insurable Risk*? Give *one* example. [2]

(b) State any *two* general utility functions of Commercial Banks. [2]

(c) State any *two* characteristics of a Service. [2]

(d) Give *two* points of difference between Public and Private Warehouses. [2]

(e) State any *two* expectations of the general public from a business organization. [2]

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

Turn over

Question 4

(a) State any *two* features of a Bearer Cheque. [2]

(b) What is meant by the term *Capital Expenditure*? [2]

(c) List *two* features of a Non-trading Organization. [2]

(d) State *two* methods or techniques of Sales Promotion. [2]

(e) State *two* advantages of a Campus Interview as a source of recruitment. [2]

SECTION B (40 Marks)

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

Question 5

(a) State any *five* advantages of Road Transport over Water Transport. [5]

(b) Give any *five* expectations of employees from a business enterprise. [5]

Question 6

(a) Explain any *two* functions of the *Central Bank* of a country. [5]

(b) Briefly explain any *five* principles of an Insurance Contract. [5]

Question 7

(a) Explain any *five* qualities of a successful salesman. [5]

(b) Briefly explain the following:

(i) Role of Trade Unions in the welfare of workers.

(ii) Outdoor Advertising. [5]

Question 8

(a) Explain the elements in the process of communication. [6]

(b) *Marketing is essential for the success of a business organisation.*

Give *four* reasons to support your answer. [4]

Question 9

(a) State the various stages of the Selection Process of workers in an organisation. [5]

(b) Suggest any *five* ways Society benefits from Advertising. [5]

Question 10

Prepare a Trading, Profit and Loss A/c. and Balance Sheet of M/s. Sultan Enterprises for the year ended 31st March, 2010 from the following Trial Balance. [10]

Trial Balance as on 31.03.2010

Heads of Accounts	Dr. (₹)	Cr. (₹)
Opening Stock	15,000	-
Salary	2,400	-
Purchase & Sales	80,000	1,20,000
Machinery	40,000	-
Returns	4,000	5,000
Commission Received	-	6,000
Investments	10,000	-
Interest on Investment	-	1,200
Carriage on Purchase	3,000	-
Rent & Rates	4,000	-
Debtors & Creditors	22,800	15,700
Bills Receivable & Bills Payable	3,400	4,100
Cash-in-hand	6,400	-
Wages	18,600	-
Discount Allowed	5,200	-
Royalty Paid	12,000	-
Discount Received	-	6,000
Drawings and Capital	1,200	70,000
	2,28,000	2,28,000

Closing Stock was ₹ 15,250.