



COMPETENCY-FOCUSED PRACTICE QUESTIONS

ICSE - CLASS X

COMMERCIAL STUDIES

PREFACE

With a growing emphasis on competency-based education globally, the educational landscape in India has also steered towards high-quality learning experiences that allow learners to incorporate critical thinking and problem-solving approaches. This approach goes beyond rote memorisation and focuses on developing the skills and knowledge that students need to apply in their real-world scenarios.

The Council for the Indian School Certificate Examinations (CISCE), as a national-level progressive examination board, has taken several steps to infuse competency-based education in CISCE schools through teacher capacity-building on item development for competency-based assessments and the incorporation of competency-focused questions at the ICSE and ISC levels from the examination year 2024.

To further facilitate the adoption of competency-based assessment practices in schools and to support teachers and students towards the preparation for attempting higher-order thinking questions in future board examinations, Item Banks of **Competency-Focused Practice Questions** for selected subjects at the ICSE and ISC levels have been developed. This Item Bank consists of a rich variety of questions, both objective and subjective in categories, aimed at enhancing the subject-specific critical and analytical thinking skills of the students.

In this Item Bank, each question is accompanied by the topic and cognitive learning domain/s that it intends to capture. The cognitive domains reflected in these questions include understanding, analysis, application, evaluation and creativity, along with some questions of the higher-order recall domain. The Answer Key at the end presents the possible answers to a given question, but it is neither limiting nor exhaustive.

These practice questions are also meant to serve as teacher resources for classroom assignments and as samplers to develop their own repository of competency-focused questions. Apart from offering a good practice of higher-order thinking skills, engaging with these questions would allow students to gauge their own subject competencies and use these *assessments for learning* to develop individual learning pathways.

During the development of this Item Bank, a large pool of questions was prepared by a team of experienced CISCE teachers. The questions that were finalised by the internal and external reviewers as being higher-order competency-focused questions have been collated in this item bank.

I acknowledge and appreciate all the ICSE and the ISC subject matter experts who have contributed to the development and review of these high-quality competency-focused questions for CISCE students.

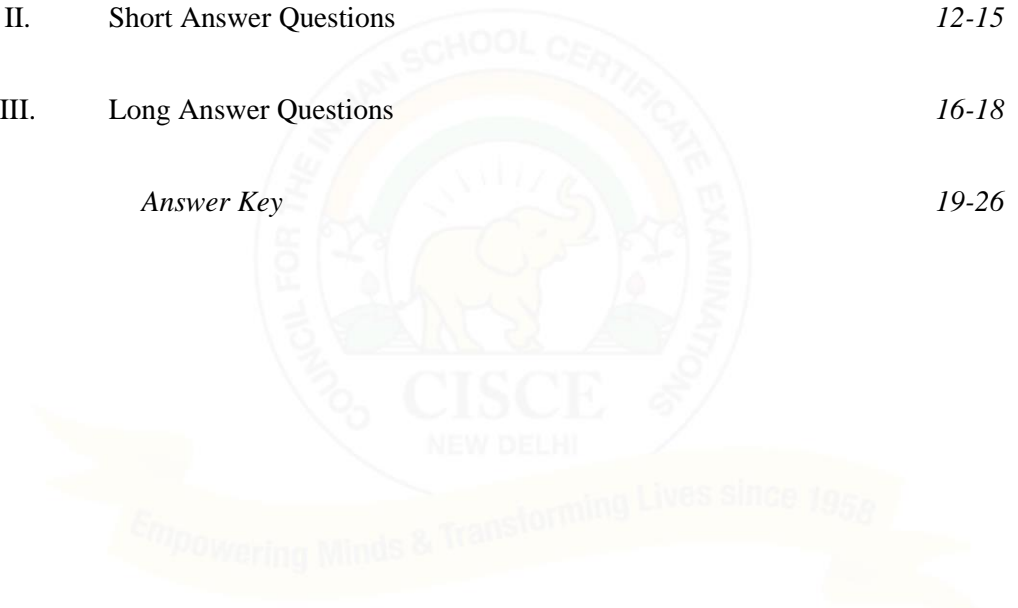
We are hopeful that teachers and students will utilise these questions to support their teaching-learning processes.

August 2024

Dr. Joseph Emmanuel
Chief Executive & Secretary
CISCE

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COMPETENCY-FOCUSED PRACTICE QUESTIONS

ICSE - CLASS X

Commercial Studies

Multiple Choice Questions (1 mark)

S.No.	Questions
1	<p><i>[Banking]</i></p> <p>The Canadian Bank prints the Canadian dollar. Which bank prints our country's currency?</p> <p>(a) SBI (b) RBI (c) ICICI (d) PNB</p> <p style="text-align: right;">[Recall]</p>
2	<p><i>[Banking]</i></p> <p>Bob, an upcoming writer, sent his story to a publisher for review. The same story was published under Tom's name. Which fraud is committed in this instance?</p> <p>(a) False accounting fraud (b) Credit card fraud (c) Intellectual property fraud (d) Insurance fraud</p> <p style="text-align: right;">[Understanding]</p>
3.	<p><i>[Finance and Accounting]</i></p> <p>An accountant has to pass an entry for 'money withdrawn by the owner'. The accounting treatment will be:</p> <p>(a) debit side of trading account. (b) credit side of Profit and Loss account. (c) liability side of the balance Sheet. (d) asset side of the balance Sheet.</p> <p style="text-align: right;">[Analysis]</p>
4.	<p><i>[Finance and Accounting]</i></p> <p>Assertion: Sales Return is subtracted from Sales. Reason: Purchase Return is subtracted from Purchase.</p> <p>(a) Assertion is true, and Reason is the correct explanation for it. (b) Assertion is true, and Reason is not the correct explanation for it. (c) Assertion is true, reason is false. (d) Assertion is false, reason is true.</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions
5.	<p><i>[Banking]</i></p> <p>Assertion: The central bank acts as a banker to the government.</p> <p>Reason: It manages government accounts and provides financial advice.</p> <p>(a) Assertion is true, and Reason is the correct explanation for it. (b) Assertion is true, and Reason is not the correct explanation for it. (c) Assertion is true, Reason is false. (d) Assertion is false, Reason is true.</p> <p style="text-align: right;">[Analysis]</p>
6.	<p><i>[Marketing and Sales]</i></p> <p>‘Jago Grahak Jago’ programme was launched in 2005 by the Government of India to spread _____.</p> <p>(a) Consumer Protection (b) Consumer Awareness (c) Consumer Exploitation (d) Consumer Rights</p> <p style="text-align: right;">[Recall]</p>
7.	<p><i>[Marketing and Sales]</i></p> <p>The maximum retail price printed on a mineral water bottle was ₹20. The consumer was charged ₹25 for the same. Which type of consumer exploitation is referred to here?</p> <p>(a) Adulteration (b) Overcharging (c) Misleading advertising (d) Underweighting</p> <p style="text-align: right;">[Application]</p>
8.	<p><i>[Marketing and Sales]</i></p> <p>Assertion: A consumer has the right to seek redressal.</p> <p>Reasoning: The right includes the right to get claims and complaints settled against manufacturers or sellers due to exploitation by them.</p> <p>Choose the correct option:</p> <p>(a) Both Assertion and Reasoning are true, and Reason is the correct explanation for assertion (b) Both Assertion and Reasoning are true, but Reason is not the correct explanation for Assertion. (c) Assertion is true, and Reason is false. (d) Assertion is false, and Reason is true.</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions
9.	<p><i>[Finance and Accounting]</i></p> <p>If wood is used in making furniture and sugarcane is used in making sugar, what similarities do wood and sugarcane share in terms of costs?</p> <p>(a) Both are fixed costs of the final products. (b) Both are direct costs to the final products. (c) Both are semi-variable costs of the final products. (d) Both cannot be considered as part of costs.</p> <p style="text-align: right;">[Understanding]</p>
10.	<p><i>[Finance and Accounting]</i></p> <p>Mr. Sen paid ₹200 as a rental for the electricity meter and ₹400 as a usage bill for his electricity consumption. Identify the type of cost in the given situation.</p> <p>(a) Fixed Cost (b) Sunk Cost (c) Variable Cost (d) Semi-variable Cost</p> <p style="text-align: right;">[Application]</p>
11.	<p><i>[Finance and Accounting]</i></p> <p>Salaries of administrative staff are not _____chargeable to a particular product.</p> <p>(a) directly (b) indirectly (c) proportionately (d) variably</p> <p style="text-align: right;">[Understanding]</p>
12.	<p><i>[Finance and Accounting]</i></p> <p>ABC Pvt. Ltd. wants to raise finance from a commercial bank. It decides to keep its machinery as a guarantee to repay the loan. Which method will let them pay the interest only on the amount actually withdrawn?</p> <p>(a) Term loan (b) Cash Credit (c) Discounting Bills of Exchange (d) Overdraft</p> <p style="text-align: right;">[Analysis]</p>
13.	<p><i>[Finance and Accounting]</i></p> <p>_____is a borrowed fund of a company with a fixed rate of interest payable every year.</p> <p>(a) Equity shares (b) Preference shares (c) Debentures (d) Retained earnings</p> <p style="text-align: right;">[Recall]</p>


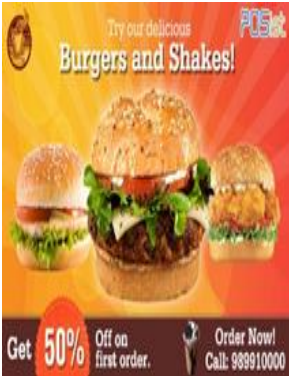
S.No.	Questions
14.	<p><i>[Finance and Accounting]</i></p> <p>Assertion: Shares that do not carry any preferential right in the payment of annual dividends or repayment of capital are called equity shares.</p> <p>Reasoning: Dividend is payable at a fixed rate on equity shares.</p> <p>(a) Both Assertion and Reasoning are true, and reason is the correct explanation for assertion.</p> <p>(b) Both Assertion and Reasoning are true, and reason is not the correct explanation for assertion.</p> <p>(c) Assertion is true, and Reason is false.</p> <p>(d) Assertion is false, and Reason is true.</p> <p style="text-align: right;">[Understanding]</p>
15.	<p><i>[Human Resources]</i></p> <p>Companies can go online to invite candidates to apply online to reduce massive paper waste. Identify this particular activity of an organisation.</p> <p>(a) Training</p> <p>(b) Recruitment</p> <p>(c) Development</p> <p>(d) Selection</p> <p style="text-align: right;">[Understanding]</p>
16.	<p><i>[Human Resources]</i></p> <p>A growing startup company with limited resources is undergoing rapid expansion and is supposed to fill several key positions quickly but wants to minimise recruitment costs.</p> <p>Which type of recruitment method would be the most suitable?</p> <p>(a) Internal Recruitment</p> <p>(b) External Recruitment</p> <p>(c) Executive search firms</p> <p>(d) Campus recruitment drives</p> <p style="text-align: right;">[Application]</p>
17.	<p><i>[Human Resources]</i></p> <p>Painters, welders and plumbers are examples of which type of training?</p> <p>(a) Job Rotation</p> <p>(b) Apprenticeship</p> <p>(c) Vestibule training</p> <p>(d) Classroom training</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
18.	<p><i>[Stakeholder in a Commercial Organisation]</i></p> <p>Ramu works as a foreman in a manufacturing firm. His expectation from the firm will be _____.</p> <p>(a) appreciation of capital. (b) regular payment of interest. (c) security of the job. (d) regular orders for goods</p> <p style="text-align: right;">[Application]</p>
19.	<p><i>[Stakeholder in a Commercial Organisation]</i></p> <p>Which of the following BEST defines a stakeholder in the context of business?</p> <p>(a) Any individual who invests money in the company. (b) Only those individuals who hold a managerial position within the company. (c) Any person or group that hold/s a stake in the functioning or performance of the business organisation. (d) Only the customers who purchase products or services from the company.</p> <p style="text-align: right;">[Recall]</p>
20.	<p><i>[Stakeholder in a Commercial Organisation]</i></p> <p>_____ is any individual or group that actively participates in the working of a commercial organisation.</p> <p>(a) Customers (b) Suppliers (c) Government (d) Employers</p> <p style="text-align: right;">[Recall]</p>
21.	<p><i>[Stakeholder in a Commercial Organisation]</i></p> <p>Assertion: Stakeholders play a crucial role in shaping the strategic direction and success of an organisation through their influence, interests, and expectations."</p> <p>Reason: Stakeholders hold a significant say over an organisation's operations and outcomes due to their vested interests and potential impact.</p> <p>(a) Assertion is true, and the reason is the correct explanation for Assertion. (b) Assertion and Reason are both true, but the Reason is not the correct explanation for the Assertion. (c) Assertion is true, and Reason is false. (d) Assertion is false, and Reason is true.</p> <p style="text-align: right;">[Application]</p>
22.	<p><i>[Finance and Accounting]</i></p> <p>Which of the following is NOT a utility of budgets in an organisation?</p> <p>(a) Sound Planning (b) Higher Efficiency (c) Distorting of goals (d) Source of Motivation</p> <p style="text-align: right;">[Recall]</p>

S.No.	Questions										
23.	<p><i>[Finance and Accounting]</i></p> <p>Assertion: Budgets act as an impersonal policeman which brings an ordered effort in the organisation.</p> <p>Reasoning: Budgets enable higher efficiency and sound planning.</p> <p>(a) Both Assertion and Reasoning are true, and Reason is the correct explanation for assertion.</p> <p>(b) Both Assertion and Reasoning are true, and Reason is not the correct explanation for Assertion.</p> <p>(c) Assertion is true, and Reason is false.</p> <p>(d) Assertion is false, and Reason is true.</p> <p style="text-align: right;">[Application]</p>										
24.	<p><i>[Finance and Accounting]</i></p> <p>Expenditure incurred by a publisher for acquiring copyright is a:</p> <p>(a) capital expenditure.</p> <p>(b) revenue expenditure.</p> <p>(c) deferred revenue expenditure.</p> <p>(d) revenue receipts.</p> <p style="text-align: right;">[Understanding]</p>										
25.	<p><i>[Finance and Accounting]</i></p> <p>Mr. Shah and Co. bought a new computer system for office use. Which of the following expenses incurred will be treated as revenue expenditure?</p> <p>(a) computer speaker</p> <p>(b) computer table</p> <p>(c) printer cartridge refill</p> <p>(d) laser printer</p> <p style="text-align: right;">[Understanding]</p>										
26.	<p><i>[Finance and Accounting]</i></p> <p>Match the following</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; width: 50%;">Column A</th> <th style="text-align: left; width: 50%;">Column B</th> </tr> </thead> <tbody> <tr> <td>a. Capital Expenditure</td> <td>i. Money spent on Advertising to launch a new product</td> </tr> <tr> <td>b. Revenue expenditure</td> <td>ii. Installation of a new machine</td> </tr> <tr> <td>c. Deferred revenue Expenditure</td> <td>iii. Mr Shah and Co. received a cash discount of ₹2000</td> </tr> <tr> <td>d. Revenue receipt</td> <td>iv. Office incurred expenses of ₹400 on printing and stationery</td> </tr> </tbody> </table> <p>(a) a-iii, b- ii, c-iv, d-i</p> <p>(b) a-i, b-ii, c-iii, d-iv</p> <p>(c) a-ii, b-iii, c-iv, d- i</p> <p>(d) a-ii, b-iv, c-i, d-iii</p> <p style="text-align: right;">[Application]</p>	Column A	Column B	a. Capital Expenditure	i. Money spent on Advertising to launch a new product	b. Revenue expenditure	ii. Installation of a new machine	c. Deferred revenue Expenditure	iii. Mr Shah and Co. received a cash discount of ₹2000	d. Revenue receipt	iv. Office incurred expenses of ₹400 on printing and stationery
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S.No.	Questions
27.	<p><i>[Marketing and Sales]</i></p> <p>Pricing is an important element for an organisation as:</p> <ul style="list-style-type: none">i. it determines the profit margin of the company.ii. it determines the purchasing power of the consumers.iii. it determines the company's sales volume.iv. it determines the standard of living of the consumers. <ul style="list-style-type: none">(a) i and ii(b) i and iii(c) ii and iv(d) i and iv <p style="text-align: right;">[Understanding]</p>
28.	<p><i>[Marketing and Sales]</i></p> <p>Choose the correct option:</p> <ul style="list-style-type: none">(a) Product is durable, and service is perishable.(b) Product is temporary, service is permanent.(c) Product is inexpensive, service is expensive.(d) Product cannot be stored, service can be stored. <p style="text-align: right;">[Understanding & Application]</p>
29.	<p><i>[Marketing and Sales]</i></p> <p>Assertion: One of the primary objectives of marketing is to create awareness about products or services among potential customers.</p> <p>Reasoning: Through marketing efforts, businesses aim to inform, persuade, and remind customers about the availability, features, and benefits of their products or services.</p> <ul style="list-style-type: none">(a) Both Assertion and Reasoning are true, and Reason is the correct explanation for assertion.(b) Both Assertion and Reasoning are true, and Reason is not the correct explanation for Assertion.(c) Assertion is true, and Reason is false(d) Assertion is false, and Reason is true. <p style="text-align: right;">[Analysis]</p>

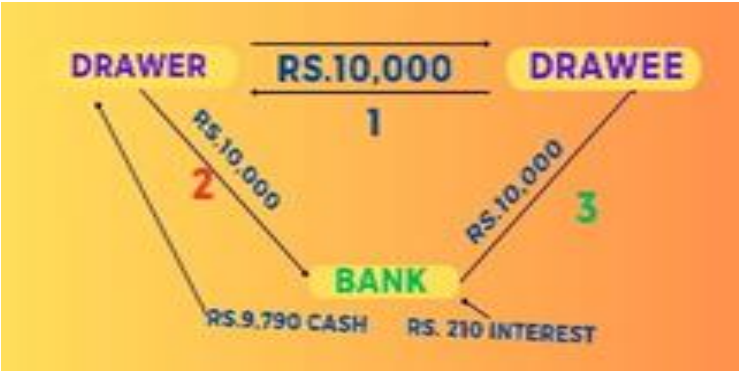
S.No.	Questions
30.	<p><i>[Logistics]</i></p> <p>Assertion (A): The principle of contribution applies if the insured has taken multiple insurance policies for the same risk.</p> <p>Reasoning (R): The insured can profit from a loss by having multiple insurance policies.</p> <p>(a) Both Assertion and Reasoning are true, and Reason is the correct explanation for assertion</p> <p>(b) Both Assertion and Reasoning are true, and Reason is not the correct explanation for Assertion</p> <p>(c) Assertion is true, and Reason is false</p> <p>(d) Assertion is false, and Reason is true. [Application]</p>
31.	<p><i>[Logistics]</i></p> <p>In order to reach the railway station to board a train Meeta will have to use the _____ means of transport.</p> <p>(a) road</p> <p>(b) rail</p> <p>(c) air</p> <p>(d) water [Recall]</p>
32.	<p><i>[Logistics]</i></p> <p>Statement I: A fire broke out in a warehouse due to an electrical fault in the wiring.</p> <p>Statement II: The warehouse collapsed due to poor construction materials.</p> <p>Which of the following statements relates to fire insurance?</p> <p>(a) Only Statement I.</p> <p>(b) Only Statement II.</p> <p>(c) Both Statement I and Statement II.</p> <p>(d) Neither Statement I nor Statement II. [Application]</p>
33.	<p><i>[Marketing and Sales]</i></p> <p>A software tool created to compare prices of different sellers for the benefit of customers is an outcome of _____.</p> <p>(a) E-Advertising</p> <p>(b) E-Tailing</p> <p>(c) E-Security</p> <p>(d) E-Marketing [Analysis]</p>


S.No.	Questions
<p>34.</p>	<p><i>[Marketing and Sales]</i></p> <p><i>E-commerce is more beneficial than a traditional business.</i></p> <p>Which two options given below justify the above statement?</p> <p>A. The operating costs are high, though fixed assets are not required. B. It reduces dependence on paperwork and is environment friendly. C. There are no geographical boundaries, enabling a global presence for suppliers. D. The operating costs are low, though fixed assets are required.</p> <p>(a) A and C (b) A and D (c) B and C (d) B and D</p> <p style="text-align: right;">[Application]</p>
<p>35.</p>	<p><i>[Marketing and Sales]</i></p> <p>An advertising campaign for a face cream claimed that one would become fairer within a week. This can be construed best as:</p> <p>(a) effective advertising. (b) wasteful advertising. (c) misleading advertising. (d) sustainable advertising.</p> <p style="text-align: right;">[Application]</p>
<p>36.</p>	<p><i>[Marketing and Sales]</i></p> <p>Which of the options BEST describes the two images given below?</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>1.</p> </div> <div style="text-align: center;">  <p>2.</p> </div> </div> <p>(a) Both images are examples of advertising. (b) Both images are examples of sales promotion. (c) Image 1 is advertising, and image 2 is promotion. (d) Image 2 is advertising, and image 1 is promotion.</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
37.	<p><i>[Marketing and Sales]</i></p> <p>Siya Enterprises wants to secure sufficient returns on capital invested after covering the cost of production and distribution. This is an objective of _____.</p> <p>(a) pricing (b) advertising (c) marketing (d) publicity</p> <p style="text-align: right;">[Understanding & Recall]</p>
<p><i>For Qs.38-42, state whether the given statements are True or False.</i></p>	
38.	<p><i>[Banking]</i></p> <p>The Central Bank is a banker to the General Public.</p> <p>(a) True (b) False</p> <p style="text-align: right;">[Recall]</p>
39.	<p><i>[Finance and Accounting]</i></p> <p>The Balance Sheet helps to determine the Net Profit/Net Loss of a business concern.</p> <p>(a) True (b) False</p> <p style="text-align: right;">[Recall]</p>
40.	<p><i>[Human Resources]</i></p> <p>Recruitment leads to the creation of a pool of candidates.</p> <p>(a) True (b) False</p> <p style="text-align: right;">[Recall]</p>
41.	<p><i>[Human Resources]</i></p> <p>Recruitment refers to the process of selecting and hiring candidates to fill job vacancies within an organization.</p> <p>(a) True (b) False</p> <p style="text-align: right;">[Recall]</p>
42.	<p><i>[Finance and Accounting]</i></p> <p>Budgets are flexible plans that can be adjusted throughout the financial year based on changing circumstances and priorities.</p> <p>(a) True (b) False</p> <p style="text-align: right;">[Recall]</p>

II: Short Answer Questions Questions (2 marks)

S No	Question
43	<p><i>[Banking]</i></p> <p>Identify the online method used to transfer funds in batches and give its full form.</p> <p style="text-align: right;">[Understanding]</p>
44	<p><i>[Banking]</i></p> <p>Intellectual Property Fraud, credit card fraud, etc, are methods used to cheat people. Name any one other financial fraud and explain it in brief.</p> <p style="text-align: right;">[Understanding]</p>
45	<p><i>[Finance and Accounting]</i></p> <p>Differentiate between the accounts that need to be prepared for calculating Gross or Net profit.</p> <p style="text-align: right;">[Analysis]</p>
46	<p><i>[Finance and Accounting]</i></p> <p>_____ shows the financial health of a company.</p> <p>Fill in the blank above and also highlight its two sides.</p> <p style="text-align: right;">[Analysis]</p>
47	<p><i>[Banking]</i></p> <p>There are two main types of cards used for financial transactions: Debit cards and Credit Cards. Give <i>any two</i> differences between them.</p> <p style="text-align: right;">[Analysis]</p>
48	<p><i>[Banking]</i></p> <p>The Central Bank of our country deals with the government and with other commercial banks. How does it act as a banker to the Government?</p> <p style="text-align: right;">[Understanding & Application]</p>
49	<p><i>[Marketing and Sales]</i></p> <p>Identify which right of the consumer was violated in each of the following cases:</p> <p>(a) The electric appliance was sold without the ISI mark and did not meet quality specifications.</p> <p>(b) The shopkeeper allowed soap sale only if the consumer purchased a detergent.</p> <p style="text-align: right;">[Application]</p>
50	<p><i>[Marketing and Sales]</i></p> <p>Which Act was passed to protect online consumers? State any one objective that it aims to provide.</p> <p style="text-align: right;">[Recall]</p>

S No	Question
51	<p><i>[Finance and Accounting]</i></p> <p>Rahul paid rent every month for his factory godown. He also paid wages to the labourers according to the units produced.</p> <p>Identify the two costs and state any one difference between them.</p> <p style="text-align: right;">[Understanding & Recall]</p>
52	<p><i>[Finance and Accounting]</i></p> <p>Ramesh is a storekeeper. His salary is paid on a monthly basis. The labour working in the factory is paid wages daily. Identify the cost incurred in both cases.</p> <p style="text-align: right;">[Understanding]</p>
53	<p><i>[Finance and Accounting]</i></p> <p>A company wants to raise share capital of ₹5,00,000 for setting up its machinery. The company does not want to share its voting rights with investors but is ready to provide them with a fixed dividend rate.</p> <p>Identify the suitable source of finance that can be used by the company. State the condition of repayment for such a source.</p> <p style="text-align: right;">[Analysis]</p>
54	<p><i>[Finance and Accounting]</i></p> <div style="text-align: center;">  </div> <p>Identify and explain the above source of raising finance by a businessman.</p> <p style="text-align: right;">[Application & Recall]</p>
55	<p><i>[Human Resources]</i></p> <p>Mohan promotes employees already working in his firm to fill vacancies at the top level. State <i>two</i> benefits of this method of recruitment.</p> <p style="text-align: right;">[Understanding]</p>
56	<p><i>[Human Resources]</i></p> <p>Ravi spends a lot of money to train his employees and equip them with the necessary skills to contribute effectively to organisational success. In light of this, highlight the importance of training, specifying <i>two points</i>.</p> <p style="text-align: right;">[Understanding]</p>


S No	Question
57	<p><i>[Finance and Accounting]</i></p> <p>Forecasting is a vital tool for organisations to anticipate future trends, opportunities, and challenges. Describe how forecasting is different from budgeting.</p> <p style="text-align: right;">[Understanding]</p>
58	<p><i>[Marketing and Sales]</i></p> <p>ERP provides information for making all major decisions. Explain <i>any two</i> modules that validate this statement.</p> <p style="text-align: right;">[Analysis]</p>
59	<p><i>[Banking]</i></p> <p>Ms. Roy wants to ensure that her official data is protected from hackers. Highlight some methods that can help her.</p> <p style="text-align: right;">[Recall]</p>
60	<p><i>[Marketing and Sales]</i></p> <div data-bbox="491 893 1283 1355" style="text-align: center;">  </div> <p>Coaxing customers to exchange or replace the products that still have utility and life, as given in the above advertisement, constitutes wastage. Giving two points, place your argument in favour of or against the statement.</p> <p style="text-align: right;">[Analysis]</p>
61	<p><i>[Marketing and Sales]</i></p> <p>‘It pays to advertise.’ Justify the statement.</p> <p style="text-align: right;">[Analysis]</p>
62	<p><i>[Logistics]</i></p> <p>Kapil decides to use a policy from insurance company A and gets paid Rs 2 lakhs. Kapil now goes to insurance company B and demands his claim again. He is not eligible since he has already received the claim. However, Company A has the right to claim money from Company B.</p> <p>(a) Identify the Principal of Insurance. (b) Which is the most crucial parameter in this principle of insurance?</p> <p style="text-align: right;">[Understanding & Application]</p>

S No	Question
63	<p><i>[Finance and Accounting]</i></p> <p>A trader sold old office equipment having a book value of ₹3500 for ₹3900. How is this transaction treated? [Analysis]</p>
64	<p><i>[Finance and Accounting]</i></p> <p>Shah Enterprises started a new factory. For whitewashing and repairing, ₹20000 was spent. Identify the form of expenditure. State any one characteristic of the same. [Understanding & Application]</p>
65	<p><i>[Marketing and Sales]</i></p> <p>Company A sold television and did not provide any installation service. The firm is _____ oriented. (consumer/seller)</p> <p>Will it survive in the long run? Justify. [Analysis & Application]</p>




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III: Long Answer Questions Questions (5 marks)

S No	Questions
66.	<p><i>[Banking]</i></p> <p>The bank, which is the head of the banking system and the money market, performs many important functions. Explain any five. [Understanding & Recall]</p>
67.	<p><i>[Banking]</i></p> <p>There is only one Central Bank and many Commercial banks in our country. Highlight any five other differences between the two banks Central and Commercial banks. [Understanding]</p>
68.	<p><i>[Marketing and Sales]</i></p> <p>(a) Identify the suitable term from the picture given below. (<i>as defined in the Consumer Protection Act 2019</i>) (b) What are the various ways in which a consumer can be harmed? (<i>any 4</i>)</p> <div style="text-align: center;">  </div> <p style="text-align: right;">[Application & Recall]</p>
69.	<p><i>[Finance and Accounting]</i></p> <p>Ford Motor Company manufactures automobiles and trucks.</p> <p>(i) They purchase raw materials like steel and bolts needed for the production of a car or truck. (ii) It has to pay rent, which cannot be allotted to a specific unit.</p> <p>Identify the two types of costs which are involved in the given situation. Define them with examples of your own. [Analysis & Recall]</p>

S No	Questions
70.	<p><i>[Finance and Accounting]</i></p> <p>Adya Industries borrowed funds for the smooth operations of the company and issued a certificate under its seal as an acknowledgement of its debt. Which source of finance was used in the above situation?</p> <p>Differentiate between the above source and shares.</p> <p style="text-align: right;">[Understanding & Recall]</p>
71.	<p><i>[Human Resources]</i></p> <p>Selection is described as the process of choosing the most suitable candidate for a job among available candidates. Explain <i>any five</i> steps of the selection process.</p> <p style="text-align: right;">[Recall & Understanding]</p>
72.	<p><i>[Finance and Accounting]</i></p> <p>Imagine you're tasked with developing a budget for a small business specialising in handmade candles. Discuss how budgeting can be useful to a firm.</p> <p style="text-align: right;">[Analysis]</p>
73.	<p><i>[Stakeholders in Commercial Organisations]</i></p> <p>Employees are key stakeholders because they directly contribute to the functioning and performance of the organisation. Briefly explain the expectations of employees as stakeholders.</p> <p style="text-align: right;">[Recall & Understanding]</p>
74.	<p><i>[Marketing and Sales]</i></p> <p>A client approached an advertising agency to create an impactful advertisement for their production company. What steps would the advertising agency take to create a successful campaign?</p> <p style="text-align: right;">[Understanding & Application]</p>
75.	<p><i>[Logistics]</i></p> <div data-bbox="512 1447 1219 1879" style="text-align: center;"> </div> <p>Identify the place depicted in the picture and highlight its importance.</p> <p style="text-align: right;">[Application & Understanding]</p>

S No	Questions
76.	<p data-bbox="325 293 619 327"><i>[Marketing and Sales]</i></p> <p data-bbox="325 344 1441 454">In India, the mobile market is considered an oligopoly market. Jio and Vodafone are the two most powerful telecom companies in the market. Explain the pricing objectives followed by Jio and Vodafone. [Analysis]</p>
77.	<p data-bbox="325 488 676 521"><i>[Finance and Accounting]</i></p> <div data-bbox="491 589 1219 1149" style="text-align: center;"><p>The diagram consists of three overlapping circles arranged in a triangular pattern. The top circle is blue and labeled '01 Depreciation on a machinery'. The bottom-left circle is orange and labeled '03 Rent paid'. The bottom-right circle is purple and labeled '02 Cost a labor'. The circles are set against a dark blue background with a white border.</p></div> <p data-bbox="325 1173 1430 1209">Identify the above expenditure and state <i>any four</i> points of the expenditure identified. [Analysis & Recall]</p>

Answer Key

S.No	Expected Answer
1.	(b) RBI
2.	(c) Intellectual property fraud
3.	(c) liability side of Balance Sheet.
4.	(b) Assertion is true, and Reason is not the correct explanation for it.
5.	(a) Assertion is true, and Reason is the correct explanation.
6.	(b) Consumer Awareness
7.	(b) Overcharging
8.	(a) Both Assertion and Reasoning are true, and reason is the correct explanation for assertion.
9.	(b) Both are direct costs to the final products
10.	(d) Semi-variable Costs
11.	(a) directly
12.	(b) Cash credit
13.	(c) Debentures
14.	(c) Assertion is true, and Reason is false.
15.	(b) Recruitment
16.	(a) Internal Recruitment
17.	(b) Apprenticeship
18.	(c) security of the job.
19.	(c) Any person or group that hold/s a stake in the functioning or performance of the business organisation.
20.	(d) employers
21.	(a) Assertion is true, and Reason is the correct explanation for the assertion.
22.	(c) Distorting of goals

23.	(a) Both Assertion and Reasoning are true, and reason is the correct explanation for assertion.
24.	(a) capital expenditure.
25.	(c) printer cartridge refill
26.	(d) a-ii, b-iv, c-i, d-iii
27.	(b) i and iii
28.	(a) Product is durable, and service is perishable.
29.	(a) Both Assertion and Reasoning are true, and Reason is the correct explanation for assertion.
30.	(c) Assertion is true, and Reason is false.
31.	(a) road
32.	(a) Only Statement I.
33.	(b) E- Tailing
34.	(c) B and C.
35.	(c) misleading advertising.
36.	(c) Image 1 is advertising and image 2 is promotion.
37.	(a) pricing
38.	(b) False
39.	(b) False
40.	(a) True
41.	(b) False
42.	(b) False
43.	NEFT National Electronic Funds Transfer.
44.	False accounting fraud. Assets are overstated, and liabilities are understated. Falsification of records, alteration of figures and keeping two sets of Final Accounts are examples of False Accounting.

45.	<p>A trading account is prepared before a Profit and Loss account to calculate Gross Profit or Gross loss.</p> <p>The profit and loss account is prepared after the Trading account to calculate Net profit or Net Loss.</p> <p>Result: The result of the trading account is transferred to the Profit and Loss account.</p> <p>The result of the Profit and Loss account is transferred to the Balance sheet.</p>
46.	<p>Balance Sheet</p> <p>Liabilities and Assets</p>
47.	<p>1. Status: The debit cardholder is not a debtor. A credit cardholder is a debtor.</p> <p>2. Credit facility: not available for debit cards. Available for credit card.</p>
48.	<p>The central bank acts as a fiscal agent and advisor to the government. It makes and receives payments on behalf of the Indian government.</p>
49.	<p>(a) Right to Safety</p> <p>(b) Right to be Assured/ Choose</p>
50.	<p>The Consumer Protection Act 2019</p> <p>The Act aims:</p> <p>(a) to provide a speedy and simple redressal to consumer grievances.</p> <p>(b) to protect the interests of consumers.</p>
51.	<p>The rent of the factory godown is a fixed cost, and the labour wages paid are the variable costs.</p> <p><u>The difference between the fixed costs and the variable costs:</u></p> <p>Basis- Fixed costs are time-based. Variable costs are activity-based.</p> <p>Control- Fixed costs are not controllable in the short run.</p> <p><u>Variable costs are controllable in the short run.</u></p> <p>Total and per unit costs- Fixed costs are fixed in total but vary per unit.</p> <p>Variable costs are fixed per unit but vary in total.</p>
52.	<p>(a) Indirect costs</p> <p>(b) Direct costs</p>
53.	<p>Preference Shares.</p> <p>The capital of the preference shareholders is repaid at the time of winding up prior to the return to equity capital.</p>

54.	<p>Discounting Bills of Exchange.</p> <p>The process of procuring cash from a bank in exchange for credit instruments. These are short-term finance, which involves a charge levied by the bank.</p>
55.	<ul style="list-style-type: none"> • Cheaper source of recruitment • Less time consuming
56.	<ul style="list-style-type: none"> • Higher productivity • Reduced supervision • Better Safety • Higher Morale • Promotion and growth • Economical
57.	<p>Forecast: A forecast is an estimate of events, while budgeting reflects definite conditions. Forecasts may cover a period of several years, while budgets are prepared for a year.</p> <p>The forecast represents events over which there is no control, while budgets represent the state of control.</p> <p>Forecasts form the basis for <u>budgets</u>.</p>
58.	<p>(Any two)</p> <ul style="list-style-type: none"> • Employee information can be collected and tracked. This helps efficient management of human resources using the HRM. • Stock checking and tracking in the inventory module helps make purchase decisions. • Sales module helps track pending sales orders and dispatch material.
59.	<ul style="list-style-type: none"> • Encryption • Digital signatures • password • OTP's • fingerprint • scanner • biometrics
60.	<p>Wastage of national resources- labour, energy, and raw materials to increase production.</p> <p>Discarded products generate waste.</p> <p>(Other relevant arguments may be added)</p>

61.	<p>(Elaborate on any two)</p> <ul style="list-style-type: none"> • Consumer education • Convenience • Product introduction • Meets competition • Creates goodwill.
62.	<p>(a) Principle of Contribution (b) More than one policy on the same subject matter.</p>
63.	₹3500 Capital Receipt and ₹400 Revenue Receipt
64.	<p>Capital Expenditure. Non-recurring in nature Results in acquisitions of fixed assets.</p>
65.	<p>Seller-oriented. No, customers may switch to another brand which caters to their choice.</p>
66.	<ul style="list-style-type: none"> • Monopoly of note issue • Government's bank • Bankers bank • Controller of credit • Lender of the last resort
67.	<p>Ownership: The central bank is owned by the government; commercial banks are owned by shareholders.</p> <p>Objective: The central bank is a non-profit organisation; commercial banks are profit-making organisations.</p> <p>Number: One Central bank; many commercial banks.</p> <p>Note Issue: The central bank issues currency notes; commercial banks can only issue cheques.</p> <p>Customers: The central bank is a banker to government and commercial banks; commercial banks are bankers to the general public.</p>

68.	<p>(a) Consumer Exploitation</p> <p>(b) A consumer can be harmed in the following ways:</p> <ul style="list-style-type: none"> • Overcharging • Under weighing • Adulteration • Misleading Advertising • Keeping consumers unaware of material information. <p>(any four points)</p>
69.	<p>(a) Direct Costs/ Direct Material</p> <p>All material which can be easily traceable to a product. Example- Raw cotton in a textile mill.</p> <p>(b) Indirect Costs/ Indirect expense.</p> <p>All expenses which are not directly chargeable to production. Example- Rent</p>
70.	<ul style="list-style-type: none"> • Debentures carry no voting rights; Shares carry voting rights. • Debentures may involve a charge on the assets of the company; In shares, there is no charge on assets. • Debentures are creditorship securities; Shares are ownership securities. • Debentures have minimum risk; Shares have more risk.
71.	<ul style="list-style-type: none"> • Preliminary interview • Application blank • Selection tests • Final approval • Group discussion • Medical • Checking references
72.	<ul style="list-style-type: none"> • Sound Planning • Higher Efficiency • Sense of Responsibility • Coordination • Source of Motivation • Delegation of Authority • Effective Control

73.	<ul style="list-style-type: none"> • Fair Remuneration. • Proper working conditions. • Opportunity for growth in career. • Social Security and welfare. • Share in profits. • Participation in Management.
74.	<ul style="list-style-type: none"> • Planning the campaign: Knowledge of the company's products, history, and market conditions. • Creation and execution: Advertisement copy is created, and layout is prepared, and illustrations are drawn according to the proposed media. • Coordination with the client's sales force and distribution network. • Accounting: Maintain proper accounts of fees discussed. • Media planning: Rate, implementation, schedule of advt, printing data and time frame. • Research • Internal control <p>(Any five)</p>
75.	<p>Warehouse</p> <p><u>Importance:</u></p> <p>Acts as a storage for goods and a link between the production of goods and their final delivery.</p> <p>For Seasonal Production: Several commodities, such as rice, wheat, sugar, etc., are produced during a particular season but are consumed throughout the year. Potatoes are produced mostly during the winter season but are in demand throughout the year.</p> <p>For Seasonal Demand: Some products, such as electrical fans, coolers, umbrellas, raincoats, etc., are demanded in a particular season, but they are produced throughout the year.</p> <p>Production in anticipation of demand: Factory goods are generally produced in anticipation of future demand.</p> <p>All the goods are not sold off as and when they are produced.</p>

76.	<ul style="list-style-type: none">• Price stability.• To avoid price fluctuations and price wars.• Act as price leaders, and other mobile brands will follow.• Meet or prevent competition.• Reduced prices drastically.• To introduce a new product in the market.
77.	Revenue Expenditure <ul style="list-style-type: none">• It is a recurring expense.• The benefit is exhausted in the current year.• It does not result in the acquisition of fixed assets.• It is posted on the debit side of the Trading, and Profit and Loss Account.



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