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## 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 [ ].*

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### SECTION A (40 Marks)

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

#### Question 1

Distinguish between:

- (a) Consumer goods and Industrial goods. [2]
- (b) Shut down costs and Sunk costs. [2]
- (c) Standardisation and Grading [2]
- (d) Savings Account and Current Account [2]
- (e) Downward Communication and Upward Communication [2]

#### Question 2

- (a) Why is brand loyalty considered an asset for the company? [2]
- (b) How does 'Status barrier' affect Effective Communication? [2]
- (c) What do you mean by 'Indirect material'? Give two examples. [2]
- (d) 'Selection is a negative process.' Explain. [2]
- (e) Explain 'Contribution' as a principle of insurance. [2]

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**This paper consists of 4 printed pages.**

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**Turn over**

**Question 3**

- (a) Mention any two utilities of a Budget. [2]
- (b) Name and explain the type of training designed to correct mistakes. [2]
- (c) What is meant by 'Capital Receipts'? [2]
- (d) State any two advantages of Travellers' cheques. [2]
- (e) Briefly describe the role of Marketing Research. [2]

**Question 4**

- (a) Why is Financing an essential function of Marketing? [2]
- (b) Explain any two advantages of Rail Transport. [2]
- (c) Explain the Right to Consumer Education under the Indian Consumer Protection Act. [2]
- (d) State any four sustainable uses of Water. [2]
- (e) "Both, conservation and restoration of natural resources or ecology cannot be possible without public awareness and community participation". Comment. [2]

**SECTION B (40 Marks)**

*Attempt any four questions from this Section*

**Question 5**

- (a) Explain any five expectations of Suppliers from a business organisation. [5]
- (b) Explain any five merits of Written Communication to a business organisation. [5]

**Question 6**

- (a) Mention five differences between Advertising and Personal Selling (Salesmanship). [5]
- (b) Explain any five techniques used in Sales Promotion. [5]

**Question 7**

- (a) Briefly explain the importance of Marketing. [5]
- (b) Explain: [5]
- (i) Bank Draft
  - (ii) Indemnity as a principle of insurance

**Question 8**

- (a) Briefly explain any five types of Budgets. [5]
- (b) Describe the role of Trade Union in a business concern. [5]

**Question 9**

- (a) Explain any five advantages of air transport over water transport. [5]
- (b) What do you mean by Group Life Insurance? [5]
- Explain three main features of Group Life Insurance.

**Question 10**

The Trial Balance given below was prepared by Pratim Pal on 31<sup>st</sup> December 2000. Prepare a Trading Account and a Profit and Loss Account for the year ending 31<sup>st</sup> December 2000 and Balance Sheet as on 31<sup>st</sup> December 2000. [10]

**TRIAL BALANCE**

	Dr. ₹		Cr. ₹
Drawings	1,000.00	Capital Account	14,400.00
Premises	7,500.00	Sales	23,120.00
Fixtures & Fittings	1,560.00	Discount received	330.00
Opening Stock (1.1.2000)	2,730.00	Purchase Returns	730.00
Purchases	15,410.00	Sundry Creditors	1,700.00
Discount Allowed	580.00		
Sales return	1,020.00		
Rates	750.00		
Insurance	210.00		
Wages	1,250.00		
Trade expenses	960.00		
Sundry Debtors	2,310.00		
Cash in Hand	650.00		
Cash at Bank	2,350.00		
Salaries	2,000.00		
	40,280.00		40,280.00
	40,280.00		40,280.00

Closing stock was valued at ₹ 3140/- on 31<sup>st</sup> December 2000.