

ICSE 2024 EXAMINATION
SPECIMEN QUESTION PAPER
COMMERCIAL STUDIES

Maximum Marks: 80

Time allowed: 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.

*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**.)*

Question 1

Choose the correct answers to the questions from the given options. [16]

(Do not copy the question, write the correct answers only.)

- (i) The main expectation of a Creditor is:
- (a) Regular payment of interest according to credit terms
 - (b) Prompt payment of all the taxes
 - (c) To Contribute to research and development
 - (d) To ensure regular supply of goods
- (ii) Maya had purchased a washing machine which stopped working after two weeks. She lodged a complaint with the company but to no avail.

Which consumer right is being violated in this case?

- (a) Right to safety
- (b) Right to be informed
- (c) Right consumer education
- (d) Right to seek redressal

- (iii) Distribution of free samples, price contests, clearance sales, etc. are examples of:
- (a) Consumer exploitation
 - (b) Capital receipts
 - (c) Sales promotion techniques
 - (d) Functions of the Central Bank
- (iv) A module of ERP which manages the flow of products from manufacturer to consumer and consumer to manufacturer is the:
- (a) Supply chain module
 - (b) Customer relationship module
 - (c) Sales module
 - (d) Purchase module
- (v) 'X' pays Rs. 60 for one Kg of mangoes. The fruit vendor gives him 900 g of mangoes. Identify what has happened.
- (a) Consumer protection
 - (b) Consumer exploitation
 - (c) Consumer awareness
 - (d) Consumer rights
- (vi) Which of the following is NOT considered as a Consumer Right?
- (a) Right to freedom of speech
 - (b) Right to consumer education
 - (c) Right to be informed
 - (d) Right to safety
- (vii) Heavy expenditure on advertisement is classified as:
- (a) Miscellaneous Expenditure
 - (b) Revenue Expenditure
 - (c) Deferred Revenue Expenditure
 - (d) Capital Expenditure

(viii) When the CEO of a company retires the Sales Manager is given her place.
Identify which of the following will be true in this context.

1. The Sales Manager is being transferred
2. The Sales Manager will be getting a higher salary
3. The Sales Manager is getting promoted.
4. The Sales Manager will be getting the same salary.

- (a) 1. and 2. are true
- (b) 3. and 4. are true
- (c) 2. and 3. are true
- (d) 2. and 4. are true

(ix) On the basis of the information given identify the account.

1. It contains items of revenue nature only.
2. It is prepared to ascertain the Gross profit or the Gross loss.

- (a) Trading account
- (b) Purchase account
- (c) Sales account
- (d) Profit and loss account

(x) Which of the following banks regulate the supply of money in the economy?

- (a) Commercial banks
- (b) Indigenous banks
- (c) Central bank
- (d) Exchange banks

(xi) Individuals who are hired to do a specific job are known as:

- (a) Society
- (b) Government
- (c) Employers
- (d) Employees

- (xii) A _____ is an establishment for storage or accumulation of goods.
- (a) Bank
 - (b) Warehouse
 - (c) Budget
 - (d) Forecast
- (xiii) The RBI settles claims of other commercial banks by a process of book entries. It helps to stabilize the banking system in the economy. Which function of the Central bank is explained here.
- (a) Monopoly of note issue
 - (b) Government's bank
 - (c) Clearing house function
 - (d) Developmental function
- (xiv) _____ is an example of a Sales Promotion technique.
- (a) Free samples
 - (b) Pricing
 - (c) Marketing
 - (d) Banking
- (xv) Imagine you are an accountant of Shah & Company. You have to pass an entry of interest received by the company. What will be the accounting treatment?
- (a) Asset side of balance sheet
 - (b) Liability side of balance sheet
 - (c) Credit side of trading a/c
 - (d) Credit side of profit and loss a/c
- (xvi) Identify the principal of insurance based on the given information.
1. The insured must be benefitted by the existence of the insured subject and suffer a loss by its destruction.
 2. It is the financial interest of the insured in the subject matter of insurance.

- (a) Indemnity
- (b) Insurable interest
- (c) Utmost good faith
- (d) Mitigation of loss

Question 2

Distinguish between:

- (i) Debit card and Credit card [2]
- (ii) Advertising and Sales promotion [2]
- (iii) Central and Commercial banks [2]
- (iv) Capital and Revenue Receipts [2]

Question 3

- (i) An association is formed by persons in an industry to protect and promote the interests of the workers. [2]

Identify the above and explain any one function that it performs.

- (ii) What is Recruitment? [2]
- (iii) What do you mean by Pricing? [2]
- (iv) There are people who provide jobs to others. Identify them and give one expectation that they may have from a commercial organisation. [2]

Question 4

- (i) What is E-advertising? [2]
- (ii) Explain in brief the principle of subrogation. [2]
- (iii) How does modern advertising exert a corrupting influence on society? [2]
- (iv) What is Discounting of a bill of exchange? [2]

SECTION B

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

Question 5

- (i) Briefly discuss five characteristics of a capital market. [5]
- (ii) Write short notes on: [5]
 - (a) IMPS
 - (b) Right to be informed

Question 6

- (i) Discuss five objectives of pricing in detail. [5]
- (ii) Write short notes on: [5]
 - (a) Health Insurance
 - (b) Debentures

Question 7

- (i) Mention two demerits and three merits of Road transport. [5]
- (ii) (a) Mr. Shah took a Health insurance policy for Rs. 2 lakhs without disclosing proper facts. After three years he was admitted in hospital due to acute tuberculosis. During investigation it was found that he had been a chain smoker for the past five years. [5]
 - 1. Will he be able to claim health insurance? Why?
 - 2. Identify the Principle of insurance.
- (b) Write a Short note on: Direct Cost.

Question 8

- (i) Explain *any five* modules of ERP. [5]
- (ii) Write Short notes on: [5]
 - (a) Internal Recruitment
 - (b) Social advertising media

Question 9

- (i) Briefly discuss five functions of a capital market. [5]
- (ii) Write short notes on: [5]
- (a) Social Security
- (b) EPA

Question 10

Prepare a Trading, Profit and Loss account of Mr. ABC for the year ending on 31st March, 2023 and a Balance Sheet as on 31 March, 2023. [10]

Particulars	Amount (Dr) Rs.	Amount (Cr) Rs.
Capital		80,000
Drawings	4,000	
Cash at Bank	4,700	
Purchase	66,000	
Sales		1,15,000
Purchase Returns		3000
Sales Returns	6,000	
Discount	1,200	
Carriage Outwards	1,800	
Salaries	18,000	
Trade expenses	3,600	
Opening stock	15,000	
Bad debts	1,800	
Rent	4,500	
Machinery	1,08,000	
Furniture	18,000	
Debtors	12,000	
Creditors		30,000
Stationery	7,500	
Commission received		900
Loan		43,200
	2,72,100	2,72,100

Closing stock on 31st March, 2023 was valued at Rs. 78,000.