COMMERCIAL STUDIES

SAMPLE PAPER

Paper Code: 631 (Sample) **Maximum Marks: 80**

Time allowed: Two hours

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1. Answers to this Paper must be written on the paper provided separately.
2. You will not be allowed to write during the first 15 minutes.
3. This time is to be spent in reading the question paper.
4. The time given at the head of this Paper is the time allowed for writing the answers.
5. Attempt all questions from Section A and any four questions from Section B.
6. The intended marks for questions or parts of questions are given in brackets [ ].

SECTION A (40 Marks)

(Attempt all questions from this Section.)

Question 1

Choose the correct answer to the questions from the given options. *(Do not copy the questions, write the correct answers only.)* **[16]**

(i) Expenses incurred for construction of a building are classified as:

(a) Revenue Expenditure
(b) Capital Expenditure
(c) Deferred Revenue Expenditure
(d) Miscellaneous Expenditure

(ii) ₹ 600 spent on repairing a machine in a firm is treated as:

(a) Capital receipt
(b) Revenue expenditure
(c) Capital expenditure
(d) Deferred revenue expenditure

(iii) The image given below indicates which form of Sales Promotion?



(a) Free sample
(b) Premium
(c) Coupon
(d) Trading stamp

(iv) Assertion (A): Commercial Banks are required to keep a certain proportion of their deposits as cash reserves with the Central Bank.

Reason (R): Cash reserves enable the Central Bank to exercise control over credit by Commercial Banks.

(a) (A) is true and (R) is false.

(b) (A) is false and (R) is true.

(c) Both (A) and (R) are true and (R) is the correct explanation of (A).

(d) Both (A) and (R) are true but (R) is not the correct explanation of (A).

(v) Closing stock appears in the Final Accounts in the:

(a) Trading account only

(b) Profit and Loss account and Balance Sheet

(c) Balance Sheet only

(d) Trading account and Balance Sheet

(vi) A social security scheme has the following characteristics:

1. Any citizen of India, resident or non-resident, can become a member.
2. It has a Tier I account which is mandatory and Tier II which is optional.

Identify the scheme.

(a) Provident Fund

(b) Gratuity

(c) National Pension Scheme

(d) Maternity benefits

(vii) Ramu is a labourer working in 'ABC Constructions'. His expectations from his company are:

1. Appreciation of Capital invested.
2. Timely payment of wages.
3. Timely payment of interest.
4. Safe working environment.

(a) 1 and 4

(b) 2 and 3

(c) 3 and 4

(d) 2 and 4

(viii) Rahim has given a loan of ₹ 5 lakhs to a fertilizer company. The company pays him interest regularly and has promised to return his amount after 5 years. Rahim has invested in:

(a) Equity shares

(b) Preference shares

(c) Debentures

(d) Ownership securities

(ix) **Assertion (A):** Preference shares are a hybrid form of financing.

Reason (R): Preference shares have characteristics of both equity shares and debentures.

(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 and (R) is false.

(d) Both (A) and (R) are false.

(x) Raju has been selected as a plumber in a construction company. Name the type of training he must undergo.

(a) Apprenticeship training

(b) Job rotation

(c) Classroom training

(d) Vestibule training

(xi) Observe the picture and identify the type of Consumer Exploitation.



(a) Overcharging

(b) Under weighing

(c) Adulteration

(d) Fair pricing

(xii) Mohit goes to the bank with a credit instrument which is due three months later. The bank charges some commission and pays less than the face value of the instrument. Identify the kind of loan granted by the commercial bank.

(a) Term loan

(b) Cash credit

(c) Discounting of bills of exchange

(d) Overdraft

(xiii) An employee does not contribute to Gratuity.

(a) True

(b) False

(xiv) The accountant of Gupta & Co. Ltd. has to pass an entry for Carriage Inwards. Where would he post the entry?

(a) Debit side of Profit and Loss Account

(b) Debit side of Trading Account

(c) Credit side of Trading Account

(d) Liabilities side of Balance Sheet

(xv) Faking accidents, faking death, concealing information for health care are examples of _____ fraud.

(a) Insurance
(b) False Accounting
(c) Credit Card
(d) Internet and Cyber

(xvi) A firm manufactures defense equipment. In order to ensure that only authorized personnel enter the secured area, they install a high-tech retina scanner. What does the above portray?

(a) E-advertising
(b) E-security
(c) E-commerce
(d) E-marketing

Question 2

Write any **two** differences between:

(i) Marketing and Sales **[2]**

(ii) Budget and Forecast **[2]**

(iii) Central Bank and Commercial Bank **[2]**

(iv) Capital Receipts and Revenue Receipts **[2]**

Question 3

(i) Give two differences between On-the-job training and Off-the-job training. **[2]**

(ii) When the balance of payments is unfavourable, the foreign exchange resources are reduced.

(a) In this situation, what advice does the Central Bank give to the Government?

(b) Which function of the Central Bank is depicted in (a) above? **[2]**

(iii) Briefly explain any two features of the Environment Protection Act. **[2]**

(iv) What is Cash Credit? **[2]**

Question 4

(i) What do you mean by Fixed Cost? Give two examples. **[2]**

(ii) Wipro recruited a few candidates from IIM Ahmedabad in the year 2026.

(a) Identify the source of external recruitment from the above statement.

(b) State one advantage of the same. **[2]**

(iii) Identify the last step of the Final Accounts, which is prepared after the Profit and Loss Account. Explain in brief. **[2]**

(iv) Briefly explain Public Warehouse. **[2]**

SECTION B (40 Marks)

(Attempt any four questions from this Section.)

Question 5

(i) Observe the image and answer the following questions:



(a) Identify the fraud depicted in the picture.

(b) Explain *any two* financial fraudulent practices. **[5]**

(ii) Write short notes on:

(a) Life insurance

(b) NEFT **[5]**

Question 6

(i) A computer software that manages all the resources of the organisation.

(a) Name the software.

(b) Explain the following modules:

1. CRM Module
2. Sales Module **[5]**

(ii) (a) Mr. Dutta had parked his car in his regular parking spot at the office. Another employee, Rohan, accidentally crashed into Mr. Dutta's car while reversing his car. This entailed expenses of ₹ 50,000, which he received from the insurance company for damages and repairs. Mr. Dutta later also recovered ₹ 25,000 from Rohan.

1. State the Principle of Insurance involved.
2. Discuss if Mr. Dutta's course of action is justifiable. Give reasons for your answer.

(b) Write a short note on Debentures. **[5]**

Question 7

(i) Mrs. Iyer purchased a packet of tea powder from a local grocery store. When she added a spoonful to water, the water turned red immediately, showing that artificial colour had been mixed in the tea.

(a) Identify and explain the type of consumer exploitation.

(b) Suggest any one action Mrs. Iyer can take to protect herself from such exploitation.

(c) Explain the Right to be Informed under the Consumer Protection Act, 2019. **[5]**

(ii) These are relationships between the management and employees that grow out of employment.

(a) Which term is being referred to in the above statement?

(b) State four objectives of such relations. **[5]**

Question 8

(i) Meera, an entrepreneur, feels that her business is wasting a lot of money on advertising every year. Karan, her partner, does not agree and feels that advertising is very important in today's world.

(a) Whom do you agree with, Meera or Karan?

(b) Giving four points, justify your viewpoint. **[5]**

(ii) This group of people offer raw materials, finished products or various services to a business organisation.

(a) Identify this group of stakeholders.

(b) Give four expectations they may have from the business organisation. **[5]**

Question 9

(i) Write short notes on:

(a) Provident Fund

(b) Transfers, as a type of Internal Recruitment **[5]**

(ii) Mention three merits and two demerits of Air transport. **[5]**

Question 10

Given below is the Trial Balance of M/s Kapoor Traders as on 31st March, 2026. Prepare a Trading and a Profit and Loss Account for the year ending 31st March, 2026. Also prepare a Balance Sheet as on 31st March, 2026.

Trial Balance of M/s Kapoor Traders
as on 31st March, 2026

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Opening stock	18,000	Capital	78,000
Purchases	85,000	Sales	1,40,000
Carriage inwards	1,500	Purchase return	3,000
Wages	6,000	Sundry creditors	22,000
Salaries	20,000	Loan	20,000
Rent	9,000	Commission received	2,500
Carriage outwards	2,000	Discount received	1,000
Bad debts	1,000	Bills payable	8,000
Discount allowed	1,500		
Sales return	4,000		
Drawings	6,000		
Furniture	16,000		
Plant and Machinery	60,000		
Debtors	30,000		
Cash in hand	2,500		
Cash at bank	12,000		
Total	**2,74,500**	**Total**	**2,74,500**

Closing stock was valued at ₹ 24,000. **[10]**