COMMERCE

Reg. No | | | | | | | | | | | |

Time: ***2 Hours***
Max. ***Marks: 100***

Name of the student: ..... Div: .....

Name of the school : .....

Instructions:

- *All questions are compulsory.*
- *Each question carries 1 mark.*
- *Choose the most appropriate answer from the given options.*
- *Use the OMR sheet provided to mark your answers.*

1. Accounting is often called the "language of business" because it:

A) Is spoken by all business people.
B) Uses complex terminology.
C) Communicates financial information to users for decision-making.
D) Is the only subject studied in commerce.

2. The 'Going Concern Concept' of accounting assumes that a business will:

A) Be sold within the next financial year.
B) Continue to operate for the foreseeable future.
C) Earn profits in its first year of operation.
D) Be liquidated as soon as possible.

3. Which of the following is an example of a 'Liability' for a business?

A) Cash in Hand
B) Building
C) Machinery
D) Creditors

4. The 'Dual Aspect Concept' states that for every transaction:

A) There are at least two parties involved.
B) The total of debits must equal the total of credits.
C) It must be recorded in two different books.
D) It must result in a profit and a loss.

5. The 'Journal' is also known as the:

A) Book of Final Entry
B) Book of Original Entry
C) Summary of Accounts
D) Financial Position Statement

6. The process of transferring entries from the Journal to the Ledger is called:

A) Journalising
B) Balancing
C) Posting
D) Summarising

7. A 'Trial Balance' is prepared to:

A) Calculate the net profit or loss.
B) Determine the financial position of the business.
C) Check the arithmetical accuracy of the ledger accounts.
D) Record the opening entries.

8. Depreciation is the process of:

A) Valuing an asset at its market price.
B) Allocating the cost of a tangible asset over its useful life.
C) Increasing the value of an asset.
D) Calculating the sale price of an asset.

9. A 'Bank Reconciliation Statement' is prepared by the:

A) Bank
B) Account holder/Depositor
C) Government
D) Auditor

10. Which of the following is a 'Capital Expenditure'?

A) Payment of salaries
B) Purchase of machinery
C) Purchase of stationery
D) Payment of rent

11. 'Goods' in accounting refer to:

A) All assets of the business.
B) Items that are purchased for the purpose of resale.
C) Office furniture and equipment.
D) Investments made by the business.

12. The 'Accounting Equation' is correctly represented as:

A) Assets = Liabilities - Capital
B) Assets = Liabilities + Capital
C) Assets = Capital - Liabilities
D) Liabilities = Assets + Capital

13. 'Drawings' refers to:

A) Cash or goods withdrawn by the proprietor for business use.
B) Cash or goods withdrawn by the proprietor for personal use.
C) The profit earned by the business during the year.
D) The capital invested by the proprietor.

14. The 'Ledger' is a book which contains:

A) A chronological record of all transactions.
B) All accounts of the business.
C) Only the cash transactions.
D) The final results of the business.

15. If a firm purchases goods on credit from Mr. X, which account will be credited in the firm's books?

A) Cash Account
B) Purchases Account
C) Sales Account
D) Mr. X's Account

16. Which accounting principle states that all anticipated losses should be recorded, but all anticipated gains should be ignored?

A) Matching Concept
B) Prudence (Conservatism)
C) Full Disclosure
D) Materiality

17. 'Bills Receivable' is classified as a(n):

A) Current Asset
B) Fixed Asset
C) Current Liability
D) Long-term Liability

18. A 'business' is an economic activity primarily aimed at:

A) Earning a livelihood through social work.
B) Earning profit through the production and exchange of goods and services.
C) Providing free services to the public.
D) Engaging in artistic and cultural activities.

19. Which of the following is a characteristic of business activities?

A) Lack of risk
B) One-time transaction
C) Profit motive
D) Certainty of returns

20. A 'Sole Proprietorship' is a form of business organization owned and managed by:

A) The government
B) Two or more partners
C) A single individual
D) Shareholders

21. In a 'Partnership' firm, the liability of the partners is generally:

A) Limited to their capital contribution.
B) Unlimited.
C) Limited to the value of the firm's assets.
D) Determined by the government.

22. The 'Karta' is the head of which form of business organization?

A) Partnership
B) Cooperative Society
C) Joint Hindu Family Business
D) Company

23. A 'Public Company' can raise capital from the general public through the issue of:

A) Partnership deeds
B) Shares and debentures
C) Loan agreements only
D) Government bonds

24. 'E-commerce' refers to conducting commercial transactions through:

A) Postal mail
B) Telephone calls
C) The internet
D) Physical stores only

25. The principle of 'Indemnity' in insurance means that the insured:

A) Can make a profit from the insurance claim.
B) Will be compensated only for the actual loss suffered.
C) Must disclose all material facts to the insurer.
D) Can claim insurance for a self-inflicted loss.

26. A 'Warehouse' is used for the:

A) Production of goods
B) Sale of goods
C) Storage of goods
D) Transportation of goods

27. 'Social Responsibility' of a business refers to its obligation to:

A) Maximize profits for its shareholders at any cost.
B) Take decisions and actions that are desirable for society.
C) Obey only the minimum legal requirements.
D) Focus solely on employee welfare.

28. 'Internal Trade' refers to the buying and selling of goods and services:

A) Between two different countries.
B) Within the geographical boundaries of a country.
C) Only on a wholesale basis.
D) Through online platforms only.

29. An 'Entrepreneur' is a person who:

A) Manages an existing business for a salary.
B) Takes on financial risk to create and run a new business venture.
C) Works in a government department.
D) Invests in the stock market.

30. 'Outsourcing' is a business practice where a company:

A) Sells its products in a foreign market.
B) Hires another company or individual to perform certain tasks.
C) Merges with another company.
D) Opens a new branch in another city.

31. The primary advantage of a 'Joint Stock Company' is:

A) Ease of formation
B) Limited liability for its members
C) Direct control and management by owners
D) Complete secrecy of business affairs

32. Which of the following is an example of a service?

A) A car
B) A smartphone
C) A banking transaction
D) A book

33. A 'Wholesaler' acts as a link between the producer and the:

A) Consumer
B) Government
C) Retailer
D) Exporter

34. The main purpose of 'Advertising' is to:

A) Reduce the price of a product.
B) Promote the sale of goods and services.
C) Ensure the quality of a product.
D) Finance the production of goods.

35. In economics, 'scarcity' refers to a situation where:

A) Resources are unlimited.
B) Wants are limited but resources are unlimited.
C) Resources are limited in relation to our wants.
D) There are no wants to be satisfied.

36. 'Statistics' is used in economics primarily for:

A) Writing economic history.
B) The collection, analysis, and interpretation of quantitative data.
C) Creating philosophical theories about wealth.
D) Running a business without any data.

37. 'Primary data' is data that is:

A) Collected by the investigator for the first time.
B) Sourced from a published government report.
C) Available in books and journals.
D) Historical in nature.

38. The 'Arithmetic Mean' is a measure of:

A) Central tendency
B) Dispersion
C) Correlation
D) Position

39. The most frequently occurring value in a data series is called the:

A) Mean
B) Median
C) Mode
D) Range

40. 'Consumer Equilibrium' is a situation where a consumer:

A) Spends their entire income on one good.
B) Derives maximum satisfaction from their expenditure.
C) Saves their entire income.
D) Buys goods at the lowest possible price.

41. The 'Law of Demand' states that, other things being constant, there is a(n) _____ relationship between price and quantity demanded.

A) Positive
B) Inverse
C) Non-existent
D) Proportional

42. If the demand for a good decreases significantly with a small increase in its price, the demand is said to be:

A) Inelastic
B) Perfectly inelastic
C) Elastic
D) Unitary elastic

43. A 'Production Function' shows the technical relationship between:

A) Price and supply
B) Costs and revenue
C) Inputs and output
D) Demand and supply

44. In a 'Perfectly Competitive' market, there are:

A) A single seller
B) A few large sellers
C) Many buyers and sellers of a homogeneous product
D) Many sellers of differentiated products

45. 'Marginal Cost' is the:

A) Total cost of production.
B) Average cost of producing one unit.
C) Additional cost incurred to produce one more unit.
D) Cost of raw materials.

46. A rightward shift in the demand curve for a commodity is caused by:

A) A decrease in the price of the commodity.
B) An increase in the income of the consumer (for a normal good).
C) A decrease in the price of a complementary good.
D) An increase in the price of a substitute good.

47. 'Human Capital' refers to:

A) The total population of a country.
B) The stock of skill, expertise, and knowledge embodied in a population.
C) The amount of money people have.
D) The machinery and equipment used by labour.

48. A 'Market Economy' is one where economic decisions are primarily guided by:

A) The government
B) Traditional customs
C) The forces of supply and demand
D) A central planning authority

49. Which of the following is an example of 'Fixed Cost' for a firm?

A) Cost of raw materials
B) Wages of casual labour
C) Rent for the factory building
D) Electricity bill

50. The value that divides a data series into two equal halves is the:

A) Mean
B) Median
C) Mode
D) Standard Deviation

51. The most effective medium for communicating a new company-wide policy to all employees simultaneously is:

A) A verbal announcement by a team leader.
B) An official email or a memo circulated to everyone.
C) A notice pinned on a single noticeboard.
D) Word of mouth.

52. A 'semantic barrier' to communication occurs due to:

A) A noisy environment.
B) A power failure in the communication equipment.
C) A misunderstanding of the meaning of words or symbols.
D) The emotional state of the receiver.

53. Read the statements and choose the most logical conclusion: Statements: All business activities are economic activities. All profit-making activities are business activities. Conclusion:

A) All economic activities are profit-making activities.
B) All profit-making activities are economic activities.
C) Some economic activities are not business activities.
D) No profit-making activities are economic activities.

54. The correct sequence in the communication process is:

A) Sender → Channel → Message → Receiver → Feedback
B) Sender → Message → Channel → Receiver → Feedback
C) Receiver → Channel → Sender → Message → Feedback
D) Message → Sender → Feedback → Receiver

55. 'Active listening' involves:

A) Hearing the words spoken without paying attention.
B) Paying close attention, understanding, and providing feedback.
C) Interrupting the speaker frequently to ask questions.
D) Focusing only on the non-verbal cues.

56. Assertion (A): Feedback is essential for effective communication. Reason (R): It allows the sender to know if the message has been understood correctly.

A) Both A and R are true, and R is the correct explanation of A.
B) Both A and R are 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.

57. Which of the following represents non-verbal communication?

A) A written report
B) An email
C) A formal speech
D) Body language (gestures, posture)

58. Identify the underlying assumption: "The company has started a new advertising campaign to increase its sales."

A) The company's sales are already at their peak.
B) Advertising can influence consumer behavior and lead to increased sales.
C) Competitors are not advertising their products.
D) The quality of the product does not affect sales.

59. A shopkeeper sells a pen for ₹80, making a gain of ₹20. What is the cost price of the pen?

A) ₹100
B) ₹80
C) ₹60
D) ₹70

60. If 'TIGER' is coded as 'QFDHS', with each letter shifted one position backward, then 'LION' would be coded as:

A) KJNM
B) KHNM
C) KJOM
D) KHP M

61. Choose the grammatically correct sentence.

A) Neither of the two brothers have passed the exam.
B) Neither of the two brothers has passed the exam.
C) Neither of the two brothers were passing the exam.
D) Neither of the two brothers are passing the exam.

62. The antonym of 'Proficient' is:

A) Expert
B) Skilled
C) Adept
D) Incompetent

63. The ability to understand and interpret data presented in charts and graphs is a key part of:

A) Emotional intelligence
B) Analytical skills
C) Interpersonal skills
D) Creative writing

64. "He seldom visits his parents, _____?" Complete the sentence with the correct question tag.

A) does he
B) doesn't he
C) is he
D) isn't he

65. Identify the odd one out based on its nature:

A) Letter
B) Email
C) Telephone call
D) Memo

66. "All plants need sunlight. A cactus is a plant. Therefore, a cactus needs sunlight." This is an example of:

A) Inductive reasoning
B) Deductive reasoning
C) A logical fallacy
D) An assumption

67. The main purpose of a 'business letter' is to:

A) Entertain the recipient.
B) Communicate formally and professionally.
C) Share personal news and updates.
D) Express creative ideas through poetry.

68. A cause-and-effect relationship is clearly established in which statement?

A) The team won the match after the new coach was appointed.
B) The company's profits increased after it launched a new advertising campaign.
C) The demand for ice cream increases during the summer months due to hot weather.
D) Many people are buying electric cars these days.

69. If A → B and B → C, which of the following must be true?

A) C → A
B) A → C
C) B → A
D) No conclusion can be drawn.

70. "He is as busy as a bee." This sentence contains a(n):

A) Metaphor
B) Simile
C) Personification
D) Alliteration

71. The first step in effective career planning is:

A) Applying for as many jobs as possible.
B) Conducting a thorough self-assessment of one's interests, skills, and values.
C) Choosing the career that pays the highest salary.
D) Following the advice of friends without any personal reflection.

72. 'Emotional Intelligence' in a professional setting includes the ability to:

A) Suppress all emotions.
B) Understand and manage one's own emotions and recognize the emotions of others.
C) Use emotions to manipulate colleagues.
D) Make decisions based purely on emotional reactions.

73. An 'entrepreneur' is typically characterized by their:

A) Aversion to risk.
B) Ability to innovate and take calculated risks.
C) Dependence on others for ideas.
D) Preference for a stable and predictable work routine.

74. A 'Curriculum Vitae' (CV) or resume is a document that:

A) Is a detailed autobiography of a person's life.
B) Summarizes a person's education, skills, and work experience for potential employers.
C) Is used for applying for a bank loan.
D) Lists a person's family history.

75. 'Workplace ethics' primarily refers to:

A) The rules of social etiquette in the office.
B) The moral principles that guide behavior in a business environment.
C) The company's policies on employee leave.
D) The physical layout of the office.

76. 'Time management' is a skill that helps an individual to:

A) Work longer hours to complete tasks.
B) Increase productivity and reduce stress by prioritizing tasks.
C) Avoid difficult or challenging work.
D) Multitask on unrelated activities simultaneously.

77. 'Professional development' involves:

A) Sticking to the skills one already has.
B) Continuously learning and improving one's skills and knowledge.
C) Changing jobs frequently without any career goal.
D) Avoiding training and development opportunities.

78. The most constructive first step in resolving a conflict between two team members is:

A) To ignore the conflict and hope it goes away.
B) To take the side of the more senior employee.
C) To listen to both sides impartially to understand the root of the problem.
D) To report both members to a higher authority immediately.

79. A student with strong analytical skills and an interest in financial markets would be well-suited for a career as a:

A) Chef
B) Social Worker
C) Financial Analyst
D) Graphic Designer

80. 'Interpersonal skills' in the workplace include:

A) The ability to work in complete isolation.
B) Effective communication, teamwork, and collaboration.
C) Technical knowledge of software and machinery.
D) The ability to follow instructions without question.

81. Complete the analogy: Audit is to Accountant as Surgery is to:

A) Patient
B) Nurse
C) Surgeon
D) Hospital

82. Find the next number in the series: 2, 6, 12, 20, 30, ?

A) 36
B) 40
C) 42
D) 50

83. Analogy: Demand is to Price as Supply is to:

A) Consumer
B) Cost of Production
C) Income
D) Market

84. Find the odd one out from an accounting perspective:

A) Debtors
B) Creditors
C) Goodwill
D) Bills Payable

85. Analogy: 64 is to 8 as 144 is to:

A) 10
B) 12
C) 14
D) 16

86. If 'MANGO' is coded as 'OCPIQ', how is 'APPLE' coded?

A) CRRNG
B) BQQKF
C) CRRNF
D) BRRNG

87. A man introduces a woman, saying, "Her mother is the only daughter of my mother-in-law." How is the man related to the woman?

A) Brother
B) Uncle
C) Father
D) Son

88. Analogy: Memory is to Amnesia as Currency is to:

A) Barter
B) Inflation
C) Debt
D) Trade

89. Find the missing term: B, E, H, K, N, ?

A) P
B) Q
C) R
D) S

90. Analogy: Tree is to Forest as Student is to:

A) Teacher
B) School
C) Class
D) Book

91. The Reserve Bank of India (RBI) often increases the 'repo rate' as a measure to:

A) Encourage more borrowing by commercial banks.
B) Control inflation in the economy.
C) Boost economic growth in the short term.
D) Increase the supply of money in the market.

92. The Sustainable Development Goals (SDGs), frequently discussed in global forums, which goal focuses on "Decent Work and Economic Growth"?

A) SDG 4
B) SDG 8
C) SDG 10
D) SDG 13

93. You are a manager and discover that a popular product has a minor safety issue. The most ethical decision is to:

A) Ignore the issue to avoid a costly recall and negative publicity.
B) Immediately initiate a recall and inform the public, despite the financial cost.
C) Wait for customers to report injuries before taking any action.
D) Blame the manufacturing department and take no further action.

94. The COP29 summit in 2024, held in Baku, was a major international conference focused on addressing the global challenge of:

A) International trade disputes
B) Cybersecurity threats
C) Climate Change
D) Nuclear non-proliferation

95. As of early 2025, who holds the position of the Finance Minister of India?

A) Amit Shah
B) S. Jaishankar
C) Nirmala Sitharaman
D) Rajnath Singh

96. The decision-making process in a business typically begins with:

A) Choosing among alternatives.
B) Implementing the chosen alternative.
C) Identifying a problem or an opportunity.
D) Evaluating the results of the decision.

97. If a country is experiencing high inflation, the government's fiscal policy response would likely involve:

A) Increasing government spending and cutting taxes.
B) Decreasing government spending and increasing taxes.
C) Lowering interest rates.
D) Printing more money.

98. The International Monetary Fund (IMF) primarily functions to:

A) Provide development loans for infrastructure projects.
B) Regulate international trade.
C) Ensure the stability of the international monetary system.
D) Fund cultural heritage projects.

99. A student has to choose between a safe, stable career path with a modest salary and a high-risk entrepreneurial venture with the potential for high rewards. The most logical first step in making this decision is to:

A) Flip a coin.
B) Choose the entrepreneurial venture because it sounds more exciting.
C) Assess their own risk tolerance, financial situation, and long-term goals.
D) Ask their parents to decide for them.

100. India's leadership in digital payments, a key topic in recent business news, is largely driven by the widespread adoption of:

A) Barter system
B) Cheques
C) Unified Payments Interface (UPI)
D) Gold coins