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. Receipts and Payments Account is a summary of:

A) All capital receipts and payments
B) All revenue receipts and payments
C) All cash and bank transactions
D) All assets and liabilities

2. In the absence of a partnership deed, the profit or loss of the firm is shared:

A) In the ratio of capitals
B) Equally among all partners
C) According to the manager's discretion
D) As per the Indian Companies Act

3. 'Goodwill' of a firm is a(n):

A) Tangible Asset
B) Fictitious Asset
C) Intangible Asset
D) Current Asset

4. When a new partner is admitted into a firm, the 'Sacrificing Ratio' is used to distribute:

A) The new partner's capital
B) The firm's accumulated profits
C) The goodwill brought in by the new partner
D) The revaluation profit or loss

5. A Revaluation Account is prepared at the time of:

A) Dissolution of the firm
B) Admission or retirement of a partner
C) Preparing the final accounts for the year
D) Issuing new debentures

6. Share Capital that can be called up only on the winding up of a company is called:

A) Authorized Capital
B) Issued Capital
C) Subscribed Capital
D) Reserve Capital

7. Debentures represent a form of:

A) Owner's Equity
B) Long-term borrowing or debt of a company
C) Trade Creditors
D) Reserve and Surplus

8. The Current Ratio, a measure of liquidity, is calculated as:

A) Current Liabilities / Current Assets
B) Current Assets / Current Liabilities
C) Liquid Assets / Current Liabilities
D) Total Assets / Total Liabilities

9. Which of the following is an example of an 'Activity Ratio'?

A) Gross Profit Ratio
B) Debt-Equity Ratio
C) Inventory Turnover Ratio
D) Net Profit Ratio

10. A Cash Flow Statement is prepared to show the inflows and outflows of:

A) Profit only
B) Credit transactions only
C) Cash and cash equivalents
D) Equity and debt

11. Cash from sale of goods is an example of cash flow from:

A) Operating Activities
B) Investing Activities
C) Financing Activities
D) Extraordinary Activities

12. As per Schedule III of the Companies Act 2013, 'Prepaid Insurance' is shown under which head in the Balance Sheet?

A) Non-Current Assets
B) Current Assets
C) Non-Current Liabilities
D) Current Liabilities

13. Forfeiture of shares results in the reduction of:

A) Paid-up Share Capital
B) The company's reserves
C) The company's fixed assets
D) The company's long-term debt

14. The formula for calculating Super Profit for goodwill valuation is:

A) Average Profit - Normal Profit
B) Total Profit / Number of Years
C) Capital Employed x Normal Rate of Return
D) Average Profit + Normal Profit

15. Interest on drawings is treated as a(n):

A) Expense for the firm
B) Income for the firm
C) Liability for the firm
D) Asset for the partner

16. A company issues 10,000 shares of ₹10 each at a premium of ₹2 per share. The amount credited to the Securities Premium Account will be:

A) ₹1,00,000
B) ₹1,20,000
C) ₹20,000
D) ₹10,000

17. Which financial statement shows the financial position of a company at a specific point in time?

A) Profit and Loss Account
B) Cash Flow Statement
C) Balance Sheet
D) Trial Balance

18. Management is considered a process because it involves a series of:

A) Interrelated functions
B) One-time decisions
C) Unrelated tasks
D) Hierarchical levels

19. Which of the following is NOT a function of management?

A) Planning
B) Staffing
C) Cooperating
D) Controlling

20. The principles of management formulated by Henri Fayol are:

A) 10 in number
B) 12 in number
C) 14 in number
D) Universal truths applicable everywhere without modification

21. The 'Organising' function of management involves:

A) Setting goals and objectives for the future.
B) Monitoring performance and taking corrective actions.
C) Grouping activities and establishing an authority structure.
D) Recruiting and selecting the right people for the job.

22. 'Delegation of Authority' means granting authority to a subordinate, but the ultimate responsibility remains with the:

A) Subordinate
B) CEO
C) Superior
D) Trade Union

23. Which leadership style is characterized by the leader making all decisions without consulting subordinates?

A) Democratic
B) Laissez-faire
C) Autocratic
D) Participative

24. Financial Management is primarily concerned with the:

A) Arrangement of institutional finance.
B) Procurement and effective utilization of funds.
C) Management of all business activities.
D) Preparation of financial statements.

25. The 'Capital Structure' of a company refers to the mix of:

A) Current assets and current liabilities
B) Fixed assets and current assets
C) Long-term debt and equity financing
D) Revenue and expenses

26. The modern concept of 'Marketing' focuses on:

A) Only selling and advertising the product.
B) Producing the maximum quantity of a product.
C) Identifying and satisfying customer needs profitably.
D) Improving the quality of the product without market research.

27. The four stages of a Product Life Cycle are:

A) Research, Development, Launch, Decline
B) Introduction, Growth, Maturity, Decline
C) Design, Production, Distribution, Sale
D) Idea, Feasibility, Test, Commercialization

28. Corporate Social Responsibility (CSR) benefits a business by:

A) Only increasing its operational costs.
B) Enhancing its public image and brand reputation.
C) Guaranteeing short-term profits.
D) Reducing its tax liability to zero.

29. The Consumer Protection Act provides consumers with the 'Right to Redressal', which means the right to:

A) Choose from a variety of products.
B) Be protected from hazardous goods.
C) Be informed about the quality of products.
D) Seek compensation for unfair trade practices.

30. A 'Stock Exchange' is a market that facilitates the:

A) Sale of new goods and services.
B) Trading of existing securities like shares and bonds.
C) Borrowing of funds from commercial banks.
D) Foreign exchange transactions.

31. 'Management by Exception' is a control technique which suggests that a manager should:

A) Control everything in the organization.
B) Focus attention on significant deviations from the standard.
C) Delegate all control responsibilities to subordinates.
D) Set very easy-to-achieve standards.

32. Which of the following is an element of the marketing mix (4 Ps)?

A) Planning
B) Purpose
C) Price
D) Profit

33. 'Scientific Management', developed by F.W. Taylor, emphasized:

A) Rule of thumb methods
B) Maximum output and efficiency through scientific study of work
C) Harmony and cooperation without scientific analysis
D) Personal judgment of the manager

34. The process of converting a message into communication symbols is known as:

A) Decoding
B) Encoding
C) Feedback
D) Media

35. Macroeconomics is the branch of economics that studies:

A) The behavior of individual economic agents.
B) The economy as a whole, including inflation and unemployment.
C) The functioning of a particular industry.
D) The determination of the price of a single commodity.

36. 'Gross Domestic Product' (GDP) is the total market value of all:

A) Goods and services produced by a country's citizens, regardless of location.
B) Final goods and services produced within a country's domestic territory in a year.
C) Intermediate goods used in the production process.
D) Capital goods and financial assets in an economy.

37. The difference between Nominal GDP and Real GDP is that Real GDP is adjusted for:

A) Government expenditure
B) Exports and imports
C) Inflation
D) Population growth

38. The central bank of India is the:

A) State Bank of India
B) Central Bank of India
C) Ministry of Finance
D) Reserve Bank of India

39. The 'Multiplier Effect' in Keynesian economics implies that an initial change in autonomous spending leads to:

A) An equal change in the total national income.
B) A smaller change in the total national income.
C) A larger change in the total national income.
D) No change in the total national income.

40. If the Marginal Propensity to Consume (MPC) is 0.8, the value of the investment multiplier is:

A) 1.25
B) 4
C) 5
D) 0.2

41. 'Fiscal Policy' involves the use of which of the following tools to manage the economy?

A) Interest rates and money supply
B) Government spending and taxation
C) Foreign exchange rate management
D) Stock market regulations

42. The 'Balance of Payments' (BoP) of a country is a systematic record of:

A) The government's annual budget.
B) The country's trade in goods only.
C) All economic transactions between its residents and the rest of the world.
D) The total public and private debt.

43. The economic reforms of 1991 in India introduced the policy of 'Liberalization', which primarily meant:

A) Increasing the role of the public sector.
B) Reducing government controls and regulations on the economy.
C) Implementing stricter import and export controls.
D) Nationalizing private industries.

44. The Human Development Index (HDI) is a composite index that measures a country's average achievement in:

A) GDP, industrial production, and agricultural growth.
B) Life expectancy, education, and per capita income.
C) Military strength, political stability, and international standing.
D) Technological advancement, urbanization, and infrastructure.

45. The 'Law of Demand' states that, ceteris paribus, there is an inverse relationship between:

A) Price and quantity supplied
B) Income and quantity demanded
C) Price and quantity demanded
D) Tastes and quantity demanded

46. In a perfectly competitive market, a firm is a:

A) Price maker
B) Price taker
C) Price discriminator
D) Price leader

47. 'Revenue Deficit' in a government budget occurs when:

A) Total revenue is less than total expenditure.
B) Revenue expenditure is more than revenue receipts.
C) Capital expenditure is more than capital receipts.
D) The government's borrowings increase.

48. The function of money that allows us to compare the value of different goods and services is:

A) Medium of exchange
B) Store of value
C) Unit of account
D) Standard of deferred payment

49. 'Globalization' has impacted the Indian economy by:

A) Isolating it from the world economy.
B) Increasing integration with the world economy through trade and investment flows.
C) Leading to a complete decline in domestic industries.
D) Having no significant effect on its structure.

50. The term 'disguised unemployment' is most commonly found in which sector of the Indian economy?

A) Service sector
B) Industrial sector
C) Agricultural sector
D) Information Technology sector

51. To 'read between the lines' means to:

A) Read every line of a text very slowly.
B) Understand the implicit or hidden meaning in a text.
C) Skip alternate lines while reading.
D) Check a text for grammatical errors.

52. A formal business report should be characterized by:

A) Subjective opinions and emotional language.
B) Objectivity, factual accuracy, and a clear structure.
C) Casual slang and conversational tone.
D) A persuasive and argumentative style.

53. Read the statements and choose the most logical conclusion: Statements: All successful entrepreneurs are risk-takers. Some managers are not risk-takers. Conclusion:

A) All managers are successful entrepreneurs.
B) Some managers are not successful entrepreneurs.
C) No managers are risk-takers.
D) All risk-takers are successful entrepreneurs.

54. The most significant barrier to effective listening in a professional meeting is often:

A) The room temperature.
B) Selective perception and formulating a reply while someone is speaking.
C) The seating arrangement.
D) The formal dress code.

55. An analytical paragraph in a business proposal primarily aims to:

A) Narrate the history of the company.
B) Present a reasoned argument supported by data and evidence.
C) Express the writer's personal feelings about the project.
D) List the names of the company's employees.

56. Choose the most logical inference: "If a country's inflation rate is consistently rising, its central bank is likely to..."

A) Lower interest rates.
B) Increase the money supply.
C) Adopt a contractionary monetary policy (e.g., raise interest rates).
D) Encourage more government spending.

57. The word most similar in meaning (synonym) to 'ubiquitous' is:

A) Scarce
B) Rare
C) Partial
D) Omnipresent

58. Identify the logical fallacy: "Our company's new software is the best on the market because no other software is better."

A) Ad Hominem
B) Hasty Generalization
C) Circular Reasoning
D) False Dichotomy

59. In analytical communication, which sequence represents the most effective way to structure a persuasive argument?

A) Evidence → Claim → Reasoning → Conclusion
B) Claim → Evidence → Reasoning → Conclusion
C) Conclusion → Evidence → Claim → Reasoning
D) Reasoning → Evidence → Claim → Conclusion

60. If "PROFIT" is coded as "QSPGJU" (each letter shifted one position forward), how would "ASSETS" be coded?

A) BTTFUT
B) BTTFUS
C) BTSETT
D) BRRDST

61. He said, "I am writing a letter." The correct indirect speech is:

A) He said that he is writing a letter.
B) He said that he was writing a letter.
C) He said that he has been writing a letter.
D) He said that I am writing a letter.

62. Which of the following is an example of formal communication? A)

A conversation between colleagues at the cafeteria.
B) An official email from the CEO to all employees.
C) A rumour spread within a department.
D) A discussion on a personal social media group.

63. The primary purpose of a 'Memo' or 'Memorandum' in an organization is:

A) External communication with clients.
B) Internal communication for official business.
C) Personal correspondence between employees.
D) Public relations and advertising.

64. A manager who says, "We need to analyze the quarterly sales data to identify trends," is demonstrating:

A) Emotional intelligence
B) Analytical reasoning
C) Creative thinking
D) Interpersonal skills

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

A) Balance Sheet
B) Profit & Loss Account
C) Cash Flow Statement
D) Company Brochure

66. The ability to break down a complex problem into smaller, manageable parts is a key aspect of:

A) Synthetic thinking
B) Emotional reasoning
C) Analytical thinking
D) Rote memorization

67. Choose the sentence with the correct grammar:

A) The committee have submitted its report.
B) The committee has submitted their report.
C) The committee has submitted its report.
D) The committee have submitted their report.

68. "Every time our team wears the blue jersey, we win. Therefore, the blue jersey causes us to win." This is an example of the _____ fallacy.

A) False Cause (Post hoc ergo propter hoc)
B) Appeal to Tradition
C) Ad Hominem
D) Slippery Slope

69. The main objective of a 'business proposal' is to:

A) Entertain the reader.
B) Inform about the company's history.
C) Persuade the reader to accept a course of action or a project.
D) Complain about a product or service.

70. If in a code, 'MUMBAI' is written as 'LTLAZH', how is 'DELHI' written in that code?

A) CDKGH
B) CDKHG
C) EFMIJ
D) CFKHG

71. 'Emotional Intelligence' is crucial for a manager because it enables them to:

A) Manipulate the team for personal gain.
B) Motivate their team, resolve conflicts, and make thoughtful decisions.
C) Ignore the emotional state of their employees.
D) Make decisions based solely on emotions.

72. A student who enjoys working with numbers, analyzing financial statements, and ensuring accuracy would be well-suited for a career in:

A) Graphic Design
B) Journalism
C) Chartered Accountancy (CA) or Auditing
D) Event Management

73. 'Entrepreneurship' is characterized by:

A) A desire for a stable, predictable, and risk-free work environment.
B) Innovation, risk-taking, and the initiative to start and manage a business venture.
C) A preference for following instructions rather than leading.
D) A focus on short-term gains over long-term vision.

74. 'Financial Literacy' for a young adult primarily involves understanding:

A) The history of the stock market.
B) The concepts of budgeting, saving, investing, and managing debt.
C) How to earn a high salary immediately after college.
D) The names of all the banks in the country.

75. When faced with an ethical dilemma in a business situation, the most appropriate first step is to:

A) Choose the option that is most profitable, regardless of its ethical implications.
B) Consult the company's code of conduct and discuss the matter with a trusted supervisor.
C) Do what your colleagues are doing to avoid standing out.
D) Ignore the dilemma and hope it resolves itself.

76. In a job interview, a candidate is asked about a time they failed. The best response would demonstrate:

A) Blaming others for the failure.
B) A growth mindset, by explaining what they learned from the experience.
C) Denying that they have ever failed.
D) Changing the subject to talk about their successes.

77. 'Critical Thinking' as a life skill enables an individual to:

A) Accept all information presented in the media as factual.
B) Evaluate information and arguments logically before forming a judgment.
C) Follow popular opinion without questioning it.
D) Make quick, impulsive decisions.

78. A career in 'Human Resource (HR) Management' would require strong:

A) Technical programming skills.
B) Interpersonal, communication, and conflict-resolution skills.
C) Laboratory research skills.
D) Financial modeling skills.

79. Effective 'time management' involves:

A) Working non-stop without any breaks to maximize output.
B) Prioritizing tasks based on importance and urgency, and setting realistic deadlines.
C) Procrastinating on difficult tasks and focusing only on easy ones.
D) Multitasking on several complex projects simultaneously.

80. A key 'soft skill' highly valued in today's collaborative workplaces is:

A) The ability to work in complete isolation.
B) A competitive attitude towards colleagues.
C) Teamwork and the ability to cooperate effectively with others.
D) The ability to type at a very high speed.

81. Complete the analogy: Profit is to Loss as Asset is to:

A) Revenue
B) Expense
C) Liability
D) Capital

82. Find the next number in the series: 3, 7, 16, 35, ?

A) 70
B) 72
C) 74
D) 78

83. Analogy: Teacher is to School as Doctor is to:

A) Patient
B) Medicine
C) Hospital
D) Surgery

84. In a certain code, 'TEACHER' is written as 'VGCEJGT'. How is 'STUDENT' written in that code?

A) UVWFGPV
B) UFXEFNV
C) TUSFGPM
D) SVWFFOU

85. Analogy: Optimist is to Hope as Pessimist is to:

A) Joy
B) Despair
C) Anger
D) Courage

86. Find the odd one out:

A) Debit
B) Credit
C) Profit
D) Interest

87. Analogy: 144 is to 12 as 169 is to:

A) 11
B) 13
C) 14
D) 15

88. A man is facing North. He turns 90 degrees clockwise, then 180 degrees anti-clockwise. Which direction is he facing now?

A) East
B) West
C) South
D) North

89. Analogy: Book is to Reading as Pen is to:

A) Paper
B) Ink
C) Writing
D) Table

90. Find the next term in the pattern: B2, D4, F8, H16, ?

A) J32
B) K32
C) J24
D) I32

91. The 2025 Union Budget, as highlighted in Avenir magazines, placed a significant emphasis on:

A) Decreasing investment in infrastructure.
B) Promoting green energy, sustainable development, and job creation.
C) Reducing the budget for education and healthcare.
D) Increasing subsidies on imported goods.

92. The "Digital Personal Data Protection Act, 2023" was enacted in India primarily to:

A) Allow unrestricted access to citizens' personal data by corporations.
B) Establish a framework for the lawful processing of personal data while recognizing an individual's right to protect it.
C) Ban the use of all social media platforms in India.
D) Promote the sharing of data with foreign governments.

93. A company discovers a minor defect in a product that has already been shipped to customers. The most ethical decision is to:

A) Ignore the issue as the defect is minor and unlikely to cause harm.
B) Proactively inform customers about the defect and issue a recall or offer a solution.
C) Wait for customers to complain before taking any action.
D) Deny the existence of any defect if customers inquire.

94. The 2024 G20 Summit was hosted by which country, taking over the presidency from India?

A) South Africa
B) Brazil
C) Indonesia
D) Japan

95. The "One Nation, One Election" proposal, a topic of ongoing debate in India, aims to:

A) Hold separate elections for every state every year.
B) Synchronize the elections for the Lok Sabha and all State Assemblies.
C) Abolish state-level elections entirely.
D) Introduce a presidential system of government.

96. The 2025 Nobel Memorial Prize in Economic Sciences, awarded to Joel Mokyr, Philippe Aghion, and Peter Howitt, recognized their pioneering work on:

A) The theory of behavioral economics.
B) The role of technological innovation as a driver of long-term economic growth.
C) The impact of fiscal policy on income inequality.
D) The development of cryptocurrency markets.

97. As a manager, you have to decide whether to invest in a new technology that will increase efficiency but make some current jobs redundant. The most balanced approach would be to:

A) Avoid the new technology to protect all current jobs, even if it makes the company uncompetitive.
B) Implement the technology and lay off the redundant employees without any support.
C) Adopt the new technology while investing in retraining and reskilling programs to help affected employees transition to new roles.
D) Postpone the decision indefinitely.

98. The recent surge in India's leadership in digital payments, widely covered in business news, is largely attributed to the success of:

A) The barter system
B) The Unified Payments Interface (UPI)
C) The increased use of physical currency
D) The demonetization of all banknotes

99. A government must decide between funding a large infrastructure project (e.g., a new highway) or investing in public health and education. A decision based on the Human Development Index (HDI) would likely prioritize:

A) The infrastructure project, as it promises immediate economic returns.
B) The investment in health and education, as they are direct components of human development.
C) Dividing the funds equally, regardless of the needs.
D) Not investing in either and instead cutting taxes.

100. As of early 2025, who holds the position of the Union Home Minister of India?

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