

# **CH. CHHABIL DASS PUBLIC SCHOOL**



## **WORKSHEETS**

### **SESSION 2025-2026**

### **CLASS XI**

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**(HORNBILL)  
THE PORTRAIT OF A LADY**

- Q1 Why was it hard for the author to believe that the grandmother was once young and pretty?
- Q2 The grandmother has been portrayed as a very religious lady. What details in the story create this impression?
- Q3 The grandmother had a divine beauty. How does the author bring it out?
- Q4 What proof do you find of friendship between the grandmother and grandson in the story?
- Q5 The grandmother was a kind-hearted woman. Give examples in support of your answer.
- Q6 “This was the turning point in our friendship.” What was the turning point?
- Q7 Draw a comparison between the author’s village school education and city school education.
- Q8 What was the happiest moment of the day for grandmother?
- Q9 What was the last sign of physical contact between the author and the grandmother? Why did the author think that to be the last physical contact?
- Q10 Everybody including the sparrows mourned the grandmother’s death. Elaborate.
- Q11 Describe the author’s grandfather as he looked in his portrait.
- Q12 How does the author describe his grandmother?
- Q13 How does the author react to the idea of the grandmother being young at a point of time and playing games?
- Q14 How did the grandmother prepare the author for going to school?
- Q15 Why was the grandmother distressed by the education imparted in the city school?

**CRITICAL THINKING QUESTIONS**

- 1 To show your love for your grandmother, write a letter to her sharing your feelings for her.
- 2 Imagine that you stayed with your grandmother when you were four years old. Write a paragraph sharing all those moments spent with her.
- 3 Draw a pen portrait of your grandmother.
- 4 You are fond of writing diary. Narrate the story that your grandmother tells you.
- 5 The grandmother went to the station to receive her grandson. On the station she met her old friend. Write the conversation between the two regarding their grandson.
- 6 Grand mother has been portrayed as a very religious lady. What details in the story create this impression?

**A PHOTOGRAPH**

1. What does the word ‘cardboard’ denote in the poem? Why has this word been used?
2. What has the camera captured?
3. What has not changed over the years? Does this suggest something to you?
4. The poet’s mother laughed at the snapshot. What did this laugh indicate?
5. What is the meaning of the line “Both wry with the laboured ease of loss.”
6. What does “this circumstance” refer to?
7. The three stanzas depict three different phases. What are they?

## CRITICAL THINKING QUESTIONS

1. We take photos as a return ticket to a moment otherwise gone. Do you agree? With reference to the poem 'A Photograph', write an article showing importance of photographs.
2. Write a diary entry showing your feelings about your mother whenever you see her photograph.
3. The poet has paid a tribute to her mother. Similar instances can be seen in The Portrait of a Lady. This made you think that writing about a loved one is much better than building their statues or drawing their portraits. Do you agree? Write a paragraph on it.
4. Happy moments are short-lived but provide a lifetime memory. They provide a cushion to bear the difficulties which the future has in store for us. Prepare a speech for the morning assembly expressing your views on the topic.
5. The poet is missing her mother. What is the role of the mother in framing the personality of a child?

### **We're Not Afraid to Die..... If We Can All Be Together**

1. What did the narrator plan to do? What preparations did he make for it?
2. Give a brief description of the narrator's boat. How had the narrator equipped and tested it?
3. How long did the narrator plan his voyage to last?
4. When and with whom did the narrator begin his voyage?
5. Whom did the narrator employ and why? When did he do so?
6. What happened on their second day out of Cape Town? What worried the narrator and why?
7. How did they celebrate the Christmas holidays?
8. How did the weather change on January 2? How did they feel?
9. What efforts were made to face the rough weather?
10. What sort of wave hit the ship? How did the narrator react?
11. What was the impact of the torrent on the narrator and Wavewalker?
12. How did the narrator manage to survive through the attacks of subsequent waves?
13. How did the narrator and the other members react to the presence of water in the ship?

14. "I had no time to worry about bumped heads," says the narrator. What problems do you think deserved his immediate attention?

### **CRITICAL THINKING QUESTIONS**

1. On the occasion of your grandmother's birthday you want to give a thank you speech to your family. Prepare that.
2. Write a letter to your father who has gone abroad for a month for official work assuring him that in his absence you will take care of your family and instead of worrying for everyone he should focus on his work.
3. Write a travelogue describing one of your memorable journeys.
4. Sea journey has always fascinated you but you have never got the chance to experience it. Write a diary page expressing your feelings.
5. "Adventure is the essence of life." Write an article commenting on this topic.

### **Discovering Tut: The Saga Continues**

1. Why is 5<sup>th</sup> January 2005 significant in Tutankhamun's saga?
2. How was the atmosphere when Tut's body was taken for C.T. scan?
3. How did the visitors to Tut's grave pay their respects to him?
4. What according to A.R. Williams were the thoughts of the visitors who stood silently near Tut's grave?
5. What was the Pharaoh's curse? Who refers to it and in what context?
6. "The mummy is in very bad condition because of what Carter did in the 1920s." Who was Carter? What did he do to the mummy?
7. What problem did Carter face when he reached the mummy? How did he find a way out?
8. How did Carter defend his action of cutting the mummy free?
9. List some of the adornments and golden objects of Tut's body.
10. Why do you think the royals carried so much gold to grave?
11. What is so special about the contents of Tut's tomb?
12. Which evidence proves the burial of Tut in March or April?
13. How did Carter's men treat Tut's body while removing gold?
14. What startling fact came to light in 1968 through X- ray?
15. How was Tut's body carried to the CT Scanner?

16. What snag did the million dollar scanner develop? How was it set right?

17. Why do you think Zahi Hawass smiled and felt relieved?

### **CRITICAL THINKING QUESTIONS**

Q1. Justify the title-‘Discovering Tut: The Saga Continues’.

Q2. As Howard Carter, you are responsible for finding out the mummy of Tut. You wanted to protect the mummy and all the funerary treasures found with it. So, you had to resort to extreme methods. Now you are blamed for mishandling the mummy and damaging it. Write a page in your diary, expressing your feelings and giving explanation to counter all the blames levied upon you.

Q3. Imagine that you are Zahi Hawass and under your supervision, the CT scan of the mummy was successfully conducted. Write a letter to your deputy giving the details of the complete mission along with the problems that you faced.

Q4. What are the most intriguing questions that still haunt the discovery of the mummy of Tut?

Q5. As a reporter, you visited King Tut’s mummy in Egypt. You were amazed by the findings of the archaeologists. Make a diary entry expressing your views on what you found there.

### **THE LABURNUM TOP**

Q.1 .What do you notice about the beginning and the ending of the poem?

Q.2.Why is the image of the engine evoked by the poet?

Q.3.What does the phrase 'her barred face identify mask' mean?

Q.4.Describe the laburnum top.

Q.5.What happened when the goldfinch came to the laburnum tree?

Q.6.How is the tree transformed during the bird’s visit?

Q.7. To what is the movement of the goldfinch compared? What is the basis for the comparison?

Q.8. 'The whole tree trembles and thrills'. Explain the poetic device used by the poet.

Q.9.'She launches away, towards the infinite'. Explain the given line.

Q.10.Explain the line 'And the laburnum subsides to empty'.

#### **Extract Based Questions**

The laburnum top is silent, quite still

In the afternoon yellow September sunlight,

A few leaves yellowing , all its seeds fallen.

a) Why was the Laburnum top silent?

b) Why is September yellow?

c) What is the mood of the poet in these lines?

2. It is the engine of her family

She stokes it full, then flirts out to a branch end

Showing her barred face identity mask

- a) Why has the word 'engine' been used to describe her family?
- b) Who is 'she'? How does she stoke the engine?
- c) What does the bird look like?

### **THE VOICE OF THE RAIN**

Q1. How does the poet question the rain and how does he get his answer?

Q2. Why does the rain answer that it is the poem of the earth?

Q3. Which two voices does the poem 'The Voice of the rain' have?

Q4. Explain briefly the process of the formation of the rain, what it does and where it goes?

Q5. What would happen to the earth if the rain never comes down?

Q6. What does the rain do to its own self and what has the poet compared it with?

Q7. What are the similarities between the rain and a song?

Q8. What does the rain give to the earth and what does a song give to the people?

#### **Extract Based Questions:**

I. And forever, by day and night, I give back life to my

Own origin

And make pure and beautify it;

- a) Where are these lines from and who is 'I' in the first line?
- b) What does 'I' do to its own origin?
- c) How is the rain formed?
- d) Explain 'make pure' and 'beautify it'.

2. For song, issuing from its birth-place, after fulfillment,

Wandering

Reck'd or unreck'd, duly with love returns

- a) Where are these lines from and who is the poet?
- b) Why is the poet comparing the rain with a song?
- c) What does the rain do to itself ?
- d) What happens to a song?

### **CRITICAL THINKING QUESTIONS**

1. The poem ' The Voice of the Rain' gives a hidden message that rain is essential for this earth. Write an article describing the importance of rain for the survival of the humanity.
2. Natural elements such as air and rain make no discrimination and bless everyone equally. Comment on class distinction and inequality which are totally human creations.
3. There is a parallel between rain and music. Elaborate the above point using your own ideas.
4. Consider yourself to be the 'Voice of the Rain'. Write a letter to the present generation encouraging them to be selfless and to keep others before self to help the humanity from collapsing under the pressure of selfish motives. Give some ways of doing the same.

### **CHILDHOOD**

1. Why is the age eleven so important ?
2. What is the poet obsessed with ?
3. 'My mind was really mine.' Explain.
4. Describe the poet's feeling of childhood ?
5. What could not be found in geography textbooks ?
6. What is the poet's opinion about the hypocrisy of the adults ?
7. How according to the poem childhood is involved in the process of growing up ?
8. Has the poet got an answer to the question: "Where did my childhood go" ?
9. Is independent thinking a step towards adulthood?
10. What is the difference between childhood and adulthood ? Do you think the only difference is between, that of 'innocence' and 'hypocrisy'?

## CRITICAL THINKING QUESTIONS

1. Have you been able to relate to the poem with your life ? If yes, how? If not, why?
- Q2. The poet mentions three milestones in his transition from childhood. Which are they and what are the characteristics of these milestones?
- Q3. "Childhood is an essential state in the process of growing up, but it cannot go forever." Discuss.
- Q4. Refrain is a poetic device used to emphasize an idea. How has it been used in this poem and with what effect?
- Q5. Write an informal letter to your childhood friend recalling your childhood days that you spent with him/her. W.L.-100

## THE ADVENTURE

- Q1. What were the thoughts of Professor Gaitonde as his train approached Bombay?
- Q2. What indication do you get that tells that Professor Gaitonde was visiting a British Indian Bombay city?
- Q3. What did the history books say about the East India Company and what was the reality? What did he see in Bombay?
- Q4. When did history take a different turn according to Professor Gaitonde ?
- Q5. What were the effects of the victory in the battle between Marathas and the East India Company?
- Q6. What was the intention of Peshwas keeping the Mughal regime alive in Delhi?
- Q7. 'Gangadharpant began to appreciate the India he had seen'. What kind of India had he seen?
- Q8. What did Gaitonde discover in 'Bhauasahebanchi Bakhar'?
- Q.9 What was the scenery at the Azad Maidan as witnessed by Gaitonde?
- Q10. What did Rajendra Deshpande reveal to Professor Gaitonde about the collision theory?
- Q11. How did Rajendra Deshpande relate the catastrophe theory to the battle of Panipat?
- Q12. What was 'reality' according to Rajendra Deshpande?
- Q13. How can there be a contact between many worlds according to Rajendra Deshpande?

Q14. How did Rajendra rationalise the experience of Gaitonde?

Q15. What books did Gangadharpant browse through in the library. What did he find?

Q16. What came as a huge surprise to Gangadharpant as he emerged from the station?

### **CRITICAL THINKING QUESTIONS**

Q1. How is Rajendra Deshpande able to explain the history as experienced by Gaitonde?

Q2. Imagine yourself to be in some other world. You feel lost. Write the conversation you had with a person in that world.

Q3. Imagine yourself to be Gaitonde at Azad Maidan. You were badly manhandled by the crowd. You felt emotionally bruised and hurt. Write a letter to Khan Saheb in Lahore sharing your pain.

Q4. Imagine yourself to be the librarian at the Asiatic Society Library. You came across a man looking for some books in your library who continued to remain there for a very long time. Everything seemed very strange. Make an entry in your diary expressing your views about the same.

### **SILKROAD**

1. Who was Lhamo?
2. What difficulties did Tsetan face while taking shortcuts?
3. What did the doctor in the Darchen Medical College look like?
4. What does Kora mean?
5. Comment on the appearance of Darchen Medical College.
6. How was the experience of the author at Hor different from the earlier visits to the place?
7. What made the author believe that his strategy of positive thinking went well?
8. Comment on the sensitive behaviour of hill folk.
9. How does the author recount his experience at the Darchen Medical College?
10. What disappointed the author in Darchen?

11. How do you think T-setan supported the author during his journey?

12. Why do you think the lesson has been named "Silk Road" ?

13. What was the physical condition of the author in Darchen ?

14. Why does the narrator think that the snow was dangerous yet beautiful?

### **CRITICAL THINKING QUESTIONS**

Q1. What is the growing impact of tourism on nature? Do exotic places in legends still retain their pristine beauty? Give reasons to support your answer.

Q2. Discuss why some people willingly undergo the difficult journeys?

Q3. Discuss how travel widens the horizon of our knowledge.

Q4. Browse the web about some of the most widely known travelogues and prepare a write-up.

Q5. Find out about the importance of Mount Kailash in different religions and write brief notes on them.

### **FATHER TO SON**

(1) Read the extracts given below and answer the questions that follow:

(1). I do not understand -----he was when small

1. Who is the speaker in these lines?
2. What does the speaker reveal? Does it strike odd? Why/ Why not?
3. What does the speaker intend to do?

(2) Yet have I killed -----of understanding in the air

1. Who is 'I' in these lines? Whom is he talking about?
2. What does the speaker mean by 'seed'?
3. What is the poet's mood in these lines?

(3) Silence surrounds us----- shaping from sorrow a new love

1. Why does the speaker say, "Silence surrounds us"?
2. What does the speaker wish for?
3. What would 'I' forgive?
4. How does the speaker intend to behave in case his wishes come true?

(4) We both must live ----- something to forgive

1. What reality dawns on the speaker?
2. How do the father and son behave? How does the father feel?
3. Do you think a reconciliation is possible and how?

(2) Answer the following questions:

1. Show that the father and the son do not have the relationship of warmth and understanding.
2. How is the father's helplessness brought out in the poem?
3. How can you say that the father and the son are very near to each other yet very far?
4. Does the father understand his own son? Justify your answer based on your reading of the poem.
5. What does the poet mean by "have I killed the seed I spent"?

6. What does the speaker say about father-son relationship?
7. What do you think is responsible for the distance between father and son?
8. How can you infer that the father wishes his son to remain at home with him?
9. Why does the father feel that he and his son are like strangers to each other?
10. The father wants his son to be like the prodigal son. Why?
11. Why does the speaker feel that he has killed the seed?
12. Explain: "There is no sign of understanding in the air."
13. Explain: "This child is built to my design."
14. What does the speaker want to say through the expression 'Shaping from sorrow a new love.'

### **CRITICAL THINKING QUESTIONS**

1. Is Generation Gap a universal problem? On what issues or matters do you have different views from your parents?
2. Lockdown brought the family members together and in disguise gave everybody an opportunity to spend time together and resolve the conflicts or cold indifferences. Write a diary entry expressing your confession of being responsible of cold indifferences between you and your parents and finding solutions to the problem.
3. Who do you sympathize with the father or the son?
4. The poem reflects the realities of the modern times. The aged persons face problems and there is no end to it. How do you feel?
5. Is the father responsible for the present situation? What are your views?

### **SNAPSHOTS**

#### **The Summer of the Beautiful White Horse**

1. "I couldn't believe what I saw," says the narrator. What was so unbelievable? Why?
2. What two character traits of Mourad are hinted at by the narrator in the initial part of the story?
3. "This was the part that wouldn't permit me to believe what I saw." What 'part' does the narrator hint at?
4. What traits of the Garoghlanian family are highlighted in this story?
5. How did the narrator react on seeing the horse and Mourad?
6. What conflicting thoughts passed through the narrator's mind on seeing Mourad on a beautiful white horse early one morning?

7. What feelings did the sight of cousin Mourad and the horse arouse in the narrator?
8. "It was true, then. He had stolen the horse. There was no question about it. He had come to invite me to ride or not, as I chose." How did the narrator convince himself to enjoy a horse ride with cousin Mourad?
9. Give examples to show why cousin Mourad was considered one of the craziest members of the narrator's family?
10. Why does the narrator mention uncle Kosrove? Which characteristic features of the man are highlighted?
11. Give an example to illustrate how uncle Khosrove's impatience sometimes worked to his disadvantage?
12. "The distribution of the various kinds of spirit of our tribe had been from the beginning capricious and vagrant." Elucidate.
13. Give a brief account of Mourad's joy ride.
14. How did Aram, the narrator, fare in his solo ride?
15. "We'll either take him back or hide him until tomorrow morning." Which course of action did the speaker take and why?
16. How do you think, had Mourad developed an understanding with the horse and what was the result?
17. Contrast the two visitors to narrator's house who visited them one afternoon.
18. How did uncle Khosrove react to John Byro's complaint about the theft of his horse?

### **CRITICAL THINKING QUESTIONS**

1. Imagine you are the narrator of the story 'The Summer of the Beautiful White Horse'. Describe to your friend how you got a beautiful white horse and also why you returned it to its rightful owner.
2. Do you think that the boys returned the horse to its true owner because they were afraid of punishment? Did the pangs of conscience force them to do it? Comment.
3. 'We are nothing but a set a values.' You are Rahul/ Ritika. Write an article on the given topic to be printed in the school magazine.
4. Sometimes as human beings we are faced with an ethical dilemma as we are tempted to do wrong things. Do you agree? Explain with reference to the lesson 'The Summer of the Beautiful White Horse'.

## THE ADDRESS

- Q1. What did the author's mother tell her about Mrs. Dorling?
- Q2. How did the author recognize that the woman who was at the door was Mrs. Dorling?
- Q3. What horrified the author on her second visit to Mrs. Dorling's house?
- Q4. What was the reason behind Mrs. Dorling's refusal to recognize the author?
- Q5. "The wars cause a lot of trauma." How is the statement true w.r.t. the story of 'The Address'?
- Q6. How did the narrator decide to go back to the 'things'?
- Q7. What did you learn about Mrs. Dorling in the story 'The Address'?
- Q8. Write the character sketch of the author.
- Q9. The author was in a way a little afraid of the 'stored stuff' at Mrs. Dorling's house after the war. Why?
- Q10. Why did the narrator of the story want to forget the address?
- Q11. What two reasons did the narrator give to explain that she was mistaken?
- Q12. How did the narrator conclude that she was right?
- Q13. Who had given the narrator the address? When and under what circumstances?
- Q14. What was the outcome of the interview b/w Mrs. Dorling and the narrator?
- Q15. What impression do you form of the narrator's mother on the basis of her conversation b/w the narrator and Mrs. Dorling?
- Q16. Did the narrator feel convinced about the views of her mother about Mrs. Dorling? How do you know?
- Q17. Why did the narrator wait for a long time before going to the address no. 46, Marconi Street?
- Q18. In what respect was the second visit of the narrator to 46, Marconi Street different from the first visit? Did she really succeed in her mission? Give a reason for your answer.
- Q19. The Address is a story of predicament that follows war. Comment.
- Q20. The story is divided into pre-war and post-war times. What hardship do you think the girl underwent during these times?

## CRITICAL THINKING QUESTIONS

1. Find an object in your room that reminds you of a family picnic. Write a paragraph describing the object and the memory attached with that.
2. Refugees suffer from separation, loss and fear. Your teacher has asked you to prepare a report on them describing the hardships they face. Write the report.
3. "An opportunist disguised as a friend can be every bit as dangerous as an outright enemy." Comment with reference to the story.
4. "Memories are the timeless treasures of the heart. Nobody can snatch them from you." Write a diary page pouring your feelings as the narrator of the story.
5. "Selfishness creates greed and greed destroys the soul." Write an article commenting on the topic.

## MOTHER'S DAY

- Q1. What difference do you find b/w Mrs. Pearson and Mrs. Fitzgerald?
- Q2. What advice does Mrs. Fitzgerald give Mrs. Pearson regarding being boss in her family?
- Q3. How is Mrs. Pearson treated by the family?
- Q4. What problem did Mrs. Pearson face? Who do you think is responsible for this state of affairs?
- Q5. How does Mrs. Fitzgerald plan to deal with the family?
- Q6. Why does Doris say , "Mum what's the matter with you"?
- Q7. What is Doris' reaction when Mrs. Pearson says she will work only 40 hrs a week?
- Q8. How does Mrs. Pearson criticize Doris for going out with Charlie Spence?
- Q9. What two things does Doris want her mother to do?
- Q10. Who was Cyril? Why was he annoyed with his mom?
- Q11. How do Doris and Cyril react to Mrs. Pearson's query about stout?
- Q12. Who was Charlie Spence? What did Mrs. Pearson say about him?
- Q13. What changes in the behaviour of Mrs. Pearson startle Doris and Cyril? What possible reasons do you suggest?
- Q14. Who is George? What did Mrs. Pearson tell him to face?
- Q15. What did Mrs. Pearson tell George about his visit to the bar?
- Q16. Why is George Pearson angry about Fitzgerald calling him George?
- Q17. Why does Mrs. Pearson find fault with George in dealing with neighbours?
- Q18. Why did Mrs. Pearson threaten to slap George?
- Q19. What advice does Mrs. Fitzgerald give to Mrs. Pearson after changing back personalities?
- Q20. How does Pearson family –Doris, Cyril, George spend evening finally?
- Q21. How does stern treatment reform the spoilt children?
- Q22. What impression do you form of Mrs. Pearson?
- Q23. Comment on the ending on the play?
- Q24. Write a short note on Mother's Day?

## CRITICAL THINKING QUESTIONS

1. How does the play resolve the issue? Do you agree with the resolution?
2. Husbands, sons, daughters should be taking notice of wives and mothers, not giving them orders and treating them like dirt. What do you think about it?
3. Our history is replete with the contribution of mothers to inculcate values in their children to face the challenges in life. Name a few of them.
4. Provide an ending to the story.
5. This play, written in the 1950s is a humorous and satirical depiction of the status of the mother in the family. What are the issues it raises?

## BIRTH

- Q1. Who was Dr Andrew?
- Q2. Who was Joe Morgan? Why was he waiting for Dr Andrew?
- Q3. Where did Joe lead Andrew? Why did he not go in with the doctor?
- Q4. What did Andrew see when he entered Joe's house?
- Q5. "Don't fret mother. I will not run away". Why do you think Andrew said so?
- Q6. What did Andrew realize while he drank tea in the kitchen?
- Q7. Why were Andrew's thoughts muddled?
- Q8. What had Andrew been thinking about? How would you like to describe the state of his thoughts?
- Q9. What was Andrew's view of marriage? What made him feel confused?
- Q10. Why did Andrew feel surprised while sitting by the kitchen fire?
- Q11. What was Mrs. Morgan's special request?
- Q12. Why did Andrew feel a shiver of horror?
- Q13. What dilemma did the doctor face after the child was born?
- Q14. What efforts did Andrew make to revive Susan Morgan?
- Q15. Where had the midwife kept the child? Why?
- Q16. In what state did Andrew find the newborn child? What did he conclude?
- Q17. What did Andrew do with the still born baby after reviving Susan?
- Q18. What final efforts did Andrew make to save the baby?
- Q19. How did Andrew react to the first glimpse of the success of his efforts to help the still born child come alive?
- Q20. What was the result of Andrew's feverish efforts after the child's chest gave a short convulsive heave?
- Q21. What was the state of the room after the reaction of the mother and child?
- Q22. Why did Andrew say "I'll fetch my bag later nurse"?
- Q23. How did the doctor feel after his successful effort?
- Q24. How important was this work in the career of Dr Andrew at Balaenelly?

### **CRITICAL THINKING QUESTIONS**

1. When a medical student is awarded a degree after completing his studies, he has to take an oath. Unfortunately, in the present times, doctors seem to have forgotten their oath. Do you agree? Elaborate your point.
2. If you work to respect the feelings, yearnings and desires of others, success is always yours. Explain on the basis of the lesson 'Birth' by A. J. Cronin.
3. ' I had no premonition that this night would influence my future in Blaenelly'. Making this the opening sentence, write a paragraph for the diary page of the doctor.
4. Bookish knowledge is theoretical. It is practice and observation which makes a man with theoretical knowledge a man perfect in his field. Write a talk to be given in the morning assembly expressing your feeling of gratitude for doctors.

### **THE TALE OF MELON CITY**

- Q1. What sort of king ruled over the state?
- Q2. What did the king proclaim?
- Q3. Why did the king ride down the thorough fair and what was the result?
- Q4. Who was held responsible for the disgrace? How did he/they react to it? What do you learn about the king?
- Q5. What did the chief of builders say in his defence?
- Q6. What did the workmen say to defend themselves?
- Q7. What argument did the architect give in his self defence? How did the king take it?
- Q8. Why did the king need some counsel and from whom? Do you think the man was not capable of giving advice? Give reason?
- Q9. Comment on criteria of selection of the wisest man and the quality of counsel he offered?
- Q10. Why did the king succumb (to surrender)to public demand?
- Q11. What was custom of choosing a ruler of the state?
- Q12. Why did the minister feel relieved? Do you think their election was right?
- Q13 what was the selection process of the new state reveal about ministers and the people
- Q14. How did the accused try to shift the blame on others? How did he/they succeed?
- Q15. What impression do you gather about the king?
- Q16.The poem makes the process of fair trail and proper judgment. How far do you agree with this statement?

Q17. Comment on the title. Find out the instances of irony?

Q18. How according to you can peace and liberty be maintained in a state?

### **CRITICAL THINKING QUESTIONS**

Q1.The Tale Of A Melon City is full of irony. Give any two examples from the poem.

Q2.What do you think makes The Tale Of A Melon City interesting and edifying?

Q3.How,according to you,can peace and liberty be maintained in a state? Express your views on the decision taken by the king in - The Tale Of A Melon City.

Q4.The king's sense of justice is absurd in the poem The Tale Of A Melon City by Vikram Seth. Substantiate your answer in the light of the poem.

Q5. The Tale Of A Melon City is a satire on people in power. Express your views in a paragraph analysing the poem critically.

### **COMPETENCY BASED QUESTIONS**

#### **CLASS- XI**

(1) You have just read the poem Childhood by Markus Natten. You decide to write your views about the poem in your diary, emphasising the conflict in ideas, beliefs and emotions you have undergone while reading it. You may begin like this.....

Thursday, Jan 10, 2024

7.45 pm

After a long time, I read a poem today. I enjoyed.

(2) You are Mrs. Annie Pearson, a woman activist. You had been asked to preside over a meeting where the audience mostly comprised of housewives who were trying to prove themselves by dismantling their established social identity. With reference to Mother's Day, draft the speech within 120-150 words. You may begin like this.....

Greetings to the lovely audience! Today I am going to talk about

(3) Wrong is wrong even if everyone is doing it. Right is right even if no one is doing it. On the basis of your understanding of the story, 'The Summer of the Beautiful White Horse 'and the quote given above, analyse Mourad's character within 120-150 words.

(4) Life is a process of exchange and transformation. People are alive because they undergo exchange of energy. How have the poets Ted Hughes (The Laburnum Top) and Walt Whitman (The Voice of the Rain) used sound to express the liveliness and beauty of nature?

(5) The story is called 'The Adventure'. Compare it with the adventure described in 'We're Not Afraid to Die...'

(6) What does the child think about the adult in poem 'Childhood'?Compare and contrast with poem 'Father to son ' 'I would have ..... Him prodigal', says the father.

(7) He's an adventurer, but at heart he was more a meticulous academic than a daredevil.

Explain the truth of the statement based on your reading of the chapter 'Silk Road'.

(8) Suppose you are Khushwant Singh. Your grandmother dies just after your returning from abroad. Write a letter to your friend describing him the end of the great lady. Don't forget to include the strange behaviour of the sparrows at her death.

(9) The poet Shirley Toulson has paid a tribute to her mother. Similar instances can be seen in "The Portrait of a Lady". This made you think that writing about a loved one is much better than building their statues or drawing their portraits. Comment.

(10) Do you know of any incident when someone has been brought back to life from the brink of death through medical help? Discuss medical procedures such as organ transplant and organ regeneration that are used to save human life.

## **READING SKILLS**

### **1. Read the following passage carefully.**

**(1)** Soil is your garden's natural growing medium, so it's vital for the health and successful growth of your plants and crops that you keep it well maintained. Soil is basically rock that's been ground down by the effects of the weather over a long period of time and made fertile by decayed organic matter (derived from dead insects and leaves). There are hundreds of different soil types, but they can broadly be classified as sandy, loamy or clay, referring to their basic texture. It is the texture that affects the drainage, aeration and nutrient content of the soil and you may have to take steps to improve this in certain types of soil.

**(2)** Take a handful of soil and run a small amount between your forefinger and thumb. Although all soils contain varying proportions of sand, silt and clay, you'll readily be able to tell the difference between the main types.

**(3)** Sandy soil feels gritty when dry and even it's wet particles will not stick together. Loamy soil, on the other hand, can be moulded by hand when moist, but aren't at all sticky and gritty and are fairly loose when dry. Clay soil is sticky and smooth when wet, but becomes polished when rubbed and baked hard when dry.

**(4)** A loamy soil is a well-balanced amalgamation of sand, silt and clay, which combines excellent drainage with sufficient moisture retention to assure good growing conditions for most plants. It's fairly easy to look after, although loamy soils do benefit from regular applications of well-rotted organic matter to prevent getting tightly packed.

**(5)** The particle consistency of sandy soil doesn't hold water well, with the result that plant foods are often taken away by rain before they can do any good. Again, well rotted organic matter can be added to bind the soil particles together.

**(6)** Clay soil is most difficult to work with, usually becoming waterlogged, so they are virtually impossible to dig. Artificial drainage will probably be the first step in improving the texture of the soil and various additives will break down the structure to make use of its excellent food stocks.

**(7)** There are various methods of improving your soil's texture. Essentially this requires regular applications of a well-rotted organic substance called humus, which is obtained from decayed plant

and animal matter (manure, compost, and seaweed; each provide ample sources).

**(8)** The presence of chalk in soil can also affect the growth of plants: some prefer slightly acid (chalk-free) soils, while others grow more successfully in alkaline, chalky soils. Most fruits and vegetables, however, grow better in neutral soil.

**(9)** Although benefiting the soil in some ways, compost, manure and fertilizers can actually add to its acidity, as organisms break them down. Over-acid soils can be treated with applications of lime either hydrated (slaked) lime, or ground limestone (chalk). Of the two, ground limestone is your best choice

**(10)** To apply lime, sprinkle it on the broken top soil and mix it lightly but don't dig in; leave it to be washed down by rain. Apply lime every other year if need be. An alkaline soil can be treated with manure, garden compost or peat, well dug in.

**Based on your understanding of the passage, answer the questions given below.**

**(a) Why should we keep soil well maintained?**

- (i) Because it absorbs and retains water
- (ii) Because it responds to the effects of weather
- (iii) Because it raises water table
- (iv) Because it is the garden's natural growing medium

**(b) Complete the given statement.**

By taking a handful of soil and running it between our forefinger and thumb, we can tell \_\_\_\_\_.

**(c) Complete the following.**

Opinion: Clay soils are the most difficult to work with.

Reason: \_\_\_\_\_

**(d) Soil is divided into various types on the basis of:**

- (i) colour
- (ii) texture
- (iii) drainage
- (iv) aeration

**(e) Fill in the blank.**

The particle consistency of sandy soil doesn't hold \_\_\_\_\_ well.

**(f) Complete the given analogy.**

\_\_\_\_\_ : combination :: moulded : shaped

**(g) Loamy soil is the best for plant growth because:**

- (i) it is a well-balanced mixture of sand, silt and clay

- (ii) it has weak drainage and retention
- (iii) its texture responds slowly to decayed organic matter
- (iv) it gets tightly packed unless looked after well

**(h) Soils must be tested before growing fruits and vegetables because:**

- (i) they need alkaline soil
- (ii) they prefer slightly acidic soil
- (iii) they grow better in neutral soil
- (iv) they flourish in over-acidic soil

**(i) State whether the given statement is TRUE or FALSE.**

The presence of chalk in soil affects the growth of plants.

**(j) Pick a word from paragraph 5 which corresponds to the meaning of 'firmness' as in the passage.**

**(2) Read the text carefully:**

**(1)** Today, when we pick up a daily newspaper, we invariably find an increasing incidence of vandalism, frauds, rape, child abuse, battered spouses, murders, hate crimes, genocide (now termed as ethnic cleansing) along with a multitude of other senseless violent acts as that have become disturbingly common. These are not the actions of people like themselves.

**(2)** The solution to be a great many problems, whether personal, national or global, lies in improving our feelings about ourselves both as individuals and members of society. When the significance of good self-esteem is well understood and it achieves the prominence it deserves, a transformation will begin, for when the people will realise that they deserve self-respect, their respect for others will automatically increase.

**(3)** Most of our behaviour has been shaped by our parents, caregivers and authority figures who played an important part in our early upbringing and were responsible for crystallizing our ideas about ourselves and the world. While everyone has self-esteem, only a small percentage of us have high self-esteem. High self-esteem denotes that we accept ourselves unconditionally exactly as we are, and we appreciate our value as a human being. When, on the other hand, we have low self-esteem, we believe that we have little intrinsic worth.

**(4)** We believe our personal value is in direct proportion to the value of our accomplishments. If we cannot accomplish certain results, we tend to feel low about ourselves. Some of us try too hard and become workaholics and over-achievers. With few genuine feelings of self-worth, we try to create some and prove that we are somebody by our successes and achievements. Because our desire for perfection is so great, we tend to set unrealistic goals and place unreasonable demands on ourselves. Failing, rather than encouraging us to have more realistic aspirations, only leads to a mere punishing round of self-blame and a resolve to drive ourselves harder next time. If we do finally achieve our goals, we are disappointed; despite everything we have done, we still feel empty inside.

**(5)** Vulnerable to the opinions of others, we desperately try to gain their recognition and approval sometimes through risky and dangerous behaviour. Thus, we are at the mercy of our emotions,

instead of controlling them, we permit them to control us. Since we allow circumstances to influence our feelings, we are inclined to be moody. The insecurity we feel as a result of devaluing ourselves makes us react with jealousy, envy and possessiveness. Fear makes us greedy and acquisitive, and feelings of self-hate alternate with those of futility, unhappiness and depression.

**(6)** Sound self-esteem is the basis for all self improvement. As human beings, our potential is limitless, our abilities inexhaustible, and the possibilities for creative and constructive changes are endless. But, we won't experience satisfactory progress towards our goals or make any lasting improvements unless we believe we deserve the good we want. Conditions in our lives will improve permanently only when we believe we are entitled to something better. So improving our self-esteem inwardly is the vital ingredient for improving our lives.

**Based on your understanding of the passage, answer the questions given below.**

**(a) These days the newspapers are full of:**

- (i) development news
- (ii) political news
- (iii) acts of violence and crimes
- (iv) educational and employment news

**(b) State whether the given statement is TRUE or FALSE.**

Our personal value is in direct proportion to the value of our accomplishments.

**(c) Why is good self-esteem stressed upon?**

- (i) Because it is essential for solving many problems
- (ii) Because it builds up self-confidence
- (iii) Because it increases one's reputation
- (iv) Because it helps one to respect others

**(d) Complete the following.**

Vulnerable to the opinion of others, we desperately try to\_\_\_\_\_.

**(e) Why is high self-esteem considered a remarkable asset?**

- (i) Because it makes us worthless in our own eyes
- (ii) Because it helps us to believe in our worth
- (iii) Because it forces us to be achievers
- (iv) Because it brings depression and disappointment

**(f) Fill in the blank.**

We are inclined to be \_\_\_\_ because we allow circumstances to influence our feelings.

**(g) Sound self-esteem ensures success as:**

- (i) one reacts emotionally to problems
- (ii) one becomes moody and insecure
- (iii) one taps one's latent talents and creative faculties
- (iv) one makes instant improvements



**(7)** There is always a silver lining in any gloomy situation, provided you starve the problem and feed the opportunities. For every problem, there could be several solutions and solutions point towards opportunities.

**(8)** Apply the MISER concept to solve problems. MISER... where M stands for Merge for Improve, S for Simplify, E for Eliminate and R for Reduce. MISER is an excel conceptual sieve that helps in reducing many problems to a very few ones.

**Based on your understanding of the passage, answer the questions given below.**

**(a) Why do most people procrastinate?**

- (i) Because they are not creative
- (ii) Because they adopt a wrong attitude
- (iii) Because they are too lazy to do anything
- (iv) Because they wait for better opportunity

**(b) State whether the given statement is TRUE or FALSE.**

One-third of our problems are created by ourselves.

**(c) Why can't we eliminate problems from our life?**

- (i) Because we are alive and kicking
- (ii) Because we are inactive
- (iii) Because we are afraid of final exit
- (iv) Because we tend to postpone actions

**(d) Complete the given statement.**

Our future can be determined by\_\_\_\_\_.

**(e) According to the passage, in which of the following circumstances does our effectiveness get reduced?**

- (i) When our problems multiply
- (ii) When the depressing time is painful
- (iii) When there is stress due to some problems
- (iv) When problems dishearten us

**(f) Complete the given statement.**

We can change ourselves by\_\_\_\_\_.

**(g) Complete the given analogy.**

starve: problems:: feed:\_\_\_

**(h) What is the best way to tackle a problem?**

- (i) To defer it for sometime
- (ii) To seek help from a friend
- (iii) To think of an easy solution
- (iv) To begin at once

**(i) Fill in the blank.**

There is always a silver lining in any \_\_\_\_ situation.

**(j) The word 'procrastinate' in paragraph 1 means:**

- (i) obtain with difficulty
- (ii) natural tendency to do something bad
- (iii) delay or postpone an action
- (iv) doing with ease

**4. Read the passage given below:**

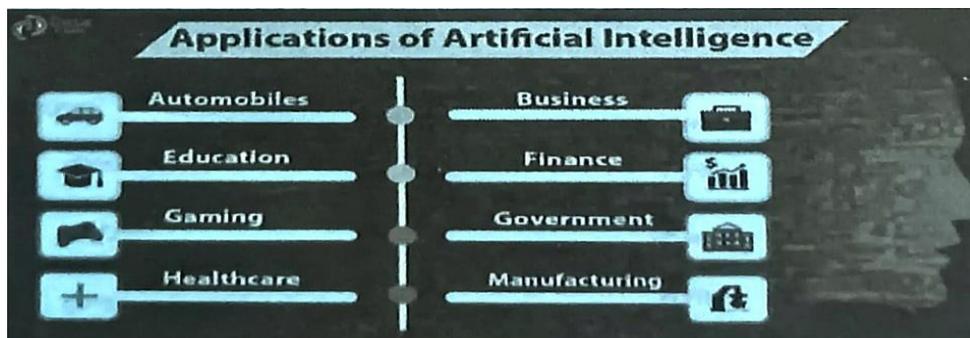
1. Artificial intelligence (AI) is the simulation of human intelligence processes by machines, especially computer systems. AI programming focuses on three cognitive skills: learning, reasoning and self-correction.

2. Learning processes focuses on acquiring data and creating rules for how to turn the data into actionable information; Reasoning processes focuses on choosing the right algorithm to reach a desired outcome; Self-correction processes refer to continually fine-tune algorithms and ensure they provide the most accurate results possible

3. AI processes large amounts of data much faster and makes predictions more accurately than humanly possible. The primary disadvantage of using AI is that it is expensive to process the large amounts of data that AI programming requires.

4. AI can be categorised as either weak or strong. Weak AI, also known as narrow AI, is an AI system that is designed and trained to complete a specific task. It only responds to its programming. Strong AI, also known as artificial general intelligence (AGI), is more like the human brain. It has cognitive abilities that help to perform unfamiliar tasks and commands. It can find the solution to a problem and works beyond a preprogrammed algorithm. While narrow AI may outperform humans at whatever its specific task is like playing chess or solving equations, AGI would outperform humans at nearly every cognitive task.

5. AI is revolutionising the way we live and get things done and is advancing dramatically. It is already transforming our world socially, economically and politically. In most of the fields, it provides human beings a great helping hand to get tasks done quickly and perfectly. The following image gives us a brief about the vast expansion of artificial intelligence.



There's no doubt in the fact that technology has made our lives comfortable. From music recommendations, map directions, internet banking, AI and other technologies have taken over. AI truly has the potential to transform many industries, with a wide range of possibilities. These industries are all data driven. Since Artificial Intelligence is an efficient data processing system at its core, there's a lot of potential for optimisation everywhere. Let's hope that the concept of AI will help the human race in the long run.

**On the basis of your understanding of the above passage, answer the following questions:**

**AI refers to**

- (a) human intelligence
- (b) temporary intelligence
- (c) mechanical intelligence
- (d) chemical intelligence

**(ii) How does AI provide the best experience to us?**

- (a) By revolutionising our lives.
- (b) By focusing on learning, reasoning and self-correction processes.
- (c) By using weak and strong intelligence.
- (d) By collecting and processing large amount of data.

**(iii) How is AI applied to healthcare services ?**

- (a) Assist doctors.
- (b) Help the diagnosis to be more accurate.
- (c) Perform robotic surgeries.
- (d) All of the above.

**(iv) Which of the following is a feature related to AI?**

- (a) Find the quickest routes for a destination.
- (b) Manual gear stick.
- (c) Using seat belts.
- (d) Power steering.

**(v) In the field of education,\_\_\_\_\_is an example of using artificial intelligence.**

- (a) automated grading systems
- (b) interaction between parents and teacher
- (c) excursions
- (d) classroom interactions

**(vi) How does AI promote business growth?**

- (a) By processing large amount of quantitative data.
- (b) By creating promotional advertisements.
- (c) By providing financial scheme to customers.
- (d) None of the above.

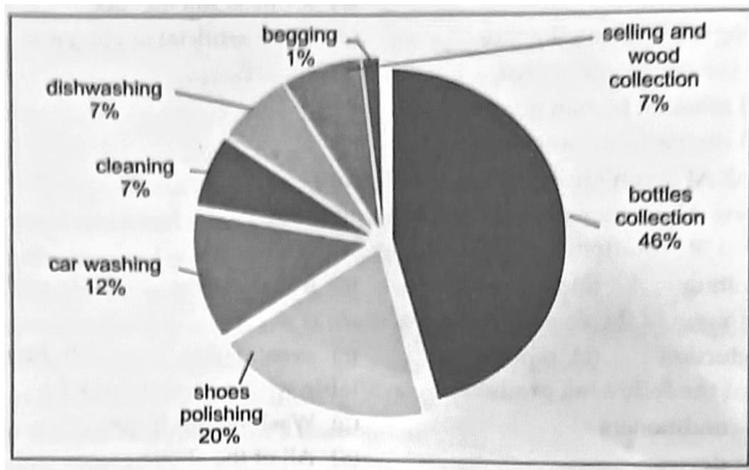
**(vii) Which of the following illustrates/illustrate an example/examples of using Artificial intelligence?**





1. When one comes across such slogans, the heart howls with anguish for children who are forced to forget their childhood and slog to earn their livelihood.

The child has been the subject of special laws and legal provisions because of its tender age, inadequately developed mind and fragile body. They need a shield against the moral and physical abuse by others. There are about 300 Central and State Statutes concerning children but still, we are unsuccessful in eradicating and protecting children of our country from such abuse.



2. In India, the law addressing child labour regulates the employment of children and does not allow children below the age of 14 to work except as a child artist and in a family business. Basic rights of many children are seen being snatched away commonly on streets, at restaurants, agricultural fields, construction sites or anywhere where labour is required. The wages paid to the child labourers are usually lower than those paid to adult workers. Children are thus not only exploited but are sometimes engaged in hazardous work also.

3. The Constitution of India, 1950 under Article 21(A) mandates free and compulsory education for all children in the age group of 6-14 yrs. Article 24 also specifically prohibits the employment of children below the age of fourteen years in dangerous factories which may cause them physical as well as long-term mental harm.

4. Every person, including the parent or guardian of children, has the fundamental duty under Article 51 of the Constitution - a part of the Directive Principles of State Policy - to provide opportunities for education to his or her child between the age of 6-14 yrs.

The State, under Article 45 of the Constitution, also must provide free and compulsory education for

all children until they complete the age of fourteen years.

5. Under child labour law in India, adolescents between the age of 14 and 18 are prohibited from working in any hazardous or dangerous occupations and processes. They can only work in certain government declared non-hazardous occupations or in a family business or as an artist. The employer also has a wide range of duties and measures which they need to keep in mind, like health, safety and well-being while employing children

6. Despite several legislative measures by the enactment of statutory provisions to diminish the employment of kids in hazardous employment, we have not been that successful in prohibiting child labour.

7. If awareness about the cons of child labour is spread across the nation and strict implementation of existing laws is done India can combat the issue of Child Labour. Every individual must understand how important it is for the children to grow and study, as they are the future of our developing nation.

**On the basis of your understanding of the above passage, answer the following questions:**

**(i) Choose the most appropriate slogan against child labour:**

- (a) Don't kill their innocence, kill their hunger.                      (b) Education is each child's right.  
(c) Help a child learn not earn.                      (d) Do not let your greed haunt the mindset of children.

**(ii) Which occupation has the maximum number of children involved ?**

- (a) Glass bangle industry      (b) Mining      (c) Garbage scrounging      (d) All of the above

**(iii) Children getting indulged in work at such young stage, how does it affect their growth?**

- (a) Their growth stops as they are overburdened with work.  
(b) They don't get the exposure and opportunities they should get at this stage.  
(c) They themselves are not keen to bring a positive change in their situation, so the growth gets affected.  
(d) All of the above.

**(iv) Why do people prefer to hire children as labour ?**

- (a) Children are docile.                      (b) Child labour is easily available.  
(c) It is hassle-free.                      (d) Child-labour is cheaper as compared to adult-labour.

**(v) "Centre and State Statues' refers to \_\_\_\_.**

- (a) the conditions applied by the centre and the state in case child labour is required  
(b) the laws made by the centre and state governments separately to control this abuse  
(c) the decisions taken by the judiciary against child abuse

(d) the laws made by NGOs at state and central level to eradicate this evil practice

**(vi) Why has our country failed to curb child labour completely?**

- (a) The laws framed are not sufficient.
- (b) The implementation of the laws is questionable and ineffective.
- (c) The laws are not clear, hence don't convey real meaning.
- (d) The laws don't apply to 6-14 years of children.

**(vii) Why are children allowed to work as a child artist or be a part of the family business?**

- (a) Both the jobs are age-appropriate and there's no room for exploitation.
- (b) Children should get some work experience.
- (c) To make them respect hard work, this is for their brighter future.
- (d) None of the above.

**(viii) Which of the following is the right expression for 'adolescence'?**

- (a) Attaining adulthood.            (b) Attaining childhood.
- (c) Attaining puberty.            (d) The last leg of being a minor.

**(ix) The synonym for the word 'inadequately' \_\_\_\_.**

- (a) inappropriately            (b) insufficiently            (c) illegally            (d) vaguely

**(x) The employers are legally bound to \_\_\_\_ while hiring children in the age bracket 14-18.**

- (a) legal implications            (b) providing food and shelter
- (c) ensuring safety measures            (d) offering standardised wages

**(xi) The word that has the same meaning as harmful is \_\_\_\_.** (para 6)

- (a) statutory            (b) prohibiting            (c) hazardous            (d) diminish

**(xii) India as a developing country boasts of \_\_\_\_.**

- (a) prevailing child-labour            (b) NGOs fighting against the injustice called child-labour
- (c) ineffective laws against child-labour            (d) more than 50% of its population below the age of 25

**CH. CHHABIL DASS PUBLIC SCHOOL**

**WORK SHEET (2023 – 2024)**

**CLASS - XI**

**SUBJECT - ACCOUNTANCY**

## **1. Introduction to Accounting**

Q1. State whether the following statements are true or false :

1. Accounting is helpful in raising loans.
2. Accounting is not accepted as evidence in legal matters.
3. Management of an enterprise is internal user of its accounting information.
4. Accounting is a service function.
5. Accounts are prepared on the basis of historical costs.
6. Accounting may be affected by window dressing.

Q2. Choose the best alternate

1. Which of the following is not a limitation of accounting?  
(a) Based on accounting conventions  
(b) Evidence in Legal Matters  
(c) Incomplete Information  
(d) Omission of Qualitative Information
2. If accounting information is based on facts and it is verifiable by documents it has quality of -----  
(a) Relevance                      (b) Reliability  
(b) Understandability      (d) Comparability
3. Which of the following is not a sub-field of accounting?  
(a) Financial accounting  
(b) Book Keeping  
(c) Management accounting  
(d) Cost accounting
4. Ghanshyam is a furniture dealer. Which one of the following will not be recorded in his books ?  
(a) Purchase of Timber for Rs. 50,000.  
(b) Sofa set worth Rs. 40,000 taken to his home.  
(c) Sale of household furniture for RS. 5,000  
(d) Dining table of Rs. 30,000 given to his friend as gift
5. Which of the following is not a business transaction?  
(a) Bought furniture of Rs. 10,000 for business.  
(b) Paid for salaries of employees Rs. 5,000.  
(c) Paid for sons fees from her personal bank account Rs. 20,000.  
(d) Paid sons fees from the business Rs. 2,000.

Q3. "Only financial transactions are recorded in Accountancy. "

Q4. How is profit or loss of a particular period is ascertained?

Q5. How do we ascertain the financial position of the business?

Q6. What is the traditional function of Accounting?

Q7. Recording of financial transactions and preparing the financial statements are the only objective of accounting. Do you agree?

Q8. On 1<sup>st</sup> Jan. 2015, Mr. Vadera was appointed as Marketing Manager of the firm with a salary of Rs. 50,000 per month. State whether this event will be recorded in the books of accounts.

Q9. A firm follows a practice of giving the figures of previous year along with the figures of current year. Now the Accountant of the firm wants to discontinue this practice. Do you justify this decision?

Q10. Give two examples of transactions which are not recorded in accounting.

Q11. A firm has received a large order to supply the goods. Will it be recorded in the books?

Q12. Identify the values being violated in case of window dressing.

## 2. Basic Accounting Terms

Q1. Fill in the blanks :

- (i) ----- is the cost incurred in producing goods and services.
- (ii) Revenue means the income of a ----- nature.
- (iii) The term 'sales' is used only for the sales of ----- and is never used for the sale of -----
- (iv) The person to whom money is owing by the firm are termed as -----
- (v) Assets held for continued use in the business and not meant for resale are termed as -----.
- (vi) ----- refers to those liabilities which are to be paid normally within one year.

Q2. Classify the following into assets, liabilities ,expenses, and revenues

Sales, Bank balance ,Debtors, Bank Overdraft, Creditors, Salary to manager, Discount to debtors , Cost of goods sold.

Q3. Choose the best alternate

Which of the following is capital expenditure?

- (a) Wages                      (c) wages paid for building construction

(b) Repairs expenses of building      (d) Advertisement Expenses

Current assets do not include :

(a) Debtors      (c) Motor Car  
(b) Bank Balance      (d) Prepaid Expenses

Out of the following assets which one is not an intangible asset?

(a) Patents      (c) Investments  
(b) Goodwill      (d) Trademark

At the end of financial year , during which sale of goods was worth Rs. 5,00,000, the closing stock is valued at Rs. 40,000. This is -----

(a) An event  
(b) A transaction  
(c) Both an event as well as transaction  
(d) None of (a) and (b)

Which of the following is the Capital expenditure?

(a) Wages paid for repair of building  
(b) Wages paid for white washing of building  
(c) Wages paid for construction of building  
(d) Wages paid for cleaning of building

Q.4 Explain the following terms:

1) Revenue    2) Trade payables    3) Fictitious assets    4) Working capital

Q.5 Give any three examples of revenues.

Q.6 Distinguish between debtors and creditors.

Q.7 Distinguish between expenses and expenditure.

Q.8 What are internal liabilities?

Q.9 Define merchandise.

Q.10 Profit is earned on sale of Fixed Asset. What should be the accounting treatment of this profit?

Q.11 Give two examples of revenue expenditure.

Q.12 Godrej Ltd. imported from germany one machinery for sale in india and another machinery for production purpose. Will you treat them goods or fixed assets?

- Q.13 Mr.Jaspal Singh dealing in electronic goods sold 20 TV sets costing Rs.30,000 each at Rs.40,000 each. Out of this Rs.5,00,000 were received in cash and the balance is not yet received. State the amount of revenue.
- Q.14 Mr.Dinanath who owed us Rs.50,000 became insolvent and paid only 40% of this amount. What is the term used for the amount not received?
- Q.15 Mr.Avinav started a business of buying and selling of mobile phones and invested Rs.2,00,000 on 1-4-2010. On 20-4-2010 he paid Rs.1,00,000 for the purchase of mobile phones and Rs.50,000 for furniture. On 1-5-2010, he purchased some stationery for Rs.5,000 in cash and sold some mobile phones for Rs.50,000 on credit to Mr.Aakash. after a period of one, he purchased mobile phones of RS.60,000 from Mr.Satish. expenses during the same period were Rs.10,000. On 31-7-2010 mobile phones worth Rs.20,000 were lost by fire.

During September 2010 to December 2010, a part of stock of mobile phones which costed Rs.30,000 was sold for RS.40,000.

With the help of above information, answer the following questions:

- 1) What is the amount of capital with which Mr.Avinav started the business?
- 2) What is the total amount of expenses?
- 3) Who is the debtor for the business and what is the amount receivable from him?
- 4) Who is the creditor and what is the amount payable to him?
- 5) Give the name and cost of fixed asset bought by the business enterprise.
- 6) What is the total value of the goods purchased?

### **3. Theory Base of Accounting , Accounting Standards , IFRS and GST**

Q1. Fill in the blanks:-

- (i) Concept of ----- requires that the same accounting methods should be used from one accounting period to the next.
- (ii) Recognition of cost in the same period as associated revenues is called----- concept.
- (iii) Personal transactions are distinguished from business transactions in accordance with the concept of -----.
- (iv) Everything a firm owns, it also owes out to somebody . This co-incidence is explained by the ----- concept.
- (v) All transaction are recorded in the books from the ----- point of view.
- (vi) The management of a firm is remarkably incompetent , but the firm's accountant cannot take this into account while preparing books of accounts because of ---- - concept.

Q2. Mention whether the following are true or false :

- (i) Business entity concept is not applicable to sole trading concerns and partnership concerns.
- (ii) Only those facts and events are recorded in accounting which are capable of being expressed in terms of money.
- (iii) All items or facts whether material or immaterial are recorded in accounting .
- (iv) Assets will be equal to capital if there are no liabilities.
- (v) Materiality principle is an exception to the ' Full Disclosure Convention'.
- (vi) Accounting Principles are rigid in nature.

Q3. Choose the best alternate

- (i) As per Income Tax Act , accounting period is :
  - (a) From 1<sup>st</sup> January to 31<sup>st</sup> December
  - (b) From 1<sup>st</sup> April to 31<sup>st</sup> March
  - (c) From 1<sup>st</sup> July to 30<sup>th</sup> June
  - (d) From Diwali to Diwali
- (ii) According to which concept even the proprietor of the business is treated as a creditor of the business:
  - (a) Going concern concept
  - (b) Cost concept
  - (c) Business Entity concept
  - (d) Accounting period concept
- (iii) Accrual concept is based on:
  - (a) Matching concept
  - (b) Dual Aspect Concept
  - (c) Cost Concept
  - (d) Going Concern Concept
- (iv) Due to which of the following , contingent liabilities are shown in the Balance sheet:
  - (a) Dual Aspect Concept
  - (b) Convention of Full Disclosure
  - (c) Convention of Materiality
  - (d) Going Concern CONCEPT

(V) The cost of a small calculator is accounted as an expense and not shown as an asset in a financial statements of a business entity due to -----

- (a)Materiality convention
- (b)Matching concept
- (c)Periodicity concept
- (d)Convention of full disclosure

(vi) The owner of the firm records his medical expenses in the firms income statement. Indicate the principle that is violated:

- (a) cost concept
- (b) prudence
- (c) Full disclosure
- (d) entity concept

(vii) Which of these is not a fundamental accounting assumption?

- (a) going concern
- (b) consistency
- (c) accrual
- (d) materiality

(viii) Omission of praise and showing the round figures in financial statements is based on:

- (a) conservatism convention
- (b) consistency concept
- (c) materiality convention
- (d) money measurement concept

Q4. Proprietor of the business is treated as creditor to the extent of his capital under which concept ?

Q5. A customer of X Ltd. has discontinued his business. He used to purchase 30% of the total goods produced by X Ltd. Is it a relevant information in your opinion and should be disclosed by X Ltd.

Q6. Under which principle the calibre or quality of the management is not disclosed in the balance sheet?

Q7. According to which concept, depreciation is to be charged as per one particular method year after year?

Q8. A debtor who owes Rs. Two lac to the company is rumoured to be declared insolvent. Will you disclose this information in the books?

Q9. Goods withdrawn by the proprietor for his personal use has not been recorded in the books of accounts. Which accounting concept has been violated?

Q10. In a business provision for doubtful debts is created @5% on debtors every year. Name the two accounting principles followed in this process.

Q11. A firm has stationery stock amounting to Rs. 400 as at the end of financial year. Accountant of the firm has written it off to Profit & Loss Account. Is he right in doing so?

Q12. Identify the values involved in full disclosure principle.

Q13. Why are accounting standards required?

Q14. Which values are followed by adopting the accounting standards?

Q15. How does the matching concept apply to depreciation?

## **4. BASES OF ACCOUNTING**

Q1. Fill in the blanks :

1. ----- basis of accounting is more objective as it avoids the use of estimates and personal judgement.
2. According to the Companies Act ,2013 , companies are required to follow ----- basis.
3. If goods are sold in January on 2 months credit , then as per cash basis of accounting , the sale will be recorded in the month of -----

Q2. State whether the following are true or false :

1. Accrual basis of accounting suffers from personal bias.
2. Cash basis of accounting is considered the most scientific system of accounting.
3. Cash basis of accounting reveals true and fair view of profit or loss.
4. Under accrual basis of accounting , expenses are recorded when they are incurred.

### VERY SHORT QUESTIONS

Q3. Which basis of accounting is highlighted in the following statements?

- a. It is not recognized by the Companies Act ,2013.
- b. Outstanding expenses are considered under this system of accounting.
- c. This system of accounting does not make distinction between cash and credit transaction.
- d. This system does not make distinction between capital and revenue items.
- e. This system of accounting suffers from personal judgment.
- f. This system of accounting is adopted by the non-trading concerns.

Q4. During the Accounting period 2018-19 , the total sales of a firm were Rs. 7,00,000 out of which cash sales were of Rs. 4,50,000. The total expenses for the year were RS. 5,00,000 out of which Rs. 2,10,000 are still outstanding . Determine income of the firm 2018-19 as per :

- A. Cash Basis of Accounting
- B. Accrual Basis of Accounting

Q5. M/S Krishna Traders follows accrual basis of accounting .The firm sold goods of Rs. 40,000 in June, 2018 on 2 months credit. According to the accountant, the sale should be recorded in the month of August, when the cash will be received . Do you agree ?

## **5. Accounting Equation**

**Fill in the blanks:**

1. An Accounting equation is based on the ..... principle.
2. Goods purchased on credit will lead to ..... in stock and creditors.

3. The equity of the owners is called.....
4. Assets are equal to ..... plus .....

**Multiple Choice Questions:**

Q1. Which is correct out of the following?

- (a) Capital = Assets + Liabilities
- (b) Liabilities = Assets + Capital
- (c) Capital = Assets – Liabilities
- (d) Assets = Liabilities – Capital

Q2. Amount withdrawn by proprietor for personal use will ..... cash and capital.

- |                |                       |
|----------------|-----------------------|
| (a) Decrease   | (b) Increase          |
| (c) Not change | (d) None of the above |

Q3. Which equation is correct out of the following?

- (a) Liabilities = Assets – Capital
- (b) Assets = Liabilities + Capital
- (c) Capital = Assets – Liabilities
- (d) Assets = Liabilities + Capital

Q4. Rent paid will lead to:

- (a) Decrease in Capital and Liabilities
- (b) Decrease in Assets and Liabilities
- (c) Decrease in Assets and Capital
- (d) None of the above

Q5. Decrease in one liability may lead to:

- |                                   |                          |
|-----------------------------------|--------------------------|
| (a) Increase in another liability | (b) Decrease in an asset |
| (c) Either (a) or (b)             | (d) Neither (a) nor (b)  |

**Exercise :**

Q1. Give an example for each of the following transactions;

1. Increase in asset , increase in capital.
2. Decrease in a liability , increase in capital.
3. Increase in assets , increase in liabilities.
4. Increase in liabilities , decrease in capital.
5. Decrease in asset , decrease in capital.

Q2. Prepare Accounting equation for the following:

1. Started business with cash Rs. 3,30,000
2. Commission received Rs. 22,000
3. Interest received in advance Rs. 1,100.
4. Salary paid Rs. 22,000

5. Rent paid in advance Rs. 4,400.
6. Accrued commission Rs. 3,300
7. Wages outstanding Rs. 11,000

Q3. Prepare Accounting Equation for the following :

Started Business with	
Cash	3,00,000
Building	90,000
Stock	60,000
Interest on capital	4,500
Depreciation charged on building	9,000
Money withdrawn from business for personal use	45,000
Goods withdrawn for personal use	22,500
Interest on drawings	2,250

Q4. Fill in the blanks

<i>Case</i>	<i>Capital as on 31.12.2018  Rs</i>	<i>Capital as On 1.1.2018  Rs</i>	<i>Profit – Loss during 2018  Rs</i>	<i>Drawings during 2018  Rs</i>	<i>Fresh Capital Introduced  Rs</i>
I	?	6,000	3,000	1,200	600
II	12,000	?	(600)	1,800	2,400
III	12,600	6,000	?	1,200	6000
IV	6,000	12,000	3,000	?	600
V	9,000	18,000	(4,800)	4,200	?

## **6. RULES OF DEBIT AND CREDIT**

**Fill in the blanks:**

1. According to Modern Approach, Purchases Account is an ..... Account.
2. Left side of an account is called ..... and right side of an account is called .....
3. For every debit, there is corresponding ..... of equal amount.
4. Increase in liability is recorded on the ..... side.

**Exercise:**

Q1. When a Capital account debited?

Q2. Explain the rules of debit and credit according to approach of modern

classification.

Q3. Classify the following accounts into Personal , Real and Nominal Accounts:

Building , Salary , Depreciation , Drawings , Creditors , Bad debts , Freight ,  
Patent , Goodwill , Debtors , Outstanding expenses.

Q4. Classify the following into Assets , Liabilities , Capital , Expenses and Revenue:

Bank loan , Trademark , Wages , Unearned commission , Sales , Bank overdraft , Prepaid  
rent.

Q5. On which side will the increase in the following accounts be recorded? Also, state the  
nature of account

- a. Outstanding Rent
- b. Shyam (Debtor)
- c. Interest paid
- d. Purchases
- e. Carriage inward
- f. Furniture
- g. Cash
- h. Rakesh(Proprietor).

## **7. Origin of Transactions – Source Documents and Preparation of Vouchers**

### **Fill in the blanks:**

1. Pay- in- slip is a document used to deposit ..... or cheques into the bank.
2. .... is prepared by the seller when goods are sold for cash.
3. .... vouchers are prepared when payment is made.
4. .... is prepared by the seller when goods are sold on credit.

### **Multiple Choice Questions:**

Q1. A source document prepared by the seller of goods on credit is known as:

- |                 |               |
|-----------------|---------------|
| (a) Receipt     | (b) Cash Memo |
| (c) Pay-in-slip | (d) Invoice   |

Q2. Voucher is prepared for:

- |                            |                       |
|----------------------------|-----------------------|
| (a) Cash received and paid | (b) Cash/Credit sales |
| (c) Credit/Cash purchase   | (d) All of the above  |

Q3. Credit purchase of machinery is recorded through .....

- |                      |                    |
|----------------------|--------------------|
| (a) Transfer Voucher | (b) Cash Voucher   |
| (c) Debit Voucher    | (d) Credit Voucher |

**Exercise:**

Q1. Define invoice.

Q2. What is a cheque?

Q3. What do you mean by Voucher?

---

**8. Journal**

**Fill in blanks with appropriate words:**

Q1. Goods returned to suppliers are ..... to Purchases Return Account.

Q2. Issued a cheque for Rs.8000 to pay wages. The account to be debited is .....

Q3. .... is a process of recording a transaction in a Journal.

Q4. For every debit there must be ..... credit.

**Multiple Choice Questions:**

Q1. Recording of transaction in the Journal is called:

(a) Casting

(b) Posting

(c) Journalising

(d) Recording

Q2. Find the correct statement:

(a) Credit a decrease in assets

(b) Credit the increase in expenses

(c) Debit the increase in revenue

(d) Credit the increase in capital

Q3. The expenses which are yet to be paid at the end of the accounting year are termed as:

(a) Prepaid Expenses

(b) Personal Expenses

(c) Outstanding Expenses

(d) Drawings.

Q4. Journal entry to record salaries will include:

(a) Debit salaries Credit cash

(b) Debit capital Credit cash

(c) Debit cash Credit salary

(d) Debit salary Credit creditors

**Exercise:**

Q1. Define Journal.

Q2. What is Compound Journal Entry? Give an example.

Q3. Distinguish between trade discount and cash discount.

Q4. Give journal entries of the following transactions in the books of M/s Kapoor Traders.

April-2018	Rs.
1. Commenced business with cash	110000
2. Opened bank account with ICICI Bank	60000
7. Bought goods for cash from M/s Rupa Traders	45
8. Purchased good from M/s Hema Traders	
10. Sold goods for cash	10000
14. Sold goods on credit to M/s. Gupta Traders	
16. Rent paid	6000
18. Paid trade expenses	4000
20. Received cash from Gupta Traders	15000
23. Cash paid to Hema Traders	5500
25. Bought postage stamps	450
30. Paid salary to Rishabh	6500

Q5. Pass journal entries in the books of Shyam :

2017

Dec. 1 Sold goods to Amar of the list price Rs. 50,000 less 15% trade discount

Dec.5 Purchased goods from Suresh Rs.40000 at 10% trade discount and 3% cash discount .Half of the amount paid at the time of purchase.

Dec.8 Withdrawn goods for personal use (Cost Rs.10000 )

Dec.12 Sold goods to Karan of list price Rs. 40,000 at 10% trade discount and 2% cash discount. Karan paid cash for only 40% value of goods.

Q6. Pass journal entries of the following transactions :

a. Rent due to Landlord .Rs.2000

b. Goods worth Rs. 1500 given as charity.

- c. Charge interest on drawings Rs.350
- d. Goods lost by fire Rs.2500
- e. Provide 15% depreciation on plant costing Rs. 10000.

## 9. Ledger

### Multiple Choice Questions:

Q1. The book in which all accounts are maintained is known as:

- (a) Cash Book
- (b) Journal
- (c) Purchases Book
- (d) Ledger

Q2. When total of debit side of an account exceeds the total of its credit side, the account is said to:

- (a) Credit Balance
- (b) Debit Balance
- (c) Debit as well as credit balance
- (d) None of the above

Q3. Transferring information from journal to ledger is known as:

- (a) Transferring
- (b) Balancing
- (c) Posting
- (d) Journalising

Q4. Which of the following account is expected to have a debit balance?

- (a) Asset
- (b) Expense
- (c) Loss
- (d) All of the above

### Exercise:

Q1. Define Ledger.

Q2. Name the category of accounts that are balanced.

Q3. Journalise the following transactions in the Books of M/s Bharat Traders , Delhi.

Also post them in the ledger.

April- 2018	Rs.
1. Started business with cash	2,00,000
2. Bought office furniture	30,000
3. Paid into bank to open a current account	1,00,000

5. Purchased a computer and paid by cheque	2,50,000
6. Bought goods on credit from Mahesh	60,000
12. Cash sales	30,000
19. Sold goods to Krishna on credit	25,000
22. Cash paid to Mansi on account	30,000
25. Stationery purchased for cash	3,000
26. Paid wages	1,000

### **10. Special Purpose Books I – Cash Book**

**Fill in the blanks:**

1. Double column cash book records transaction relating to ..... and .....
2. When the firm prepares the cash book, then the firm is not required to prepare .....
3. Cash book does not record the ..... transactions.
4. Credit balance shown by a bank column in Cash Book is .....
5. Cash Book maintained for keeping record of small expenses is called .....

**Multiple Choice Questions:**

Q1. When a firm maintains a Cash Book, it need not maintain:

- |                    |                           |
|--------------------|---------------------------|
| (a) Journal Proper | (b) Purchases Book        |
| (c) Sales Book     | (d) Bank and Cash Account |

Q2. Double Column Cash Book records:

- |                            |                                |
|----------------------------|--------------------------------|
| (a) All transactions       | (b) Cash and bank transactions |
| (c) Only cash transactions | (d) Only credit transactions   |

Q3. Goods purchased on cash are recorded in the:

- |                    |                           |
|--------------------|---------------------------|
| (a) Purchases Book | (b) Sales book            |
| (c) Cash Book      | (d) Purchases Return Book |

Q4. Which of the following is not recorded in the Cash Book?

(a) Credit Purchase

(b) Bad Debts

(c) Depreciation on Machinery

(d) All of the above

Q5. Cash Book does not record transaction of:

(a) Cash nature

(b) Credit nature

(c) Cash and credit nature

(d) None of these

**Exercise:**

Q1. Define cash book.

Q2. What is contra entry?

Q3. What do you mean by Bank overdraft?

Q4. Define petty cash book.

Q5. Prepare Two column Cash Book of Shyam, Delhi from the following transactions:

JUNE-2018

1	Ravi Started business with cash	70,000
2	Paid Salary to Hari an employee	7,000
4	Paid rent to Mr. Lokesh Landlord	10,000
7	Paid into bank	15,000
9	Withdrawn from bank	8,000
11	Withdrawn from bank for office	6,000
15	Withdrawn from bank for personal use	5,000
18	Paid rent to landlady by cheque	12,000
20	Bank charged for its services	800

Q6. Record the following transactions in a Cash Book with Cash and Bank Columns:

---

2018

JUNE-

1.	Cash in hand	3,000
2.	Cash at Bank	91,000
3.	Discounted a Bill Receivable (B/R) for Rs.1,000 at 1% through bank	
4.	Bought goods for RS. 2,000 and paid by cheque	
5.	Paid trade expenses	
6.	Paid taxes	120
7.	Paid insurance charges	400
15.	Sold goods for Rs. 12,500 to Rahim and received cheque(Deposited same day)allowed him discount1%	100
20.	Purchased 100 NSC Plan Certificate for Rs. 100 each @ 95 each and paid by cheque	

---

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---

Q7. Prepare a Two column Cash Book from the following particulars:

2018

- Jan. 1. Cash in hand Rs. 50,000.
2. Paid into bank Rs. 10,000.
3. Bought goods from Hari for Rs. 200 for cash.
4. Bought goods for Rs. 2,000 paid cheque for them, discount allowed 1%
5. Sold goods to Mohan for cash Rs. 250.
6. Received a cheque from Shyam to whom goods were sold for Rs. 800.  
Deposited on the same day.
8. Purchased an old typewriter for Rs. 200. Spent Rs. 50 on its repairs.
9. Bank notified that Shyam's cheque has been returned dishonoured and debited to the account in respect of charges Rs. 10.
10. Received a money order for Rs. 25 from Hari.
11. Shyam settled his account by means of a cheque for Rs. 820, Rs. 20 being for interest charged.
12. Withdrew from bank Rs. 10,000.
18. Discounted a bill of exchange for Rs.1,000 at 1% through bank.
20. Honoured our own acceptance by cheque Rs. 5,000.
22. Withdrew for personal use Rs. 1,000.
24. Paid trade expenses Rs. 2,000.
25. Withdrew from bank for private expenses Rs. 1,500.
26. Purchased machinery from Rajiv for Rs. 5,000 and paid him by means of a bank draft
27. Issued cheque to Ram Saran for cash purchase of furniture Rs. 1,575.
28. Received a cheque for commission Rs. 500 from R. & Co. and deposited into bank.
29. Ramesh who owned us Rs. 500 became bankrupt and paid us 50 paisa in a rupee.
30. Received payment of a loan of Rs. 5,000 and deposited Rs.3,000 out of it into bank.
31. Paid rent to landlord 'Mohan' by a cheque of Rs. 500.
31. Interest allowed by bank Rs. 30.
31. Bank charges Rs. 50.

## **11. Special Purpose Books II – Other Books**

**Fill in the blanks:**

1. Return of goods purchased on credit to the suppliers will be entered in ..... Journal.
2. Adjusting entries are recorded in .....
3. Assets sold on credits are entered in .....
4. Purchase of Machinery in cash will be recorded in .....
5. In purchase book goods purchased on ..... are recorded.

**Multiple Choice Questions:**

Q1. Journal Proper record .....

- (a) All Transactions
- (b) All Cash Transactions
- (c) All Credit Transaction
- (d) All Transactions not recorded in any of Subsidiary Book

Q2. The periodic total of Sales Return Journal is posted to:

- (a) Sales Account
- (b) Goods Account
- (c) Purchases Return Account
- (d) Sales Return Account

Q3. The periodic total of Purchase Return Journal is posted to:

- (a) Purchases Account
- (b) Profit and Loss Account
- (c) Purchase Returns Account
- (d) Furniture Account

Q4. The total of Purchases Book is:

- (a) Debited to Purchases Account
- (b) Credited to Purchases Account
- (c) Credited to total Creditors Account
- (d) Debited to total Creditors Account

**Exercise:**

Q1. Give two examples of entries which appear in a Journal Proper.

Q2. What do you mean by opening entry?

Q3. Enter the following transactions in the Purchases Book of Sudarshan Chavda ,Meerut :

2011

May 1	Purchased from Suresh Gupta, Jaipur (Invoice No. 2680)
	100 bags wheat @Rs. 400 per bag
	50 bags Gram @ Rs. 450 per bag
	200 bags sugar @ Rs. 900 per bag
	Less: Trade Discount 10%

May 5 Bought of Virendra , Meerut (Invoice No.2015)  
100 bags wheat @ Rs. 400 per bag  
100 bags Gram @ Rs. 450 per bag  
Trade Discount 10%

May 8 Surendra Gupta, sold to us : (Invoice No. 2950)  
100 bags sugar @ Rs. 900 per bag

May 9 Rajesh Kumar, Dehradun sold to us (Invoice No. 350)  
200 bags wheat @ Rs. 460 per bag.

Q4. From the following particulars of Balraj Flour Mills , Prepare a Sales Book :  
2018

Mar 3. Sold to Gupta Brothers  
90 Bags of Sugar @ Rs. 85 per bag  
20 Quintals Rice @ Rs. 300 per quintal  
Less : 10% Trade Discount

Mar 6 Sold to Jugal Furniture House  
80 old Chairs of Rs. 10 each

Mar 20 Sold to M/s Kunal & Sons for cash  
30 qtl. wheat @ Rs. 250 per qtl.  
40 Tins Oil @ Rs. 150 per tin

Mar.28 Sold to M/s Chaman and Company  
120 Bags of wheat @ Rs.90 per bag.  
30 Tins oil @ Rs. 200 per tin  
60 Bags of rice @ Rs. 150 per bag  
Less: Trade Discount 15%.

Q5. Enter the following transactions in the Purchases Return Book of Sh. Mukesh.  
2018

Jan.20 Returned goods to Ajay & Sons for Rs. 410,000  
Trade Discount 10% (Debit Note No.369).

Jan.29 Returned goods to Sanjay Ltd. For Rs. 26,000 as the goods were  
defective (Debit Note No.310)

Q6. Enter the following transactions of Rakesh & Co. in the proper books :  
2012

July 5	Sold on credit to Sethi & Co. 10 Electronics Iron @ Rs. 25 5 Electric Stoves @ Rs. 15 Less: 10% Trade Discount
July 8	Purchased on credit from Hari & Sons 25 Heaters @ Rs. 40 10 Water Heaters @Rs. 20
July 10	Purchased for cash from Mohan and Co. 10 Electric Kettles @ Rs. 30
July 15	Sold to Gopal Bros. on credit 10 Heaters @ Rs. 50 5 Water Heaters @ Rs. 25
July 18	Returned to Hari & Sons 5 Heaters, being defective
July 20	Purchased from Kohli & Co. 10 Toasters @ Rs. 20 10 Water Heaters @ Rs.30
July 28	Gopal Bros. returned one water heater as defective.

## **12. Bank Reconciliation Statement**

### **Fill in the blanks:**

1. When money is withdrawn from the bank, the bank ..... the account of the customer.
2. Favourable balance as per the Cash Book means ..... Balance in the bank column of the Cash book.
3. Cash Book is compared with ..... for preparation of Bank Reconciliation Statement.
4. Normally, a Cash Book shows a debit balance, Pass Book shows ..... balance.

### **Multiple Choice Questions:**

Q1. A Bank Reconciliation Statement is prepared by:

- |                              |             |
|------------------------------|-------------|
| (a) Creditors                | (b) Bank    |
| (c) Account holder in a bank | (d) Debtors |

Q2. Favourable Bank Balance means:

- (a) Credit balance in the Cash Book
- (b) Credit balance in Pass Book
- (c) Debit balance in the Cash Book
- (d) Both (b) and (c)

Q3. Bank Reconciliation Statement is prepared with the balance of:

(a) Pass Book

(b) Cash Book

(c) Either (a) or (b)

(d) Neither (a) nor (b)

Q4. If Bank Reconciliation Statement is started with balance of Cash Book, answer will be the balance

as per .....

(a) Cash Book

(b) Pass Book

(c) Either (a) or (b)

(d) Neither (a) nor (b)

Q5. Which of the following is not the part of Double Entry System?

(a) Cash Book

(b) Trial Balance

(c) Journal

(d) Bank Reconciliation statement

**Exercise:**

Q.1 Define Bank Reconciliation Statement.

Q.2 What does Debit balance as per the Bank Pass Book mean?

Q.3 The cash book shows a bank balance of Rs. 7,800. On comparing the cash book with passbook

the following discrepancies were noted :

- (a) Cheque deposited in bank but not credited Rs. 3,000
- (b) Cheque issued but not yet present for payment Rs. 1,500
- (c) Insurance premium paid by the bank Rs. 2,000
- (d) Bank interest credit by the bank Rs. 400
- (e) Bank charges Rs. 100
- (d) Directly deposited by a customer Rs. 4,000

Prepare a Bank Reconciliation Statement.

Q.4 The passbook of Mr. Mohit current account showed a credit Balance of Rs. 20,000 on dated

December 31, 2018. Prepare a Bank Reconciliation Statement with the following information.

- (i) A cheque of Rs. 400 drawn on his saving account has been shown on current account.
- (ii) He issued two cheques of Rs. 300 and Rs. 500 on of December 25, but only the first cheque was presented for payment.
- (iii) One cheque issued by Mr. Mohit of Rs. 500 on December 25, but it was not presented for payment whereas it was recorded twice in the cash book.

Q5. Prepare bank reconciliation statement:

- (i) Overdraft shown as per cash book on December 31, 2018 Rs. 10,000.
- (ii) Bank charges for the above period also debited in the passbook Rs. 100.
- (iii) Interest on overdraft for six months ending December 31, 2018 Rs. 380 debited in the passbook.
- (iv) Cheques issued but not in cashed prior to December 31, 2018 amounted to Rs. 2,150.
- (v) Interest on Investment collected by the bank and credited in the passbook Rs. 600.
- (vi) Cheques paid into bank but not cleared before December, 31 2018 were Rs.1,100.

Q6. From the following particulars make out a Bank reconciliation statement on 31<sup>st</sup> March 2018

in the books of Kamal:

1. Pass book showed an overdraft of Rs. 15,000 on 31<sup>st</sup> March 2018.
2. A cheque of Rs. 200 was deposited in the bank but not recorded in the cash book.
3. Cheques of Rs. 17,000 were issued but cheques worth only Rs. 10,000 were presented for payment up to 31<sup>st</sup> March, 2018.
4. Cheques of Rs. 10,000 were sent to the bank for collection. Out of these, cheques of Rs. 2,000 and Rs. 1,000 were credited respectively on 7<sup>th</sup> April and 9<sup>th</sup> April 2018 and remaining cheques were credited before 31<sup>st</sup> March, 2018.
5. Bank paid Rs. 300 as Chamber of Commerce fee on behalf of Kamal which was not recorded in the cash book.
6. Bank charged interest on overdraft Rs. 800.
7. Rs. 40 for bank charges was recorded two times in the cash book .
8. Payment side of cash book was Rs. 1,000 short.

### **13. Trial Balance**

#### **Multiple Choice Questions:**

Q1. Trial Balance is a:

- (a) Real Account
- (b) Nominal Account
- (c) Personal Account
- (d) List of Ledger Balances

Q2. A Trial Balance facilitates:

- (a) Preparation of Profits and Loss A/c only
- (b) Preparation of Balance Sheet only

- (c) Preparation of Final Accounts
- (d) Preparation of Trading A/c only

Q3. Which item is shown as a debit balance in the Trial Balance:

- (a) Cash in hand
- (b) Salary Outstanding
- (c) Creditors
- (d) Bank Loan

**Exercise:**

Q1. What is the main objective of preparing a Trial Balance?

Q2. State any four functions of a Trial Balance.

Q3. Prepare Trial Balance from the following information of Raju stores as On 31<sup>st</sup> March 2018:

	Rs.
Sales	20500
Capital	32500
Furniture	3750
Bills receivable	2500
Bills payable	1500
Opening stock	10000
Investment	2000
Goodwill	6000
Patent	1000
Drawings	3250
Cash in hand	500
Bank overdraft	11500
Debtors	8000
Creditors	6000
Purchases	35000
Input SGST	2500
Input CGST	4000
Input IGST	2000
Output SGST	3500
Output CGST	3000
Output IGST	2000

Q4. Redraft the following Trial Balance:

Transactions	Dr.	Transactions	Cr.
	Rs.		Rs.

Capital	1,50,000	Sales	1,05,400
Purchases	40,000	Sundry Creditors	5,000
Cash in Hand	7,000	Rent	2,000
Cash at Bank	8,500	Furniture	16,000
Electricity exp.	4,800	Bank Loan	10,000
Stationery	500	Investment	6,000
Office Equipment	2,400	Commission paid	1,050
Sundry Debtors	8,000	Opening Stock	3,200
Machinery	1,60,000	Commission Received	1,200
Salaries	11,400	Postage & Telegram	750

## **14. DEPRECIATION**

Q.1 Fill in the blanks:

- 1) Estimated sale value of an asset after its working life is called\_\_\_\_\_.
- 2) \_\_\_\_\_cannot be correctly calculated unless depreciation on fixed assets is duly provided as a business expense.
- 3) Discarding the Old plant & machinery due to new inventions is called\_\_\_\_\_.
- 4) The\_\_\_\_\_ method equalizes the burden on each year's Profit & Loss Account for depreciation and repairs put together.
- 5) At the time of charging depreciation, asset account is \_\_\_\_\_ and depreciation account is \_\_\_\_\_
- 6) Under \_\_\_\_\_ method, the value of an asset, even if it becomes obsolete and useless, cannot be reduced to\_\_\_\_\_

Q.2 State true/false:

- 1)Depreciation is the process of appointment of the cost of asset over its useful life.
- 2)Depreciation decreases only the book value of the asset, not the market value.
- 3)Depreciation is provided only on fixed assets except land.
- 4)Depreciation cannot be provided in case of loss in a financial year.
- 5)In case of diminishing balance method,the assets gets reduced to zero level.
- 6)It is not necessary to provide depreciation on plant & machinery when its market value is higher than its book value.
- 7)Depreciation is a non-cash expenditure.

- 8) Providing depreciation reduces the amount of profit available for dividend.  
9) Providing depreciation ensures sufficient cash for the replacement of an asset.

Q.3 Choose the best alternative:

1) The balance of machine on 31<sup>st</sup> march 2019 is rs.97,200. The machine was purchased on 1<sup>st</sup> april 2017. Depreciation is charged @10% p.a. by diminishing balance method. The cost price of the machine as on 1<sup>st</sup> april 2017 would be:

- (a) rs.1,00,000
- (b) rs.1,20,000
- (c) rs.1,08,000
- (d) rs.1,32,000

2) Depreciation is provided on:

- (a) current assets
- (b) intangible assets
- (c) fixed assets
- (d) fictitious assets

3) Amortisation refers to writing off \_\_\_\_\_

- (a) depleting assets
- (b) wasting assets
- (c) intangible assets
- (d) fictitious assets

4) Depreciation is calculated from the date of

- (a) purchase of asset
- (b) receipt of asset at business premises
- (c) asset put to use
- (d) asset installed

5) The W.D.V of an asset after three years of Depreciation on reducing balance method @15% p.a. is rs.49,130. What was its original value?

- (a) rs.40,000
- (b) rs.80,000
- (c) rs.45,000
- (d) rs.70,250

Q.4 What is depreciable cost?

Q5. Why depreciation is not charged on land?

Q6. Reliance Co. did not use a particular machine during the current year. Should depreciation be charged on this machine also?

Q7. Should depreciation be provided even if there is loss in a financial year?

Q8. Is depreciation a non-cash expenditure?

Q9. On 1<sup>st</sup> April, 2010 X Ltd. acquired a machine for Rs. 6,00,000. Installation expenses were Rs. 40,000. Residual value after 5 years Rs. 1,00,000. On 1<sup>st</sup> Oct. 2010 it incurred repair expenses of Rs. 20,000. What will be the annual depreciation under straight line method?

Q10. A machine was purchased on 1<sup>st</sup> April, 2008. The balance of this machine on 31<sup>st</sup> March, 2011 is Rs. 5,83,200. Depreciation is charged @ 10% p.a on written down value method. What was the cost price of the machine on 1<sup>st</sup> April, 2008?

Q11. Ram purchased computer on 1-04-2010 for Rs. 6,00,000. They are charging depreciation on written down value method. On 31-03-2011 they sold the computer for Rs. 1,65,000 and incurred a loss of Rs. 75,000. What was the rate of depreciation p.a?

#### LONG QUESTIONS

Q12. On 1<sup>st</sup> April, 2015 Ashoka Ltd. purchased Machinery costing Rs. 5,00,000 plus IGST @ 12%. On July 1, 2018, the Machinery was sold for Rs. 2,00,000 plus IGST @ 12%. Prepare Machinery account calculating depreciation @ 10% p.a. on Original cost method. Accounts are closed on 31<sup>st</sup> March each year.

Q13. On 1<sup>st</sup> April, 2013 a company purchased a plant for Rs. 60,000. On 1<sup>st</sup> October in the same year, it purchased additional plant worth Rs. 18,000 and spends Rs. 2,000 on its erection. On 1<sup>st</sup> October, 2015, the plant purchased on 1<sup>st</sup> April, 2013 having become obsolete, is sold off for Rs. 27,000. On 1<sup>st</sup> January, 2017, fresh plant was purchased for Rs. 64,000 and on the same date the plant purchased on 1<sup>st</sup> October, 2013 was sold for Rs. 10,000.

Depreciation is provided at 10% p.a. on original cost on 31<sup>st</sup> March every year.

Show the plant account upto 31<sup>st</sup> March, 2017.

Q.14 Birla cotton mills purchased a machinery on 1<sup>st</sup> August, 2015 for Rs. 90,000. On 1<sup>st</sup> October, 2016 it purchased another machine for Rs. 40,000.

On 30<sup>th</sup> June, 2017 it sold off the first machine purchased in 2015 for Rs. 58,000 and on the same date purchased a new machinery for Rs. 1,00,000. Depreciation is provided at 20% p.a. on the original cost each year. Accounts are closed each year on 31<sup>st</sup> March.

Show the machinery account for three years. CGST and SGST are charged at 6% each on purchase and sale of machinery.

Q.15 On 1-4-2010, a company purchased plant and machinery for Rs. 2,00,000. New machinery for Rs. 10,000 was purchased on 1-1-2011 and for Rs. 20,000 on 1-10-2011. On 1-7-2012, a machinery whose book value had been Rs. 30,000 on 1-4-2010 was sold for Rs. 16,000 and the entire amount was credited to plant and machinery account. Depreciation had been charged at 10% p.a. on straight-line method. Accounts are closed on 31<sup>st</sup> March every year. Show the plant and machinery account from 1-4-2010 to 31-3-2013.

Q.16 Rohini cement limited purchased on 1<sup>st</sup> April, 2015 a plant for Rs. 80,000. On 1<sup>st</sup> July, 2016, it purchased additional plant costing Rs. 48,000. On 1<sup>st</sup> December, 2017, the plant

purchased on 1<sup>st</sup> april,2015 was sold off for Rs.42,000 and on the same date fresh plant was purchased at the cost of Rs.75,000.

Depreciation is provided at 10%p.a. on the diminishing balance method every year. Accounts are closed each year on 31<sup>st</sup> march.

Show the plant account for 3 years.

Q.17 On 1<sup>st</sup> april,2005, Z Ltd. purchased machinery for Rs.1,20,000 and on 30<sup>th</sup> September,2016, it acquired additional machinery for RS.20,000. On 30.6.2007 one of the original machine (purchased on 1.4.2005) which had cost Rs.5,000 was found to have become obsolete and was sold as scrap for Rs.500. on the same date a new machine was purchased for RS.8,000. Depreciation is to be charged @15%p.a. on written down value. Accounts are closed on 31<sup>st</sup> march each year. Show machinery account for the first three years.

## **15. PROVISIONS AND RESERVES**

Q1. State whether the following statements are true and false :

- (i) 'Provision 'is a charge against profits .
- (ii) Creation of reserve reduces taxable profits of the business.
- (iii) Dividend equalization reserve is an example of general reserve.
- (iv) Capital reserves are normally created out of free or distributable profits.
- (v) Making excessive provision for doubtful debts builds up the secret reserves in the business.

Q2. Fill in the blanks.

- (i) ----- are created in business for rainy day.
- (ii) ----- are created for specific purpose.
- (iii) ----- are created out of capital gains.

Q3. Choose the best alternate :

- (i) If the amount of any known liability cannot be determined accurately.
  - (a) Provision should be created
  - (b) Definite liability should be created
  - (c) Reserve should be created
  - (d) Should be shown as a contingent liability
- (ii) Which of the following statements is not appropriate in relation to 'provision'?
  - (a) Provision is a charge against profit
  - (b) Provision is created for known liability
  - (c) Provision is created for strengthening the financial position of the business.
  - (d) Creation of provision satisfies the principle of conservatism.
- (iii) Which of the following is an example of Specific Reserve?
  - (a) Dividend Equalisation Reserve
  - (b) Debenture Redemption Reserve

- (c) Workmen Compensation Reserve
- (d) All of these
- (iv) A provision is a :
  - (a) Specific Reserve                      (c) General Reserve
  - (b) Capital Reserve                      (d) None of these

Q.4 Define provision. What is the importance of creating a provision?

Q.5 Give any four points of distinction between Provision and Reserves.

Q.6 Give four examples of capital reserve.

Q.7 Distinguish between Revenue Reserve and Capital Reserve.

Q.8 What is dividend equalization reserve?

Q.9 What is Workmen Compensation Fund?

Q.10 Give two examples of Specific Reserves.

Q.11 Eicher Ltd. intentionally made excess provision for doubtful debts. What term will be used for excess provision?

Q.12 Is reserve a charge against profit or an appropriation of profit?

Q.13 Why 'Dividend Equalisation Reserve' is termed as Reserve and not a provision?

Q.14. Name the reserve that can be used in distribution of dividend.

Q.15. Where will you transfer profit on sale of a fixed asset?

## **16. RECTIFICATION OF ERRORS**

Q1. Mention whether the following are true or false :

1. Suspense Account always shows debit balance.
2. Goods given as charity should be credited to Purchase Account
3. If a cheque received from a customer is dishonoured , it will be debited to the customer's account.
4. Interest received from Mohan will be credited to Mohan's Account.
5. Treating capital receipt as revenue receipt is an error of -----.
6. Compensating errors will cause a difference in the Trial Balance.

Q2. Fill in the blanks

1. Treating capital receipt as revenue receipt is an error of -----.

2. Sale of machinery should be credited to ----- Account.
3. One sided errors are corrected through -----Account.
4. Journal Entries passed to correct errors are called -----.
5. Wrong carrying forward of balance to next page is an error of -----.

Q3. Select the most suitable alternative :

a. Suspense Account in the trial balance will be entered in the :

- |                      |                  |
|----------------------|------------------|
| 1. Manufacturing A/C | 2. Trading A/C   |
| 3. Profit & Loss A/C | 4. Balance Sheet |

b. Suspense Account is a

- |                    |                     |
|--------------------|---------------------|
| 1. Real Account    | 2. Personal Account |
| 3. Nominal Account | 4. Any of these     |

c. It is easy to detect -----than to -----

- |                   |                     |
|-------------------|---------------------|
| 1. frauds, errors | 2. Mistakes, frauds |
| 3. errors ,frauds | 4. Errors, mistakes |

d. Goods sold to sethi for Rs. 640 was recorded in his account as Rs. 460 . In the rectifying entry, Sethi's A/C will be debited with :

- |        |         |
|--------|---------|
| 1. 180 | 2. 460  |
| 3. 640 | 4. 1100 |

e. Sale of furniture used in the office should be credited to :

- |                      |                    |
|----------------------|--------------------|
| 1. Sales Account     | 2. Cash Account    |
| 3. Furniture Account | 4. Capital Account |

#### SHORT QUESTIONS

Q.4. What is meant by rectifying entry?

Q.5 What do you mean by suspense account?

#### LONG QUESTIONS

Q.6 Rectify the following errors:

- (1) Credit sales to Arun Rs. 7,000 were not recorded.
- (2) Credit sales to mohan Rs. 7,000 were recorded as Rs.700.
- (3) Goods returned to Charu Rs.4, 000 were recorded as Rs.4, 040.
- (4) Credit sales to Ram Rs. 7,000 were recorded in purchase book.
- (5) Goods returned from Ishita Rs. 2,000 were recorded in purchase books.

(6) Goods costing Rs. 1,000 have been purchased on credit from Sohan, but no entry has been made in the books, although the goods were taken into stock.

Q.7 Give journal entries to rectify the following errors:

- (1) Rs. 200 paid for furniture purchased has been debited to purchases account.
- (2) Rs. 3,000 paid to Mohan for salary was debited to his personal account.
- (3) Rs. 500 paid for proprietor's medical bill was debited to 'Sundry Expenses Account'.
- (4) An amount of Rs.1, 200 spent on annual white- washing was debited to Building A/c.
- (5) An amount of Rs.2, 500 spent for the extension of machinery has been debited to Wages Account.
- (6) A builder's bill for Rs.5, 000 for erection of a small cycle shed was debited to Repairs Account.
- (7) A cheque of Rs.1, 700 received from Shyam was dishonoured and had been posted to the debit side of 'Allowance A/c.'
- (8) Rs. 4,000 the amount of sale of old machinery has been credited to Sales Account.
- (9) Rs.1, 000 received from 'X' has been credited to Y's Account.
- (10) An amount of Rs.600 due from Hari which have been written off as bad-debt in previous year, was unexpectedly recovered, and has been credited to the personal A/c. of Hari.

Q.8 Rectify the following errors assuming that a suspense account was opened.

Ascertain in difference in trail balance.

- (a) Credit sales to Arun Rs. 7,000 were posted to the credit of his account.
- (b) Credit purchases from Brij Rs.9, 000 were posted to the debit of his account as Rs. 6,000.
- (c) Goods returned to Charu Rs.4, 000 were posted to the credit of her account.
- (d) Goods returned from Deepika Rs.1, 000 were posted to the debit of her account as Rs.2, 000.
- (e) Cash sales Rs.2, 000 were posted to the debit of sales account as Rs.5, 000.

## **17. FINANCIAL STATEMENTS OF SOLE PROPRIETORSHIP**

**MULTIPLE CHOICE QUESTIONS(1 MARK)**

Q1.The Financial Statement consists of

- (a) Trial Balance
- (b) Profit and Loss Account
- (c) Balance Sheet
- (d) Both (b) and (c)

Q2.Income Statement includes:

- (a) Trading Account
- (b) Profit and Loss Account
- (c) Both (a) and (b)
- (d) Balance Sheet

Q3.Choose the correct chronological order of ascertainment of the following profits from the profit and loss account

- (a) Operating Profit, Net Profit, Gross Profit
- (b) Operating Profit, Gross Profit, Net Profit
- (c) Gross Profit, Net Profit, Operating Profit
- (d) Net Profit, Gross Profit, Operating Profit

Q4.On which assumption the expenditure is classified as capital and revenue expenditure

- (a) Going Concern Assumption
- (b) Accrual Assumption
- (c) Money Measurement Assumption
- (d) Consistency Assumption

Q5. Net sales during the year 2017 is Rs.2,85,000. Gross profit is 25% On sales. Find out Cost of Goods Sold.

- (a) Rs.2,85,000
- (b) Rs.2,13,750
- (c) Rs.71,250
- (d) Rs.2,00,000

**VERY SHORT ANSWER TYPE QUESTIONS(1 MARK)**

Q1.What is the end product of financial accounting?

Q2.Name two basic financial statements.

Q3. **Fill in the blanks:**

1. \_\_\_\_\_ account enables the trader to find out gross profit or loss.
2. By preparing profit and loss account \_\_\_\_\_ can be found out.
3. Closing stock is \_\_\_\_\_ in the trading account.
4. Direct expenses appears on the debit side of the \_\_\_\_\_ account.
5. Indirect expenses appears on the \_\_\_\_\_ side of the profit and loss account.
6. All incomes are \_\_\_\_\_ in the profit and loss account.
7. Bad debt is an \_\_\_\_\_ expense.
8. Salaries and wages appear on the \_\_\_\_\_ account.
9. Balance sheet shows the \_\_\_\_\_ of a business

[Answers: 1. Trading, 2. net profit or loss, 3. credited, 4. Trading, 5. debit, 6. credited, 7. Indirect expense, 8. profit and loss account, 9. financial position]

Q4.Where is Apprenticeship premium received appearing in the trial balance showed?

Q5. Give two Examples of Intangible Assets.

**SHORT ANSWER TYPE QUESTIONS(3-4 MARKS)**

Q1. What is 'Trading account'? Give its format also.

Q2. What are direct and indirect expenses? Give Examples.

Q3. Write the difference between trial balance and balance sheet.

Q4. Distinguish between the following:

- (i) Gross Profit and Net Profit
- (ii) Trading and Profit and Loss Account
- (iii) Capital Receipt and Revenue Receipt
- (iv) Capital Expenditure and Revenue Expenditure

Q5. Stock as on 01.04.2017 Rs. 10,000; Sales Rs. 2,00,000; Purchases Rs. 1,45,000; Carriage Inwards Rs. 4,000; Clearing Charges Rs. 5,000; Sales Returns Rs. 1,500; Purchases Return Rs. 2,000; Carriage Outward Rs. 2,500; Stock as on 31.03.2018 Rs. 15,000  
Calculate cost of goods sold and prepare trading account for the year ending 31.03.2018.

Q6. Calculate cost of goods sold and prepare trading account for the year ending 31-03-2018 from the following information: Opening stock Rs. 2,00,000; Purchases Rs. 3,50,000; Closing Stock Rs. 1,20,000; Wages Rs. 2,500; Freight Rs. 4,500; Carriage Outward Rs. 5,500; Trade expenses Rs. 2,500. The percentage of gross profit on sales is 20%

Q7. What are closing entries? Give closing entries of trading account.

**LONG ANSWER TYPE QUESTIONS (6-8 MARKS)**

Q1. Explain briefly the limitation of financial statements.

Q2. From the following Trial Balance of M/s. Hari and Sons as on 31st March 2017, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Rs.	Particulars	Rs.
Office expenses	300	Stock (opening)	9,000
Selling expenses	11,100	Plant & Machinery	25,000
General expenses	1,000	Drawings	6,000
Sundry debtors	20,600	Capital	75,000
Furniture and Fixtures	5,000	Reserve for doubtful debts	800
Return inwards	13,000	Rent Received	
Printing and stationery	400	Insurance charges	1,600
Rent, Rates and taxes	4,600	Administrative expenses	700
Sundry creditors	15,000	Cash in hand	11,000
Sales	1,31,000	Cash at Bank	8,500
Return outwards	1,000		18,200
Purchases	90,000		

Stock in hand at the end Rs.14,000.

Q3. Prepare the final accounts from the following information:

Particulars	Debit	Particulars	Credit
Drawings	20,000	Capital	1,89,000
Plant & machinery	80,000	Sundry creditors	50,000
Sundry debtors	70,000	Sales	2,20,000
Purchases	1,03,000	Bills payable	20,000

Sales returns	10,000	
Wages	40,000	
Cash in hand	5,000	
Cash at bank	10,000	
Salaries	38,000	
Stock	45,000	
Rent	10,000	
Manufacturing expenses	7,000	
Bills receivable	12,000	
Bad debts	5,000	
Carriage inwards	9,000	
Furniture	<u>15,000</u>	
	<b><u>4,79,000</u></b>	<b><u>4,79,000</u></b>

Closing stock as on 31.12.2019 Rs. 50,000.

Q4. From the following Trial Balance of M/s. Ram and Sons as on 31st March 2017, prepare Trading and Profit & Loss Account and Balance Sheet

Purchases	70,000	Capital account	56,000
Sales returns	5,000	Sales	1,50,000
Opening stock	20,000	Purchase returns	4,000
Discount allowed	2,000	Discount received	1,000
Bank charges	500	Sundry creditors	30,000
Salaries	4,500	Wages	5,000
Freight inwards	4,000	Freight outwards	1,000
Rent, rates and taxes	5,000	Advertising	6,000
Cash in hand	1,000	Plant and machinery	50,000
Sundry debtors	<u>60,000</u>	Cash at bank	<u>7,000</u>
	<b><u>2,41,000</u></b>		<b><u>2,41,000</u></b>

Closing stock on 31st March 2019 was Rs. 30,000.

Q5. Prepare the final accounts from the following balances:

Particulars	Amount	Particulars	Amount
Opening stock	8,100	Sales	12,12,150
Purchases	7,12,000	Return outward	3,200
Productive expenses	82,400	Commission (Cr)	2,000
Interest on loan	33,750	Capital	2,33,800
Return inward	6,600	Loan	9,00,000
Loose tools	8,400	Creditors	700
Goodwill	7,000		
Salaries	11,600		
Investments	2,00,000		
Cash in hand	1,700		
Freehold land	9,70,000		
Freight inward	1,200		
Freight outward	2,200		
Interest on bank deposit	2,400		

Debtors	30,000		
Bad debts	1,900		
Law charges	800		
Rent	18,000		
Motor car	3,10,000		
	23,91,850		23,91,850

The value of closing stock was Rs 24,400.

## **19. Adjustments in Preparation of Financial Statements**

### **Fill in the blanks:**

- (i) Goods given as charity are deducted from \_\_\_\_\_.
- (ii) Expenses which remain unpaid at the end of the accounting period are termed as \_\_\_\_\_ expenses.
- (iii) Prepaid expenses are shown on the \_\_\_\_\_ side of Balance Sheet.
- (iv) Insurance claim receivable from the insurance Company is shown on the \_\_\_\_\_ side of Balance Sheet.
- (v) Provision for doubtful debts shows \_\_\_\_\_ balance.

### **Multiple Choice Questions:**

Q1. Closing Stock when appearing inside the Trial Balance, will be shown in the:

- |                             |                       |
|-----------------------------|-----------------------|
| (a) Profit and Loss Account | (b) Trading Account   |
| (c) Balance Sheet           | (d) None of the above |

Q2. The Trial Balance shows Opening stock at Rs. 40000. It will be

- (a) Debited to Profit and Loss Account
- (b) Shown on the assets side the Balance Sheet
- (c) Debited to Trading Account
- (d) None of the above

Q3. 'Wages and Salaries' appearing in the Trial Balance are shown on the:

- (a) Debit side of Profit and Loss Account
- (b) Debit side of Trading Account
- (c) Liabilities side of the Balance Sheet
- (d) None of the above

Q4. If the insurance premium paid Rs. 1000 and prepaid insurance Rs. 300. The amount of insurance premium shown in Profit and Loss account will be:

- (a) Rs. 1300 (b) Rs. 1000  
(c) Rs. 300 (d) Rs. 700

Q5. Closing Stock is valued at:

- (a) Cost Price  
(b) Market Price  
(c) Cost Price or Market Price, whichever is less  
(d) Cost Price or Market Price, whichever is more

Q6. Prepaid Insurance when appearing inside the Trial Balance will be shown in:

- (a) Profit and Loss Account only  
(b) Balance Sheet only  
(c) Both (a) and (b)  
(d) Neither (a) nor (b)

**Very Short Answer Type Questions:**

Q1. What is an 'Adjustment Entry'?

Q2. According to which accounting concept, Provision for doubtful debts is made?

Q3. The Net Profit of a firm before charging manager's commission is Rs. 22000. If the manager

is entitled to 5% commission on net profit after charging his commission, calculate the commission payable to the manager.

Q4. Where will you show Outstanding Expenses and Prepaid Expenses if they are given within the Trial Balance?

**Short Answer Type Questions:**

Q1. What is meant by Accrued Income? Give its adjusting entry.

Q2. What is meant by closing stock? Show its treatment in final accounts.

Q3. Briefly discuss the accounting treatment of depreciation in the final accounts?

\

**Long Answer Type Questions:**

Q1. From the following Trial Balance of Mr. Suresh for the year ended 31<sup>st</sup> March 2017.  
Prepare Final

Accounts.

Particulars	Amount	Amount
Capital	-	2,50,000
Furniture	48,000	-
Cash at Bank	73,000	-
Land and Building	4,94,000	-
Stock	10,500	-
Debtors and Creditors	85,000	26,000
Purchase and Sales	3,55,000	6,75,000
Carriage inwards	4,000	-
Salaries	54,000	-
General expenses	31,200	-
5% Loan (1-4-2016)	-	2,60,000
Returns	1,600	1,400
Rent	1,800	-
Wages	47,600	-
Interest	12,000	-
Bills Payable	-	8,900
Electricity Charges	3,600	-
	12,21,300	12,21,300

Additional Information:

1. Goods costing Rs. 5,000 were given away as charity.
2. Outstanding Salaries Rs. 2,500 .
3. The debtors include a customer who owed us Rs. 1,600 and has become insolvent and nothing is recoverable from his estate.
4. General expenses include Rs. 1,800 paid for wages.
5. Create a provision for doubtful debts @ 5% p.a.
6. Depreciate furniture @ 10% p.a.
7. Closing stock was valued at Rs.20,500.

Q2. Prepare Final Accounts of Mr. Ramesh for the year ended 31-3-17 from the following Trial

Balance

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)

Machinery	16,000	Capital	1,10,000
Furniture and Fittings	58,000	Sales	6,30,000
Stock	20,000	Interest	5,000
Purchases	2,90,000	Creditors	1,15,000
Carriage	32,000		
Rent	11,000		
Sales Return	15,000		
Advertisement	12,000		
Drawings	61,000		
Repairs	3,000		
Cash at Bank	24,000		
General expenses	18,000		
Salaries	90,000		
Debtors	2,10,000		
	8,60,000		8,60,000

**Adjustments :**

1. Goods destroyed by fire on 15<sup>th</sup> March of Rs. 5,000. Insurance Company admitted the claim in full.
2. Bad debts was written off Rs.3500 and make a provision of 5% on Debtors for Bad and Doubtful debts.
3. Rent was paid for 11 months.
4. Depreciate furniture and fittings @ 10% p.a.
5. Closing Stock was Rs. 45,000.
6. Goods costing Rs. 2,500 were distributed as free sample

Q3. From the following Trial Balance of Rajesh Traders on 31<sup>st</sup> March, 2018,  
Prepare Trading and Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March, 2018.



3 Opening capital is ascertained by preparing

- (a) Total creditors account                      (b) Total debtors account  
(c) Cash account                                      (d) Opening statement of affairs

4. Generally accounts under single entry system are maintained by

- (a) Small businesses                                (b) Company  
(c) Partnership firm                                (d) Government undertakings

5. Opening capital=Rs.60,000; Drawings =Rs.5000. Capital added during the year= Rs 10,000; Closing capital=Rs. 90,000. Find profit/loss for the year

- (a) 15,000    (b) 25,000  
(c) 18,000    (d) 10,000

**VERY SHORT ANSWER TYPE QUESTIONS(1 MARK)**

Q1. State the meaning of incomplete records.

Q2. Name the two accounts maintained in accounts from incomplete records.

Q3. What do you understand by statement of affairs?

Q4. Can a limited company maintain its accounts under single entry system?

Q5. Under single entry system, is it possible to check the arithmetical accuracy of books of accounts?

**SHORT ANSWER TYPE QUESTIONS(3-4 MARKS)**

Q1. Why is statement of affairs prepared under single entry system not referred to as balance sheet?

Q2 . Distinguish between the following:

- a) Single and Double entry system      b) Statements of affairs and Balance sheet

Q3. Mr. Ramesh, the owner of a mobile shop maintains incomplete records of his business. He wants to know the result of the business in 31<sup>st</sup> Dec., 2018 and for that following information are available:

	1st Jan, 2018	31st Dec, 2018
Cash in hand	300	350
Bank balance	1500	1600
Furniture	200	200
Stock	1000	1300
Creditors	700	800
Debtors	500	600

During the year he had withdrawn Rs.1000 for his personal use and invested Rs.500 as additional capital. Calculate his profit on 31st Dec, 2018.

**LONG ANSWER TYPE QUESTIONS (6-8 MARKS)**

Q1. Mr. Ramesh, a general merchant, keeps his accounts on single entry system. He wants to know the result of the business on 31<sup>st</sup> March, 2017 and for that following information are available:

	1 <sup>st</sup> April, 2016	31 <sup>st</sup> March, 2017
Cash in hand	150	175
Bank balance	750	800
Furniture	100	100
Stock	500	650
Creditors	350	400
Debtors	250	300

During the year he had withdrawn Rs. 500 for his personal use and invested Rs. 250 as additional capital. Calculate his profit on 31<sup>st</sup> March, 2017 and Prepare the statement of Affairs as on that date.

Q2.. Mr. Rohan keeps his books on single entry system. From the following information, ascertain his profit or loss for the year ended 31<sup>st</sup> March, 2016.

On 31<sup>st</sup> March, 2015 his position was:

Plant & Machinery Rs. 30,000; Stock Rs. 5,000; Cash in hand Rs. 100; Debtors Rs. 17,000; Loan from Mr. Anish Rs. 1,000 at 4% interest; Bank overdraft Rs. 1,100 And Creditors Rs. 12,120.

On 31<sup>st</sup> March, 2016 he owed to his creditors Rs. 9,170 and he paid to Mr. Anish Rs. 500 in lieu of his loan on 1<sup>st</sup> October, 2015 but he had paid no interest. He had bought additional plant and machinery which costed Rs. 13,000. Debtors were Rs. 23,000 out of which Rs. 900 he would not be able to collect. The cash and bank balance was Rs. 4,100. Stock at the end was valued at Rs. 4,500.

Mr. Rohan withdrew Rs. 8,300 for domestic purposes. He introduced a further capital of Rs. 10,000 during the year.

Q3. Sunder does not maintain any books of accounts. He furnishes the following information:

PARTICULARS	1 <sup>st</sup> APRIL, 2016	31 <sup>st</sup> MARCH, 2017
Cash	5000	9000
Stock	8300	9200
Debtors	52000	48000
Creditors	70,000	90,000
Bills receivables	-	800
Bills payable	16000	35,000
Computers	20,000	20,000
Machinery	3,50,000	3,50,000

Sunder introduced Rs 30,000 as additional capital. He withdrew Rs 60,000 from his business for personal use. Computers and machinery to be depreciated @ 10%. provision for doubtful debts are to be created @ 10%. it was found that Rs 5,000 from debtors are irrecoverable. you are requested to calculate profit made or loss sustained for the year ending 31 March 2017 and prepare statement of affairs as at 31st March, 2017.

# QUESTIONS BASED ON REASON ASSERTION

## Chapter-1

### Meaning and Objectives of Accounting

Given below are two statements, one labelled as Assertion(A) and other labelled as Reason(R):

Which one of the following is correct?

Codes:

- 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.

Q.1

Assertion (A):

Fixed assets are shown in the Balance Sheet at their cost and not at their realisable value.

Reason(R):

Fixed Assets are shown in the Balance Sheet according to ' Historical Cost Concept'.

Q.2

Assertion (A):

Internal users of accounting information include owners and management.

Reason(R):

Internal users get accounting information by published reports of the business such a Profit & Loss Account and Balance Sheet. They also get information from unpublished reports or internal reports of the enterprise.

Q.3

Assertion (A):

Qualitative aspects of the business unit are completely ignored from the books while preparing financial statements.

Reason(R):

Window dressing refers to the practice of manipulating accounts so as to conceal vital facts, so that the financial statements may disclose a more favourable position than the actual position.

## **Chapter-2**

### **Basic Accounting Terms**

Q.1

Assertion(A):

Any expenditure that give benefit for one accounting period is known as capital expenditure.

Reason(R):

A revenue expenditure, the benefit of which will accrue in more than one financial year has to be written off in more than one accounting period is called Deferred Revenue Expenditure.

Q.2

Assertion (A):

Capital is a liability of the firm towards the proprietor.

Reason(R):

Capital is a liability because the proprietor is separate and distinct from the business.

Q.3

Assertion(A):

Profit is the excess of revenue over expenses during an accounting period. It results due to business transactions which are regular in nature.

Reason(R):

Gain arises from transactions which are incidental to business such as sale of land & building.

**Chapter-3**  
**Accounting Principles**

Q.1

Assertion(A)

As per matching concept all costs incurred during a particular period should be charged to revenue of that period.

Reason(R)

It is because of matching concept that full cost of the asset is not treated as an expense in the year of its purchase itself rather it is spread over its useful life.

Q.2

Assertion(A)

According to business entity concept, business is treated as a unit separate and distinct from its owners.

Reason(R)

Business entity concept does not apply to a sole proprietorship firm.

Q.3

Assertion(A)

As per going concern concept it is assumed that the business will continue to exist for a long period in future.

Reason(R)

Entire life of the firm is divided into time intervals for the measurement of profits in accordance with going concern concept.

**Chapter 4**  
**Process and Basis of Accounting**

Q.1

Assertion(A)

Only cash transactions are recorded under cash basis of accounting.

Reason(R)

Cash basis of accounting does not give a true and Fair view of profit or loss of the business because it ignores outstanding expenses, prepaid expenses, accrued incomes etc.

Q.2

Assertion(A)

Accrual basis of accounting makes a complete record of all cash as well as credit transaction. It however does not follow matching principle of accounting.

Reason(R)

Accrual basis of accounting is superior to cash basis of accounting because it depicts true profit or loss of the business and is recognized by Companies Act, 2013.

## **Chapter 6**

### **Accounting equations**

Q.1

Assertion(A)

Accounting equations state that the total claim (internal) and (external) are always equal to total assets of the business.

Reason(R)

It is based on dual aspect concept i.e. every transaction has 2 aspects debit and credit.

Q.2

Assertion(A)

Main elements of accounting equation are assets, liabilities and capital.

Reason(R)

Asset= liability+ capital

## **Chapter-9**

### **Journal**

Q.1

Assertion(A)

Received or placed an order for goods is not recorded in journal.

Reason(R)

Revenue recognition concept states that a transaction is to be recognized when an obligation to pay arises.

Q.2

Assertion(A)

Trade Discount is not recorded in the books of accounts, even if goods are purchased for cash.

Reason(R)

Trade discount is allowed for timely payment of due amount.

Q.3

Assertion(A)

Purchase account is credited because when the proprietor withdraws goods from the business for his personal use.

Reason(R)

Purchase Account is credited because as a result of withdrawal of goods, net amount of purchases of the business is reduced.

## **Chapter 10**

### **Accounting for Goods and Service Tax (GST)**

Q.1

Assertion(A)

GST paid on purchase of goods and services is termed Input GST and GST collected on sale of goods and services is termed Output GST.

Reason(R)

Input GST is set off against Output GST.

Q.2

Assertion(A)

GST is a destination based tax.

Reason(R)

GST is charged every time a sale is made till the time goods reach the consumer. Thus it is a destination based tax.

Q.3

Assertion(A)

GST is a value added tax.

Reason(R)

GST is a value added tax since Input GST is set-off against Output GST. As a result, GST is levied on the incremental value.

### **Trial Balance**

Q1. Assertion (A)- Trial balance is prepared by help of ledger

Reason (R) - Trial balance is the statement of account having balances

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Trial balance is necessary to prepare before preparing the financial statements

Reason (R) - Trial balance does not help in preparing the financial statements

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Depreciation**

Q1. Assertion (A) - Annual amount of depreciation under Straight line method remains the same. Reason (R) - Depreciation is charged on original cost of Asset every year under straight line method.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A) - Depreciation is fall in the value of a Fixed Tangible Asset because of usage, passage of time and accident etc.

Reason (R)- Depreciation can be charged on all assets whether they are fixed or current assets.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)

- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q3. Assertion (A) :- In written down value method, the book value of asset will never become zero.

Reason (R) :- Depreciation is charged on the book value at the same percentage every year.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Provisions and Reserves**

Q1. Assertion (A)- Provision is a charge against profit

Reason (R) - Creation of provision is necessary it must be made even if there are no profits

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Provisions are made according to prudence principle

Reason (R) - Provisions are provided to meet anticipated losses and liabilities

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Rectification of Errors**

Q1. Assertion (A)- Trial balance is not a conclusive proof of accuracy of records

Reason (R) - Error of complete omission and Compensating errors do not affect the agreement of trial balance

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Suspense account is opened to rectified one sided error.

Reason (R) - One sided errors cannot be rectified by recording a journal entry.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Financial Statements of Sole Proprietorship**

Q1. Assertion (A)- Closing stock is valued at cost or market price whichever is higher

Reason (R) - Closing stock is shown in the Asset side of balance sheet

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Balance sheet shows financial position of a business enterprise

Reason (R) - Total of liabilities and asset side of the Balance sheet should match since books of accounts are maintained double entry system of accounting

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Financial Statements with Adjustments**

Q1. Assertion (A)- Provision for doubtful debts shown on assets side of balance sheet by way of deduction from Sundry debtors

Reason (R) - It is created in accordance to principle of full disclosure

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Depreciation is shown on the debit side of profit and loss account

Reason (R) - Depreciation is a direct expense.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q3. Assertion (A)- Goods distributed as free sample treated as proprietor drawings.

Reason (R) - It is deducted from purchase in the trading account.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

### **Accounts from Incomplete Record - Single Entry System**

Q1. Assertion (A)- Single entry system followed by those who do not have proper knowledge of accounting.

Reason (R) - It is an inexpensive method of maintaining accounting records.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.

Q2. Assertion (A)- Correct profit or loss cannot be ascertained under Incomplete records of Accounts

Reason (R) - Trading and profit and loss account cannot be prepared under Single entry system

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- c) (A) is true, but (R) is false.
- d) Both (A) and (R) are false.



## CHAPTER 1

### EVOLUTION AND FUNDAMENTALS OF BUSINESS

#### MULTIPLE CHOICE QUESTIONS:

1. 'Fishing' is what type of industry?
  - a. Tertiary Industry
  - b. Primary Industry
  - c. Commercial Industry
  - d. Secondary Industry
2. Akshat is dealing in luxury items through online portal. Due to outbreak of pandemic the demand for such products has declined. The concept of business being described in the above lines.....
  - a. Social responsibility
  - b. Public relations
  - c. Auxiliaries to trade
  - d. Business risk
3. In the old-age the document which was used to facilitate transfer of money from one hand to another for trading activities is called
  - a. Hundi
  - b. Demand draft
  - c. Chitties
  - d. Both a and b
4. ....grew is the major centre of textile industry and became famous for beautiful gold silk clothes and sandalwood workmanship.
  - a. Economic activity
  - b. Production or procurement of goods and services
  - c. Profit earning
  - d. Uncertainty of return
5. Due to which characteristic of business, there is always a possibility of losses being incurred, despite the best efforts put into the business?
  - a. Profit earning
  - b. Element of risk
  - c. Production or procurement of goods
  - d. Uncertainty of risk
6. Chinoy wants to start a business office on, he thinks that starting a business would give him profits for sure? Which characteristic do you think, Shenoy is liking to understand in order to start a business?
  - a. Profit earning
  - b. Element of risk
  - c. Production or procurement of goods
  - d. Uncertainty of risk
7. Chennai Refineries Ltd import crude oil and separates different products like petrol, diesel etc. Name the type of manufacturing industry.
  - a. Synthetical
  - b. Processing
  - c. Analytical
  - d. Assembling
8. Poor workmanship and careless may cause spoilage of the resources and bring losses to a business. In which of the following, it can be included?
  - a. Economic Cause
  - b. Political Cause
  - c. Human Cause
  - d. Natural Cause
9. Which of the following cannot be classified as genetic industry?
  - a. Import trade
  - b. Entrepot Trade
  - c. Export trade
  - d. None of the above
10. Mr. Shenoy wanted to start business of supplying ready-made garments. But he was wondering about how much profit or return on investment he would be able to earn. The situation reflects which characteristic of business?
  - a. Economic Activity
  - b. Uncertainty of return
  - c. Profit Earning
  - d. Elements of Risk
11. The occupation in which there is no need of capital is known as:
  - a. Employment
  - b. Both a and b
  - c. Business
  - d. none of the above
12. "Bad debts due to non-payment of debtors" is an example of which type of business risk?
  - a. Economic
  - b. Physical
  - c. Human
  - d. Natural
13. Which one of the following economic activities is directed towards producing or acquiring wealth through buying and selling of goods?
  - a. Profession
  - b. Management
  - c. Employment
  - d. Business
14. Soaps are included under which type of industry?

- a. Analytical industry
- b. Processing industry
- c. Synthetical industry
- d. Assembling industry

15. The occupation in which people work for others and get remunerated in return is known as:

- a. Business
- b. Profession
- c. Employment
- d. None of them

### **SUBJECTIVE QUESTIONS**

Q1. ABC Ltd. Is engaged in the production and distribution of personal care products. It has a total turnover of Rs. 900 crores. Last year, it introduced two new products. The first was protein shampoo for hairs and the second was face cream. The protein shampoo picked up the market quickly and its sales touched the figure of Rs. 50 crores during the last quarter. But the face cream could not get the favour of the consumers. As a result, the company accumulated huge stock of face cream.

In order to dispose of the stock of face cream, the company decided to offer a pack of face cream free with every purchase of a shampoo bottle whose price was increased by 25%. This strategy was followed to maximize profits while disposing of the unsold stock of face cream. To make the offer attractive, the company advertised the cream as sun cream, through it was an ordinary cream. Is profit maximization justified in the above case? What values have been ignored by the company?

Q2. After completing their graduation, Karim and Sachin decided to set up a flour mill to earn income. Their main job is to purchase wheat from the market and have ground it into flour. Their flour is available in the packets of 5 KG, 10 KG and 20 KG. They sell these under the brand name Desh Ka Atta and earn a reasonable profit of 10% on cost. They worked very hard to flourish the business on a regular basis, and hence in no time their brand became very popular in the market. The main reason for the success of their business or superior quality and low price. Their business was running very well but one day, the flour mill caught fire and as a result they had to suffer a heavy loss. However, Karim and Sachin did not lose their heart and worked even harder. Gradually, their business was back to normal. Now they are fully satisfied with their business. Quoting the lines from the above para, explain any four characteristics of business.

Q3. Bhumika moves from one place to another selling vegetables. She earns from the work and meets her daily requirements. She saved money and opened a shop where she sold vegetables and also provided home delivery services.

- a. Identify the type of economic activity she is involved in.
- b. State any two features of the activity identified above.

Q4. Hawa Ltd is a popular company manufacturing water coolers. Its product is very much liked by people in the market. The traders are in a race to become the company's distributors. The company has been earning huge profits for many years. However, in the year of 2021, the company's half yearly report shows a great decline in the company's profit. The Top management is worried about this. A team of specialists from outside is appointed to solve this serious problem. After a thorough examination, the specialist presented the following reasons for the decline in the profits of the company. Increase in competition and change in taste of consumers. Theft of cash and goods by the employees.

Identify and explain the two causes of decline in profits.

Q5. Manufacturing industries are engaged in producing goods through processing of raw materials and thus creating form utilities. In case of cement various ingredients are combined while in oil refinery different elements from the same materials are separated. Car is the end result of assembling of different component parts and sugar involves successive stages for manufacturing.

Under which four categories the manufacturing industries may be divided on the basis of method of operation for production? Also, give example of the each mentioned in the above paragraph.

Q6. An industrial unit, working in a backward area, opens schools for education at nominal cost for the children of its employees and local people.

Identify the objective depicted in the given case.

Identify any three values which the company desires to emphasis

Q7. Raja is running a sole proprietorship business for the last ten years and his business has increased considerably. He has engaged the services of Gaurav, an MBA from a reputed institute with two years of experience. Gaurav has introduced professionalism into the business and has streamlined sales, distribution and inventory control. The sales turnover of the business has been increasing every month.

To the utter surprise of Gaurav, the proprietor of the business is concentrating on economic objectives, i.e., profits and he is ignoring social objectives. He discussed this matter with his employer who seems to be reluctant on diverting a part of his profits to social responsibility activities.

- a. Will you justify the action of Raja? Why?
- b. What social objectives Raja should follow to discharge his social responsibility?

Q8. Guru Vansh job involves travelling. As he was very fond of reading, he requested his father to buy him some books. His father sold his old laptop on olx.com and brought him a new Kindle from Amazon.com. While buying the Kindle, he noticed a message on the screen of the website that one percent of every purchase would be sent by the company to 6 Seva Dhar foundation an NGO for underprivileged children. Kenda transaction by Guru Vansh father be termed as business activity? Give reason with the help of relevant characteristics of business. Which objective of businesses Amazon full feeling? State the industry in which online business organisations deal. State.

Q9. a. Gupta Private Limited is a reputed company for treating its employees as prime assets. It has taken care of all benefits and protection that may accrue to the workers like providing minimum wages as prescribed by law, health insurance, cordial relation working atmosphere et cetera. Which cause of business risk Da company is trying to minimise? State.

b. DLF Ltd is India's largest real estate developer operating in development of residential, commercial and retail properties. Which type of industry does DLF belong to? State.

**CHAPTER -2**  
**FORMS OF BUSINESS ORGANISATION.**

**A. MULTIPLE CHOICE QUESTIONS:**

1. Suppose the total outside liabilities of Pizza point, a sole proprietorship firm, or Rs.2,00,00 at the time of dissolution, but its assets were Rs.1,40,000 only. What will be the remedy in such situation?
  - a. The owners will have to sell his personal property to repay the firm's debts.
  - b. The owners will have to bring in Rs. 60,000 from his personal sources.
  - c. Both a and b
  - d. Outside liabilities of Rs. 60,000 will remain unpaid.
  
2. This type of partnership is terminated when any partner gives a notice of withdrawal from the partnership of the firm.
  - a. Particular Partnership
  - b. Partnership at will
  - c. General Partnership
  - d. Limited Partnership
  
3. According to Section 464 of the Companies Act 2013, maximum number of partners in a partnership firm can be ..... Subject to the number prescribed by the government.
  - a. 100
  - b. 50
  - c. 10
  - d. 20
  
4. Under Hindu Undivided Family business comes into existence when there are atleast.....members in the family and ancestral property to be inherited by them.
  - a. Karta
  - b. Co-parceners
  - c. Shareholders
  - d. Members
  
5. Find out the liability of Adhya, who is a shareholder in a company, holding 5,000 shares of Rs 10 each, if she has already paid Rs.8 per share.
  - a. Rs.40,000
  - b. Rs.5,000
  - c. Rs.15,000
  - d. Rs.18,000
  
6. Akshit decided to start an organic farm to grow vegetables and sell the produce. One of the key factors for his business decision is the easy availability of organic seeds and fertilizers. Which type of feasibility study is highlighted in the above lines?
  - a. Economic feasibility
  - b. Financial feasibility
  - c. Technical feasibility
  - d. None of the above
  
7. A proposed name of the company is considered undesirable if
  - a. It resembles closely with the name of an existing company.
  - b. It is an emblem of Government of India, United Nations etc.
  - c. It is identical with the name of some other company.
  - d. In case of any of the above.
  
8. Shenoy is a friend of Lakshay who is a partner in a software firm- Simplified Solutions. On Lakshay's request, Shenoy accompanies him to a business meeting with Deepak softwares and Lakshay actively participates in the negotiation process for the business deal and gives the impression that he is also a partner in simplified Solutions. Which type of partner is Lakshay?
  - a. Nominal Partner
  - b. Partner by holding out
  - c. Partner by estoppel
  - d. Active partner
  
9. Which of the following co-operative society is established to help small producers in selling their products?

- a. Marketing Cooperative Society
- b. Credit Cooperative Society
- 10. "Every partner is both an agent and a principal." Identify the feature of partnership being referred here.
  - a. Risk bearing
  - b. Mutual agency
  - c. Producer's Cooperative Society
  - d. Consumer's Cooperative Society
- a. Risk bearing
- b. Mutual agency
- c. Membership
- d. Formation

### **SUBJECTIVE TYPE QUESTION**

Q1. Priyanka opened a boutique along with four workers. No problem of any type was faced in opening the boutique. At her boutique special dresses made for marriages and parties are sold. Despite there being a lot of competition in the market, the boutique was earning a good profit. Since all the profit went into her pocket, Priyanka was getting inspired to work with great efficiency. With the increase in workload, the number of workers was increased from 5 to 8 by her. All of them were happy since the business was running successfully. Unfortunately, one day the boutique caught fire due to short circuit. Consequently, Priyanka had to suffer a heavy loss. The circumstances deteriorated so much that she had to dispose off her to personal properties to repay the boutique's debts. In order to revive the boutique, she approached a bank which did not extend a long term loan to her.

- a. Identify the form of business organization discussed in the above para.
- b. Explain any three merits of form of business organization identified in a by quoting the lines from the above para.
- c. Also explain any two limitations of the form of business organization identified in a by quoting the lines from the above para.

Q2. Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighborhood corner shop selling accessories such as artificial jewelry, bags, hair clip and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countrywide.

- a. Explain two benefits of remaining a sole proprietor.
- b. Explain two benefit of converting to a joint stock company.
- c. What role will her decision to go nationwide play in her choice of form of the organization?
- d. What legal formalities will she have to undergo to operate business as a company?

Q3. Sanchit, Hemant and Akshay have mutually decided to establish a new small scale handicraft factory in a remote rural area in Jharkhand. As it will not only help to meet the growing demand for their products but also generate different kinds of employment opportunities in the village and foster its economic development. They have decided to promote their business in the form of partnership. Sanchit's association with the firm will be hidden from the general public. Akshay will not take part in the day to day activities of the business due to health issues. However, Hemant will not take actual part in carrying out business of the firm on behalf of other partners.

Identify and state any three types of partners highlighted in the above case.

Q4. Lalit, Saksham and Mayank are partners in a firm. Lalit and Saksham are very upset due to untimely demise of Mayank and wish to help his family. On the suggestion of their common friend Aditya. Lalit and Saksham decide to include Mayank's 13 year old son Vaibhav in their business.

- a. Comment upon the status of Vaibhav as a partner.
- b. Will the status of Vaibhav change when he attains majority?

Q4. Abdul is a single owner of a shoe manufacturing business. His business were suffering from continuous losses. To revive his business and to expand, he took a loan of Rs.20,00,000 from progressive finance company. In spite of starting new range of products and great effort by abdul, business continued to suffer losses. This resulted in the declining assets and mounting debts. Abdul started calling on his repayment schedule. Finance company search him final notice to repay the loan and settle the account. He proposed a finance company to take over the business houses and clear their dues. Finance company took over the assets of business in part settlement of their dues as the assets were not sufficient to settle the debts and they claimed the remaining amount from abdul from his personal assets. Abdul refused to do so on the ground that loan was taken for the business organization and not by him for personal use.

- a. Name the form of business organization followed by Abdul.
- b. Is the finance company justified in asking for remaining amount from Abdul's personal assets? Justify your answer by giving suitable features of the business organization.

Q5. Sneha after her course in designing started taking jobs for logo designing, wedding cards, pamphlets, advertisements etc. Her work became quite popular and she had continuous orders. She decided to have a separate office with some staff to help her. She was suggested by her father to have a business organisation and ran it properly. Her business was constantly growing and he was facing problems with handling all orders and finishing them on time. Her friend Pooja who was also a designer proposed to join her as a business partner. Sneha was confused whether to continue her business as a sole trader or converted into a partnership firm. As a true friend of Sneha, you are required to suggest Da advantage and disadvantage of a partnership firm any two. Sneha and Pooja decided to form a partnership firm and to do the business together. Suggest them on the following issues with proper reasons.

- A. What kind of liability will they have and how will it if affect them?
- B. How is particular partnership different from partnership at will?
- C. Is it necessary for them to have an agreement and register their firm?

Q6. "It is said to be an artificial person created by law, having a separate entity with perpetual succession and common seal." What is it? Elaborate the points highlighted.

Q7. According to Partnership Act, 1932, it is compulsory for a partnership firm to get itself registered, then why do partners to get the firm registered?

### **CHAPTER 3 PUBLIC, PRIVATE AND GLOBAL ENTERPRISE**

#### **A. MULTIPLE CHOICE QUESTIONS:**

1. \_\_\_\_\_ is financed by the government through allocation of funds in the Annual General Budget of Parliament.
  - a. Departmental Undertaking
  - b. Government company
  - c. Statutory Corporation
  - d. None of these
2. Which of the following enterprise does not have separate legal entity?
  - a. Statutory Corporation
  - b. Departmental Undertaking
  - c. Government Company
  - d. All of these
3. PSE's are organized owned by:
  - a. Joint Hindu Family
  - b. Foreign Companies
  - c. Government
  - d. Private entrepreneurs
4. \_\_\_\_\_ is suitable when national security is concerned.
  - a. Statutory Corporation
  - b. Departmental Undertaking
  - c. Government Company
  - d. All of these
5. Global Enterprises are also known as:
  - a. Multinational Companies
  - b. Both a and b
  - c. Supernatural companies
  - d. Public Private Partnership
6. Which of the following is a merit of Departmental Undertaking?

- a. Operational Flexibility
- b. Autonomous set-up
- 7. In which form of Public Sector Undertaking, a private individual can also become a shareholder?
  - a. Statutory Corporation
  - b. Departmental Undertaking
  - 8. \_\_\_\_\_ is established under a special act of parliament.
    - a. Departmental Undertaking
    - b. Government Company
    - 9. In case of government company in India, shares are bought in the name of:
      - a. Prime Minister
      - b. President of India
      - 10. Maximum degree of autonomy is enjoyed by:
        - a. Government Company
        - b. Departmental Undertaking

**SUBJECTIVE QUESTIONS:-**

Q1. Name the following –

- a) A corporation established under a special law of Parliament
- b) An organization run by a department of the Government.
- c) A company whose 50% of the equity share capital is contributed by the Government
- d) The sector where business Enterprise is owned jointly by the government and the Private entrepreneurs.

Q2. It is said about Government companies that they lack accountability. Mention the aspect of Government companies with which this statement is related and explain three more points of this aspect.

Q3. LIC of India is the largest insurance company in India. It is headquartered in Mumbai. It was founded in the year 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation.

In the context of the above case –

- 1. LIC of India is classified as which form of Public Sector Enterprise?
- 2. Was it necessary for the parliament of India to pass the act for its formation? What does the act define?
- 3. State any three merits of promoting LIC of India in a particular form of Public sector Enterprise as identified above

Q4. Maharashtra Pharmaceuticals Ltd, registered under the companies Act, 1956, was started with a paid up capital of Rs 50,00,000. 40% of this paid-up capital is in the hands of private individuals and balance is held by the government of Maharashtra. Maharashtra Pharmaceuticals Ltd belongs to which form of public sector enterprise. State it's any two features and any two merits.

Q5. It is a public enterprise established under the Indian Companies Act and conducts business in competition with companies in private sector.

- i) Identify the type of public enterprise highlighted above.
- ii) What is the minimum investment government has to make in such companies.
- iii) In whose name shares of this type of company are purchased.
- iv) State any two merits and any one demerit of such type of company.

Q1. 'It is a type of deposit account in which the deposit in excess of a particular limit automatically get covered into fixed deposit.' This deposit is related to:

- a) Recurring deposit account
- b) Savings account
- c) Fixed deposit account
- d) Multiple option deposit account

Q2. What is the minimum amount for an electronic transfer of funds in case of RTGS?

- a) Rs.500
- b) Rs. 2,00,000
- c) Rs.1,00,000
- d) Rs. 20,000

Q3. The functions of commercial bank include:

- a) Acceptance of deposits
- b) Locker facility
- c) Granting of loans
- d) All of the above

Q4. Insurable Interest must exist at the time of loss only in case of:

- a) life insurance
- b) Marine insurance
- c) Fire insurance
- d) All of the above

Q5. Which of the following is not covered under the contract of Indemnity:

- a) life insurance
- b) Marine insurance
- c) Fire insurance
- d) Theft insurance

Q6. Match column A with column B

- | Column A           | column B             |
|--------------------|----------------------|
| i) Fire Insurance  | a) Point of Sale     |
| ii) Postal Service | b) VSAT Service      |
| iii) Telecom       | c) Indemnity         |
| iv) E-banking      | d) Kisan Vikas Patra |

Q7. \_\_\_\_\_ is a temporary arrangement under which a depositor is allowed to draw by cheque more than the amount available to his credit up to a specified limit:

- a) Bank Overdraft
- b) Term Loan
- c) Consumer Credit
- d) Cash Credit

Q8. Priyanka runs an NGO school in Gurugram. She took an insurance policy for the school. Later on, the electrician advised her to get the electric wiring changed in the canteen area as it was wearing out. She did the needful to minimize the probability of occurrence of any eventuality. Identify the principle of insurance applicable in the above case:

- a) Mitigation
- b) Insurable Interest
- c) Proximate Cause
- d) Contribution

Q9. Amit Goyal got a property insured from company for rupees 10,00,000 and for rupees 15,00,000 from Company B. Due to an earthquake a certain portion of the property is damaged and he incurs a loss of rupees 2,00,000 to the property. In case the compensation is being shared by both the insurance companies, the contribution of company A towards the claim will be rupees\_\_\_\_\_:

- a) 80,000
- b) 40,000
- c) 1,00,000
- d) 15,000

Q10. Assertion (A): Life insurance policy can be taken for any amount.

Reason (R): In case of Fire insurance policy, the insurer is liable to compensate for the loss only when the proximate cause of loss is fire.

- a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason are True but Reason (R) is not the correct explanation of Assertion (A).

- c) Assertion (A) is True but Reason (R) is False.
- d) Assertion (A) is False but Reason (R) is True.

Q11. Assertion (A): Banks generally put certain restrictions on number of withdrawals from Current Account.

Reason (R): In Current Account withdrawals are always made by cheques.

- a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason are True but Reason (R) is not the correct explanation of Assertion (A).
- c) Assertion (A) is True but Reason (R) is False.
- d) Assertion (A) is False but Reason (R) is True.

Q12. It refers to the pecuniary interest in the subject matter of the contract of insurance. Identify the concept:

- a) Subrogation
- b) Mitigation
- c) Insurable Interest
- d) Indemnity

### **B. CASE BASED QUESTIONS**

Q1. Sagar and Lakshay are friends. Sagar is a businessman who deals in buying and selling computer parts whereas Lakshay is working as a manager in ICICI Bank. Sagar deals with a lot of customers daily and receives money from them as his transactions are mostly on cash basis. He also deals with different suppliers and has to make frequent payments to them. As it becomes difficult for him to manage cash daily, his friend lakshay advised him to open a bank account in ICICI Bank.

- a) Name and explain the type of bank account which will be opened by Sagar in ICICI Bank.
- b) Which two other types of accounts can be opened in banks?
- c) The above para. highlights a primary function of banks. Name it.

Q2. Mr. Akshay is owner of a factory manufacturing crackers. He assured his father against fire. while taking the insurance policy, he did not disclose about the product being manufacture as this would have led to payment of much higher premium. Once the factory severely got damaged in fire but the insurance company refused to accept his claim. He filed a case against the company. The court favored insurance company on the ground that Mr. Akshay has not revealed the fact related to the type of product being manufactured. So, the contract of insurance is voidable at the discretion of insurer.

- a) Identify and state the principle violated by Mr. Akshay.
- b) Why did Mr. Akshay violate this principle?

Q3. 'People National Bank' has been established under Public Private Partnership model. The bank is offering various services to its customers. Their customers are happy and satisfied with the quality of services provided. The bank also spent amount towards building public conveniences.

In the light of the above information answer the following questions:

- a) Define Public Private Partnership?
- b) Define Recurring Deposit Account and Multiple Option Deposit Account as type of bank accounts.
- c) Explain the term Bank Overdraft.

Q4. Mr. Kamal Gupta has recently shifted to Delhi with his family. He and his family is planning to open bank accounts in HDFC Bank, which offers many types of bank accounts.

\*Kamal, who is a businessman, wants to open an account in which amount can be deposited and withdrawn at any time without giving any notice, so that business transactions can be conducted smoothly.

\*Supriya (Kamal's wife) wants to open an account in which she can keep her surplus money safe and withdrawal from the account can be made through cheque facility.

\* Shivam (Kamal's son ) wants to open an account in which he will deposit Rs.2,000 every month for the next three years and the total amount is repaid to him with interest at the end of three years.

In the given case, Identify the various types of bank accounts, which Kamal and his family members want to open in HDFC Bank.

Q5.Harish. I took a fire insurance policy of Rs 20 lakhs for his factory at the annual premium of Rs 24,000. In order to avoid premium more than this amount, he did not disclose that highly explosive chemicals are being manufactured in his factory. Due to a fire, his factory gets severely damaged. The insurance company refused to make the payment for claim as it became aware about the highly explosive chemicals. Is Harish entitled to receive the claim? Explain the principle of Insurance violated by Harish.

Q6. Mr. Raman Mehra, a businessman, has a Current Account in Punjab National Bank (PNB). His Current Account shows balance just Rs.40,000, while he urgently needs Rs.2,50,000 to pay off one of his creditors. He approaches PNB allow him to withdraw Rs.2,50,000, using the facility extended by the bank to him due to his creditworthiness. The Bank agrees to it. Identify and state the facility which has been provided by PNB to Raman.

Q7.Nitesh insured his factory for Rs.5,00,000 against fire. Due to fire in his factory, he suffered a loss of stock worth Rs.3,00,000. He is of the opinion that he can recover the entire policy amount of Rs.5,00,000 from the insurance company? Do you think Nitesh is right? State the relevant insurance principle in this regard.

Q8.Kishan made a payment of Rs.1,00,000 to Deepak through cheque. However, on presentation, the cheque was dishonoured due to insufficient funds. Kishan requested Deepak to give him one more month to make the payment. After one month, Kishan is ready to make payment through cheque. However, Deepak refused to accept the payment by cheque. Deepak asked him to make the payment through Bank Draft. According to you, why did Deepak ask for payment through Bank Draft?

Q9.Which Principle of Insurance is highlighted in the following statements?

- a. The insurer and the insured should disclose all material facts related to the contract.
- b. Insurer is not liable for any uninsured causes or perils.
- c. Insured must have some economic interest in the subject matter of insurance contract.
- d. After compensating the loss, insurer gets all the rights with respect to the subject matter insured.

Q10. Identify the 'Type of Bank Accounts' highlighted in the following statement.

- a. The main objective of this account is to enable the businessmen to conduct their business transactions smoothly.
- b. This account is a combination of Savings Account and Fixed Deposit Account.
- c. It is the account meant for people who wish to save part of their income to safeguard the future and earn interest on the savings.

- d. The minimum period of deposit under this account is six months and maximum is ten years.
- e. The money deposited in this account is repayable after a specified period.

## UNIT 5 EMERGING MODES OF BUSINESS

### A. MULTIPLE CHOICE QUESTIONS:

Q1. This is not the benefit of e-business:

- a) Low personal touch                      c) Global reach  
b) Convenience                              d) Paperless society

Q2. Amazon has collaborated with Micromax which launched new series of phone 'YD' and assured its customer to deliver the phones within three days.

Identify the scope of e-business in this trade:

- a) B2B    c) C2B  
b) B2C    d) Both B2B and B2C

Q3. B2B Commerce means:

- a) Firm's interactions with other business.  
b) Firm's interaction with its customers.  
c) Firm's internal processes.  
d) None of the above.

Q4. Tata limited purchase tyres from MRF limited. This is an example of:

- a) B2B commerce                              c) B2C commerce  
b) C2C commerce                              d) Intra B commerce

Q5. Match the column A with column B

- | Column A                           | Column B                |
|------------------------------------|-------------------------|
| i) Payment at the time of delivery | a) non-core activities. |
| ii) Plastic money                  | b) Cash on delivery     |
| iii) Exists in the cyber space     | c) Credit/ Debit card   |
| iv) Outsourcing                    | d) Digital cash         |

Q6. Complete the table given below by using either low or high as given in the hint:

Basis	Traditional Business	E-business
1) Cost of setting up	High	Low
2) Transaction Risk	_____	_____
3) Interpersonal Touch	_____	_____
4) Government Support	_____	_____

Q7. Use of ATM (Automated Teller Machine) to withdraw money is an example of:

- a) B2B    c) B2C  
b) C2C    d) Intra B

Q8. Creating blogs to form various consumer forums and pressure groups through which an aggrieved customer can share his experience about the product is an example of:

- a) C2C commerce                              c) B2B commerce  
b) Intra B commerce                              d) B2C commerce

Q9. Sending quotations of supplying raw materials by one businessman to another is known as:

- a) Intra B commerce                              c) C2C commerce



friends suggestion he posted the mobile on sale on www.olx.com and found a buyer within two days.

Identify and explain the type of e-business highlighted here.

Q5. Amul Chocolate manufacturing company wants to advertise their products. They appointed Premier Advertising Agency for this purpose.

- a) Identify and explain the type of activity highlighted above.
- b) State any two benefits.

Q6. Govind is a manufacturer of ready-made kids garments. He sells his products through various dealers across the country. However, his sales are decreasing over the years. Recently, his wife gifted him a jacket, which she had ordered through Myntra ( an online shopping site for fashion and lifestyles).

This gave Govind an idea to start selling his products online.

- a) State any three benefits that Govind can get through e- business.
- b) Also, mention three limitations which Govind may face in e- business.

Q7. Wwww.olx.com and qicker.com are examples of well-known websites used to conduct business. Tarasha's sofa set got spoilt in rain. Her friend suggested that she should change the fabric so that it looks new and put it for sale on olx. Tarasha followed her friend's advice and got her sofa repaired so that it looked better and uploaded nicely clicked pictures on the website without disclosing the fact that it was damaged from inside. She found a buyer and sold it for Rs 10,000. After five days the buyer found the real state of sofa set and called Tarasha but she did not answer any of the call.

- a) Identify the type of business highlighted in the above case.
- b) Identify any two values which are overlooked by Tarasha.
- c) Explain any two benefits and limitations of e-business.

Q8. Mindhunters Ltd. is a specialized company (based in Delhi, India), which provides business and market research services to its clients. A number of foreign companies are contracting out its research activities to Mindhunters Ltd.

Identify the kind of business carried on by Mindhunters Ltd. and explain it.

## **UNIT 6**

### **SOCIAL RESPONSIBILITY OF BUSINESS AN BUSINESS ETHICS**

#### **MULTIPLE CHOICE QUESTIONS**

Q1. Spark limited decided to donate 3% of its sales to Common Cause an NGO for improving the condition of children in India. This initiative by the company was highly appreciated by the public and their sales increased by 15%. Recognize the interest group towards which Spark Limited is discharging its social responsibility.

- a) Consumers
- b) Community
- c) Owners
- d) Workers

Q2. Which of the following are examples of socially desirable practices:

- a) Honestly paying taxes
- b) Creating healthy working conditions
- c) Supplying good quality products
- d) All of the above

Q3. Fastest enterprises pay wages to its employees at a rate, which is much lower than the minimum wages prescribed by the government. The working conditions in the factory are inappropriate as there is a lack of proper ventilation and there is a strict rule against formation of trade union. Against which 'Group' Fastest Enterprises have ignored the social responsibility:

- a) Society
- b) Workers
- c) Shareholders
- d) Consumers

Q4. It is the social responsibility of every business to take steps to check pollution and

to protect the environment. Any business which takes steps in this direction gets which of the following benefits:

- a) Reduction in workforce
- b) Reduction of capital investment
- c) Cost saving
- d) Increased customer satisfaction

Q5. Which of the following is not an argument in favor of social responsibility:

- a) Availability of resources with business
- b) Lack of broad public support
- c) Holding business responsible for social problems
- d) Justification for existence and growth

Q6. One of the following is against the business ethics. Find it:

- a) Charging fare price for the product.
- b) Giving wages to employees by not considering their workload.
- c) Using correct measurement for product.
- d) Giving chances to hear the problem of employees.

Q7. Which of the following is not the social responsibility of business towards the investors?

- a) To ensure safety of capital
- b) To ensure proper utilization of capital
- c) To ensure proper dividend
- d) To give appropriate salary

Q8. Business ethics is important for \_\_\_\_\_:

- a) Top level management
- b) Lower-level management
- c) Middle level management
- d) All of them

Q9. 'These are socially determined moral principles which govern business activities.' Identify the concept:

- a) Social Responsibility
- b) Social Skills
- c) Business Ethics
- d) None of the above

Q10. Match column A with column B

Column A (Statements)	Column B ( Responsibilities)
i. Respecting the religious sentiments of people.	a) Economic
ii. Voluntary obligation of a business.	b) Legal
iii. Offer goods and services that society desires at a prof	c) Ethical
iv. Operate Business within the laws of the land.	d) Discretionary

Q11. Assertion (A): Social Responsibility is not restricted towards a particular section of society.

Reason (R): Social responsibility and Legal Responsibility is one and same.

- i) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).
- j) Both Assertion (A) and Reason are True but Reason (R) is not the correct explanation of Assertion (A).
- k) Assertion (A) is True but Reason (R) is False.
- l) Assertion (A) is False but Reason (R) is True.

Q12. Assertion (A): Every business enterprise should install pollution control devices in its premises to reduce pollution and avoid penalties.

Reason (R): Supply of right quality and quantity of goods to consumers at reasonable prices constitutes the responsibility of enterprise towards Supplier.

- a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).

- b) Both Assertion (A) and Reason are True but Reason (R) is not the correct explanation of Assertion (A).
- c) Assertion (A) is True but Reason (R) is False.
- d) Assertion (A) is False but Reason (R) is True.

### **CASE BASED QUESTIONS**

Q1. Mr. Mohit is the owner of toys manufacturing factory. His main motive is maximizing the profit. For which he is supplying low quality products at high prices. He hires children as laborers from villages at very cheap rates to work in his factory. Also, he does not provide good working conditions to them. Even he is not bothered about the pollution caused by his factory. As a result, the labour turnover and absenteeism increased in his factory. With all this he is very upset and could not understand the problem.

- a) What is lacking by Mr. Mohit in the above case?
- b) In the above paragraph towards whom he did not meet Social Responsibility?
- c) Give any two suggestions to Mr. Mohit so as to improve the condition of his factory.

Q2. There is a group discussion between two Commerce students on the topic Social Responsibility of Business. The opinion of one student is business is socially responsible towards the society while the opinion of another student is that the main objective of business is to earn profit so business should not follow the concept of social responsibilities. Explain arguments in favour of social responsibility by giving any four points.

Q3. Saurabh a wholesaler selling rice, stopped the supply of his product in order to raise the demand and then supplied rice at higher prices.

- a) Is he showing socially desirable behavior?
- b) Social Responsibility towards which group is ignored in the above paragraph?
- c) Define Business Ethics.
- d) Explain its components.

Q4. Yash had started a sugarcane factory in Moradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labour extensively in the factory to further reduce the labour cost. Moreover, the working conditions in the factory are inappropriate as there is lack of hygiene, proper ventilation facility for safe drinking water, etc. His business has always faced the problem of shortage of labour since its inception. In context of the above case:

Yash has ignored his social responsibility towards which interest group  
Why do you think it is important for a business enterprise to function in a socially responsible way? Explain by giving any four suitable points.  
Name any two values which are being ignored by Yash.

Q5. Tata Motors is the first Indian Company to introduce vehicles with Euro norms in order to make environment friendly engines. It has also manufactured CNG version of buses and launched a CNG version of its passenger car, the Indica. Moreover, the company has planted 80,000 trees in the works and the township and more than 2.4 million trees have been planted in Jamshedpur region. The company has directed all its suppliers to pack their products in alternate material instead of wood.

In context of the above case:

Identify the concern being discussed about in context of social responsibility and list any four specific steps which can be taken by business enterprises for it.

List any two values being a propagated by Tata motors.

Q6. Mr. Debashish is the owner of readymade garments factory. His main motive is maximising the prof. For this he is charging high prices from the customers while

supplying low quality products. He do not provide good working conditions to the workers, and does not pay them reasonable remunerations. Even he did not bother about the pollution caused by his factory. As a result, the efficient employees started leaving the organisation. The government put a heavy penalty for causing pollution, and even the number customers gradually decreased day-by-day

- (a) What do think what is lacking by Mr. Debashish?
- (b) What should be done to resolve the problem?

Q7. Ajay Medicos is a partnership firm. Akku and Mona are two partners in this firm. It sells medicines to the other business units only. Almost all the transactions of this firm are done through the electronic medium, Le, the internet. Akku wants to set up the anti-pollution plant in his factory, but Mona does not want.

Identify and explain the unethical behaviour of the firm from the above case.

Q8. HCL is a well known computer company. It provides a quality products and offers a various facilities and incentives to its employees such as cab facility, after completing five years employees are given company shares also. It provides free computer skills to the youths of backward areas.

- (a) In your view what is the Business Ethics of the company?
- (b) It is fulfilling its responsibility to which interest group?
- (c) Explain the social responsibility of business towards other interest groups. (any three) .

Q9. "The businessmen are responsible for aggravating pollution, so it becomes the moral duty of businessmen to take some positive steps for controlling this problem." In the light of this statement, explain the role of businessmen in checking pollution.

Q10. MNO Ltd., a renowned computer follows the vision of "reaching new heights with its people o only provides quality products but also provides various facilities to its employees for 5 years of service. It also provides computer skills to youth in remote areas for free.

- (a) What according to you are the business ethics of the company?
- (b) It is fulfilling its social responsibilities towards which interest groups?

Q11. Sonam Rajput is a resident of a small village in Uttar Pradesh. She has completed her MBA studies. Since she lives in a village she has seen the problems of village from close quarters. Most of the people of her village are unemployed. Some people grow fruits at a very small scale. Selling the fruits in small quantities has been a big problem for them. They had to go to the city to sell their fruits. There, the buyers exploited them by buying their fruits at a very low price. Sonam discussed this problem with some of her class fellows to find out its solution. All of them decided to jointly set up a juice factory in the village to extract juice from the fruits. This would give employment to the people and they would get rid of the exploitation by the buyers. At last, the factory by the name of "Friends Juice Manufacturers" was set up.

The people of Sonam's own village and from the surrounding areas began to come there to sell their fruits. All of them heaved a sigh of relief. Not only this, but about 200 people also got employment. In no time their "GOOGL" brand juice became very popular. All the workers of the factory were very happy because besides being paid reasonable remuneration, they were also consulted when main decisions were taken. Sonam and her friends took an oath that at no cost they would ever resort to adulteration in their juice. In fact their objective was to provide the people with a nutritious drink. One day, one of their friends came to the factory and told them several ways of tax evasion. They paid no attention to whatever he said. Gradually, their business is growing up. Now, all the partners have begun to earn sufficient profit in their investment. In the whole region the decision of Sonam and her friends was enthusiastically welcomed.

Quoting relevant lines from the above paragraph, identify towards which parties is the social responsibility being discharged?

Q12. Business has to safeguard not only the interests of the parties but the interests of several other parties also. In the other parties are included the employees, consumers, suppliers, competitors/rivals, government, community and the world. Today, only that business is regarded as good which along with the interests of the owner takes care of the interests of all these parties also.

Which concept of business has been talked about in this statement? Identify that concept and Explain it.

Q13. Intex Ltd. is a well known company engaged in manufacturing of packed frozen ready-to-eat items. The company is committed to take proper precautions against malpractices like adulteration quality and misleading advertising. The company not only follow the rules and regulations of the country, it also pays the due amount of taxes regularly. The company has created proper and safe working conditions. Intex Ltd. maintains proper financial records and aims to ensure efficient Utilisation of funds. The company has taken all reasonable steps to protect the natural environment and avoid any type of pollution.

By quoting lines from the given paragraph, identify the different interest groups towards which the company is fulfilling its social responsibilities.

## **CHAPTER-7**

### **SOURCES OF BUSINESS FINANCE**

#### **A MULTIPLE CHOICE QUESTIONS**

- Public deposits are the deposits that are raised directly from
  - The public
  - The directors
  - The auditors
  - The owners
- The Financial Institutions are established by:
  - Both State and Central Govt.
  - State Govt.
  - Central Govt.
  - Municipal Corporation
- Trade Credit is granted to those customers who have reasonable amount of:
  - Funds in their Bank A/c
  - Financial standing and goodwill
  - Weakness
  - Zero Balance in their A/c
- Companies generally invite public deposits for a period upto:
  - 5years
  - 4years
  - 3years
  - 10 years
- Internal sources of capital are those that are:
  - generated through outsiders
  - generated through loans such as suppliers from commercial banks
  - generated through issue
  - generated within of shares the business
- Which source of finance is preferred by investors who want fixed income at lesser risk
  - Debentures
  - Equity shares
  - Preference shares
  - Bank loan
- Which of the following is an external source of finance?
  - Retained earnings
  - Equity shares
  - Preference shares
  - Debentures
- What does Debenture holders get in return of their debt in company
  - Dividend
  - Interest
  - Profit
  - Loss
- Which type of funds are equity linked debt securities that are to be converted into equity or depository receipts after a specific period
  - Foreign currency convertible bonds
  - ADR
  - Equity shares
  - GDR

10. Financial institutions aim at promoting the industrial development of a country, these are also called ?

- (a) Children banks
- (b) Development banks
- (c) Rural banks
- (d) urban banks

11. Preference shareholders are called :

- (a) Partners of the company
- (b) Owners of the company
- (c) Executives of the company
- (d) Guardians of the company

12. The term redeemable is used for :

- (a) Commercial papers
- (b) Equity shares
- (c) Preference shares
- (d) Public deposits

13. Retained earnings is also known as:

- (a) Residual owners of the company
- (b) Loan capital of the company
- (c) Short term capital of the company
- (d) Ploughing back of profits

14. Which one of the following is **not** the feature of preference shares:

- (a) Provides fixed rate of return
- (b) Provides voting rights
- (c) Get Preference over equity shares
- (d) Part of owner's capital

15. Retained earnings is a :

- (a) Permanent source of funds
- (b) Temporary source of funds
- (c) Fixed source of funds
- (d) Expensive source source of funds

### **CASE BASED QUESTIONS**

1. Zen Ltd. planning to organize a country wide 'Sale of its products during festival season. The co. has to build stock of its inventories to be able to meet the increased demand.

- a) Name the type of capital co. must have to meet production demands.
- b) Advise the sources that the co. may consider raising required funds.

2. Mahindra and Mahindra' was the first company in India to issue debentures in 1990. Now many more companies have the approval to issue debentures to raise long term debt capital. State & explain the reason of issuing such debentures.

3. Zenobius Ltd. planning to organize a country wide 'Sale of its products during festival season. The co. has to build stock of its inventories to be able to meet the increased demand.

- a) Name the type of capital co. must have to meet production demands.
- b) Advise the sources that the co. may consider to raise required funds.

4. Mr. Pardeep owns a business of toys. At present he sells his product in North and West India, but now planning to sell his products in South India also. For this he applied to the bank for enhancement of his overdraft limit from 50 Lakhs to 75 Lakhs. Bank manager suggested him to take 'Term Loan' of \$25 Lakh instead of increasing overdraft limit. Do you think he should consider Term Loan instead of overdraft limit? Give reasons.

5. A foreign company wants to collect money from the capital market of India. The financial manager of the company. Mr. Trump wants to issue such a financial instrument, as instead of being in dollars, shall be denominated in rupees, as it can be listed in any Indian stock Exchange thereafter.

- a) Identify the Financial Instrument indicated in above situation.
- b) Explain the procedure of issuing this financial instrument.

Q6. Anshuman has been successful financial consultancy firm for past 5 years. This company has become popular and enjoy is good reputation. It has sufficient reserves of profit accumulated from last 5 years. He plans now to start branches in Bangalore and Mumbai also. For expanding business does not want any additional liability.

In the above context:

- 1) Suggest the source of finance suitable to Anshuman for expansion.
- 2) Give any two features of that source.

Q7. Women started a small sweet shop in Delhi under the name 'Mithaiwala'. Over the year, her business grew manifold. Recently she procured a big export. Although the exporter has promised to make some advance payments, but Hina will still need some more funds to meet the working capital requirements.

1) Suggest need to show through which Hina can raise funds to meet working capital requirement .

2) Give two features of each of suggested source.

3) Enjoy entertainment is a popular film entertainment company. Keeping in view the growing culture of multiplex, its owners have decided to make some changes in the interiors like creating a lounge area ,installing more effective sound system ,etc .The company wants to raise the required fund for a period of more than one year but less than 5 years .

In the context of above case.

- 1) Identify an explain the type of funds companies to basis of time period.
- 2) Give any two features of that source.

## CHAPTER 8

### SMALL BUSINESS

#### MULTIPLE CHOICE QUESTIONS

1. Identify the type of enterprise where investment in plant and machinery is more than 10 crore rupees but does not exceed 50 crore rupees .

- |                       |                     |
|-----------------------|---------------------|
| a. Medium enterprise. | c. Small enterprise |
| b. Micro enterprise.  | d. Both a and b.    |

2. MSMED stands for

- a. Micro, Small and Medium Enterprises Development Act
- b. Medium, Small and Micro Enterprises Development Act
- c. Medium, Service and Micro Enterprise Development Act.
- d. None of the above.

3. As per the Ministry of Commerce and Industry, a startup means an entity incorporated or registered in India which is not older than \_\_\_\_\_years.

- |         |          |          |        |
|---------|----------|----------|--------|
| a. Five | b. Three | c. Four. | d. Two |
|---------|----------|----------|--------|

4. Industrial Intellectual property includes

- |                              |                      |
|------------------------------|----------------------|
| a. Geographical indications. | c. Patents           |
| b. Industrial designs.       | d. All of the above. |

5. \_\_\_\_\_type of Intellectual Property Rights is an exclusive right of the creator to prohibit the unauthorised use of the content which includes reproducing a distributing copies of the subject matter.

- |                             |                   |
|-----------------------------|-------------------|
| a. Plant variety            | b. Copyright      |
| c. Geographical indication. | d. None of these. |

6. Which of the following within the scope of Geographical Indication?

- |                         |                  |
|-------------------------|------------------|
| a. Handicrafts          | b. Food stuffs   |
| c. Agriculture products | d. All of these. |

7. Which of the following condition satisfied for an invention to be patentable?

- a. It must be new.

- b. It must be non-obvious to any individual who is skilled in the related field of technology
- c. It must be capable of industrial application.
- d. All of these.

8. Amita initiated a food chain specializing in different varieties of baked snacks in India with branches in Delhi Ahmedabad and Indore. She managed the initial capital for starting the business by invested a person savings and resources recognize the funding method used by Amita for her start up.

- a. Venture capital.
- b. Angel investment
- c. Crowdfunding.
- d. Bootstrapping.

9. What percentage do small industries contribute to the total exports from India?

- a. 54%.
- b.44%.
- c. 45%.
- d. 55%.

10. Which institution has introduced in new scheme of ‘Performance in credit rating’?

- a) NSIC.
- b. DIC’s.
- c) NABARD.
- d)None of the above.

11. Assertion (A): The registration of trademark is compulsory under the Trademark Act 1999.

Reason(R): Shape of Coca Cola bottle’ is an example of non- conventional trademark.

12. Assertion(A): Plant Variety known as “Plant Breeders Right”.

Reason (R) : The maximum duration of design protection is of 10 years.

13. Assertion (A): Copyrights include literary and artistic works.

Reason (R): The lecture property is tangible in nature.

14.Match

- |   |               |
|---|---------------|
| a) Protect the scientific inventions.                           | i) Copyright  |
| b) A right conferred on the creators of a cinematographic film. | ii) Trademark |
| c) Protection given to aesthetic appearance                     | iii) Patent   |
| d) Helps in distributing similar products.                      | iv) Design    |

15. Match

- |  |                      |
|--|----------------------|
| a. Individuals who invest in upcoming startups.                    | i) Venture capital   |
| b. Self-financing.   | ii) Bootstrapping    |
| c. Professionally managed funds.                                   | iii) Angel investors |
| d. Pooling of resources by a group of people for a common purpose. | iv) Crowd funding    |

### SUBJECTIVE TYPE

1 Anshuman was a very industrious sales executive with a small herbal cosmetic manufacturer. He earned a good salary and commission on the businesshe brought for the firm and had very good command over the Delhi market for which he had virtually become indispensable. He was aware of the enviableposition he held in the firm and thought aloud. The key to success in any business is the sale of itsproducts. The beginning and end of the business cycle is nothing but sale and other people working in the factory to manufacture products aremere “The key to success in any business is the sale ofits products. The beginning and end of the businesscycle is nothing but sale and “other” people workingin the factory to manufacture products are mere cogsin the business machine set in motion by sales people. So why carry this burden and get only a tiny share ofthe prosperity of the firm? Instead others enjoying the fruits of my labour, why should I not start my own business.

- a) Should Anshuman take a leap?

b) What steps should be taken by him for entrepreneurship development?

2 Rajan wants to start a business unit manufacturing Khadhi items. His friend who makes craft items, suggests him to start a small-scale industrial unit in some rural, backward area since the government is offering various incentives to small-scale industries.

a) State any four incentives offered by the government for small-scale industries.

b) Name two institutions set up by the government of India to promote small scale industries in rural areas. Explain their role.

4. Ram, Kabir and Gurpreet are three friends who belong to the same village. They have completed their MBA education from IIM, Ahmedabad. They want that the country should benefit from their education. With this aim they want to do such a business which will generate more employment and output, mobilize local resources, and contribute to balanced regional development. For this they set up a small-scale industry in rural area. Do you think they will be able to contribute for regional development? Explain.

4. After completing MBBS and MD Dr. Meera wishes to start her own nursing Home in a small village of Orissa. She is facing lot of problems in getting land, licence, etc. In the above context suggest her what incentives are available to her by Government of India.

5. Shiva has set up in Faridabad a unit to manufacture various types of Home decorative items. He deals with various kinds of vases, chimes, figurines and other things that can beautify the houses, she now wishes to export her products to different countries and develop export worthiness.

a) In the context above, briefly describe any one such agencies that she can approach in this regard.

b) Explain objectives of that agency.

**CHAPTER- 9**  
**INTERNAL TRADE**

**MULTIPLE CHOICE QUESTIONS:**

- 1) It is a network of a number of branches situated at different localities in the city or in the different parts of the country.  
(a) Multiple shop (b) Consumers? co-operative store  
(c) Hire purchase system (d) Internet marketing
- 2) It is characteristics of ..... where in one roof goods are sold by making different departments:  
(a) Multiple shops (b) Departmental stores  
(c) Wholesale trade (d) None of these.
- 3) Number of goods sold in wholesale trade is :  
(a) More (b) Many  
(c) Less (d) None of these
- 4) Which is not related to the trade by moving from one place to another:  
(a) Hawkers (b) Street sellers  
(c) Peddlars (d) Street shops.
- 5) Shop where manufacturer also sells the goods:  
(a) Chain shops (b) Departmental shops  
(c) Hawkers (d) Stall shops.
- 6) Which is not example of big scale retail shop:  
(a) Departmental store (b) Super bazar  
(c) Multiple shop (d) Mail store.
- 7) Retail seller sold goods to :  
(a) Wholesaler (b) Consumers  
(c) Departmental stores (d) All of the above
- 8) Which is not characteristics of departmental store:  
(a) Different departments (b) Sole trade  
(c) Under one roof (d) Multiple management.
- 9) Which is not characteristics of super bazar:  
(a) Member of super bazar invest their own capital  
(b) This store remains in form of cooperative society  
(c) Goods sold on credit in super bazar  
(d) Situated at centre of city.
- 10) Price is same in :  
(a) Retail trade (b) Chain shop  
(c) Super bazar (d) None of these
- 11) Which do not come in fixed retail sellers:  
(a) General store (b) Departmental store  
(c) Hawkers and Pedlars (d) Chain stores.
- 12) In consumers co-operative store goods are sold :  
(a) Only in cash (b) Only credit  
(c) Both (d) Free
- 13) Which is not a permanent shop:  
(a) General store (b) Specialized shop  
(c) Super bazar (d) None of these.
- 14) Number of sellers in the automatic vending machine:  
(a) One who sell goods (b) Not even one  
(c) One who received goods (d) Two, one seller and other receiving payment

- 15) Which is not characteristic of wholesaler:
- (a) Selling goods on large scale (b) Direct relation with customers  
(c) No focus on shop deco (d) Trade of limited goods.
- 16) Assertion(A): A department store purchases gets directly from manufacturers.  
Reason (R): Departmental stores are century located in the heart of the city.
- 17) Assertion(A): A uniform pricing policies is not followed in multiple shops.  
Reason (R): Multiple shops the same decorations layout, displays etc.

### **SUBJECTIVE TYPE QUESTIONS**

Q1. Arihant is a small trader who sells plastic items of daily use in weekly market. Arihant has fixed different days for different places, like on Monday, he sets up his shop with temporary structure in 'Som Bazar', on Tue3sday, he sets up his shop in 'Mangal Bazar' ans so on.

- a) Arihant will be classified as which type of retailer and why?  
b) Identify the category of the type of retail trade as identified in part( a)  
c) State features of the type of retailers as identified in part (b) of the question

Q2. Harshul owns a large retail outlet at a central location in Kanpur. The outlet is divided into a number of sections and each section deals in a particular variety of goods. There is a separate section for toiletries, fruits, and vegetables etc.

- a) Identify the type of retail outlet being highlighted in the given case  
b) State three advantages and two limitations of the type of retail outlet as identified in part (a) of the question.

Q3. There are number of Automated Machines at Terminals 1, 2, 3of Indira Gandhi International Airport, which are very helpful for travelers as the machines dispense various kind of beverages and snaks on inserting currency notes.

- a) What does Automated Machines refer to in the given case?  
b) State any three features of the type of retailing as identified in part (a).

Q4. Niranjn deals in cosmetics on large scale. He buys the goods in bulk directly from the manufacturers and supply the same to the shops. He3 does not deal directly with the customers. Niranjn also provides financial support to manufacturers .

On the basis of the given information, answer the following questions:

- a) In which type of business Niranjn is engaged.  
b) Niranjn is serving as an important link between the two parties. Identify the two parties.  
c) Discuss the ser4vices rendered by Niranjn to any one party identified in part (a).

Q5. Deepankar is a dealer of used books and runs shop under the name of 'Om Bookshop' in Kamla Nagar, Delhi. As the book shop is located within the area of Delhi University, it is very famous among the college students as they can get the used books in good condition and that too at a price much less than the MRP.

- a) Deepankar will be classified as which type of retailer and why?  
b) Identify the category of the type of retail trade as identified in part (a) of the question under which Deepankar should be placed.  
c) State three features of the type of retailer as identified in part (b) of the question.

## INTERNATIONAL BUSINESS

### A. MULTIPLE CHOICE QUESTIONS

Q1. Which of the following is an objective of export trade?

- a) To sell surplus goods.
- b) Today's generate employment.
- c) To increase National Income
- d) All of these

Q2. Which of the following is not an objective of Import trade?

- a) Today's overcome famine.
- b) Today's earn foreign exchange.
- c) To improve standard of living
- d) To speed up industrialisation.

Q3. \_\_\_\_\_ is subject to rules, laws or taxation policies of various countries.

- a) International Business.
- b) Both(a) and (b).
- c) Domestic Business
- d) None of these

Q4. Which of the following is not an advantage of International Business to Business firms?

- a) Increased Capacity Utilisation.
- b) Earning of Foreign Exchange.
- c) Prospects for growth
- d) Prospects for higher profits

Q5. A receipt issued by the commanding officer of the ship when the cargo is loaded on the ship is known as:

- a) Shipping receipt.
- b) Cargo receipt.
- c) Mate's receipt
- d) Charter receipt

Q6. Assertion(A): International Business and International Trade are one and the same thing.

Reason (R): International Business involves the international movements of goods and services, capital, personnel, technology and intellectual property.

Q7. Assertion(A): International Business is subject to rules, laws or taxation policies of various countries.

Reason(R): Business systems and practices are less homogeneous in case of International Business.

Q8. Match the statements given under A with the correct option given under B

- | (A)                 | (B)  |
|---------------------|--|
| a. Shipment Advice. | i. Document prepare by the shipping company to acknowledge the receipt of goods on board the ship.   |
| b. Bill of Lading.  | ii. Document sent by exporter to the importer informing him that the shipment of goods has been made |

Q9. Name the document containing the guarantee or assurance by the importers bank to honour bills drawn on it by the exporter.

- a) Letter of Credit.
- b) Bill of Exchange.
- c) Bill of Lading
- d) None of the above

Q10. Bill of Lading is a document used in \_\_\_\_\_.

- a) International trade.
- b) Both of the above.
- c) Inland trade
- d) None of the above

Q11. Manufacturing and selling goods beyond the boundaries of one's own country is called \_\_\_\_\_.

- a) National Business.
- b) Domestic Business.
- c) International Business
- d) None of these

Q12. Identify the first step in the export procedure:

- a) Receipt of enquiry and sending quotations
- b) Obtaining export licence
- c) Receipt of Order or Indent

d) Production or procurement of goods

Q13. Identify the first step in the Import Procedure :

- a) Arranging for Finance
- b) Trade enquiry
- c) Placing Order or Indent
- d) Obtaining Letter of Credit

Q14. Certificate of Inspection is issued by:

- a) Captain of the ship.
- b) Insurance Company.
- c) Exporter's Bank
- d) Export Inspection Council of India

Q15. Which of the following is not a part of export documents

- a) Commercial Invoice.
- b) Bill of Entry.
- c) Certificate of Origin
- d) Mate's Receipt

### **SUBJECTIVE TYPE QUESTIONS**

Q1. ITC Ltd. Is an Indian Company catering to domestic markets as well as engaged in exports to other nations. Differentiate between the two types of trade that ITC Ltd. Is engaged in on any five basis.

Q2. Shreyansh India Ltd. Is having its own retail outlets spread all over the city in the name of 'Quality Mart'. The company is famous for providing superior quality products at most reasonable prices. The sales are strictly made on cash basis. The outlets deal only in limited range of standardized products.

- a) Identify the type of retail trade used by Shreyansh India Ltd by opening up 'Quality Mart'
- b) State its any two features.

Q3. Rekha garments has received an order to export 2000 men's trousers to swift imports ltd. Located in Australia. Discuss the procedure that Rekha garments would need to go through for executing the export order.

Q4. Write a detailed note on objective of WTO.

credit to the reputed and Known customers. Identify the service of retailers to consumers being provided by quoting lines from the given case.

**CHAPTER 1 STATISTICS**  
**MEANING, SCOPE AND IMPORTANCE OF STATISTICS**

**Multiple Choice Questions:**

1. Which of the following statements accurately reflects the root of economic problems?
  - (a) Recession is the root of all economic problems in a country
  - (b) Scarcity is the root of all economic problems in a country
  - (c) Monopoly is the root of all economic problems in a country
  - (d) Inflation is the root of all economic problems in a country
2. Distrust of statistics is due to:
  - (a) Misuse of statistics
  - (b) Insufficient statistical methods
  - (c) Scope of statistics is limited
  - (d) Limitation of statistics
3. Which of the following statements about the statistical study is true?
  - (a) Presentation of data is the first stage of statistical study
  - (b) Analysis of data is the first stage of statistical study
  - (c) Collection of data is the first stage of statistical study
  - (d) Organisation of data is the first stage of statistical study
4. Which of the following statements about data collection is correct?
  - A) The data collected from the source of origin for the first time is known as internal data
  - b) The data collected from the source of origin for the first time is known as secondary data
  - c) The data collected from the source of origin for the first time is known as primary data
  - d) The data collected from the source of origin for the first time is known as external data
5. Which of the following statements is not an example of statistics?
  - a) Suresh has a note of Rs. 500 with him
  - b) Over the last 20 years, India has managed to win 80 cricket matches and lose 40
  - c) The average allowance given to the first year B. Com students in St. Xavier's college is Rs. 1000 per month
  - d) The birth rate for India is 20 per thousand compared to 10 per thousand in the United Kingdom
6. Which of the following statements about statistics is not true?
  - a) Banking is considered as an economic activity
  - b) Business is considered as an economic activity
  - c) Agriculture is considered as an economic activity
  - d) Sunil helping her mother in the kitchen is considered as an economic activity
7. Which of the following are Components of economics?
  - (a) Consumption
  - (b) Production
  - (c) Distribution
  - (d) All of the above
8. Which of the following are the features of statistics in the plural sense?
  - (a) It is an aggregate of facts
  - (b) Statistics is numerically expressed
  - (c) Both (a) & (b)
  - (d) None of the above
9. Which of the following is not one of the limitations of statistics?
  - (a) Statistics study numerical facts only
  - (b) Statistical results are true only on averages
  - (c) Heterogeneous data is required
  - (d) Statistics study aggregates only
10. Which of the following are regarded as the importance of economics?
  - (a) Statistics is a quantitative expression of economic problems
  - (b) Statistics works out cause and effect relationship
  - (c) Statistics facilitates economic forecasting
  - (d) All of the above

**Fill in the blanks:**

1. \_\_\_\_\_ is one who consumes goods and services for the satisfaction of their wants.
2. \_\_\_\_\_ is the one who produces or sells goods and services for the generation of income.
3. Saving and Investment are-----activity.
4. Adam Smith is known as the ----- of economics.

**State true or false:**

- 1. There are limited wants of humans.
- 2. Statistical data is numerical data.

**Assertion Reason Questions**

1. Read the following statements given below and choose the correct alternative:

Statement 1- Statistics is a qualitative measure.

Statement 2- Only aggregate number of facts is called statistics.

- (a) Both are correct
- (b) Both are incorrect
- (c) Statement 1 is correct and statement 2 is incorrect
- (d) Statement 1 is incorrect and statement 2 is correct

2. Read the following statement given below and choose the correct alternative:

Statement 1- All statistics are data.

Statement 2- All data are not Statistics.

- (a) Both are correct
- (b) Both are incorrect
- (c) Statement 1 is correct and statement 2 is incorrect
- (d) Statement 1 is incorrect and statement 2 is correct

3. Read the following statement given below and choose the correct alternative:

Assertion(A)- Statistics is a rainbow of lies.

Reason (R) Anyone can alter statistics to arrive at predetermined conclusions.

- (a) Both Assertion and reason are true. Reason is the correct explanation of assertion
- (b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- (c) Assertion is true but reason is not
- (d) Reason is true but assertion is not

4. Read the following statement given below and choose the correct alternative:

Assertion (A)- Distrust on statistics cannot be removed and is inevitable.

Reason (R)- Statistics is a clay which we can use to make a god or devil, as we wish.

- (a) Both Assertion and reason are true. Reason is the correct explanation of assertion
- (b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- (c) Assertion is true but reason is not
- (d) Reason is true but assertion is not

5. Read the following statement given below and choose the correct alternative:

Assertion (A)- Statistics can be collected in a systematic manner

Reason (R)- No conclusions can be drawn from unsystematic collection of data

- (a) Both Assertion and reason are true. Reason is the correct explanation of assertion
- (b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- (c) Assertion is true but reason is not
- (d) Reason is true but assertion is not

Choose the correctly matched pair from the following:

Column A

Column B

A. Using up utility value of goods and services

1. Consumption

B. Converting raw material into useful things

2. Investment

C. Part of income not spend on consumption

3. Production

- D. Expenditure on purchasing assets                      4. Savings  
 (a) A-1                      (b) B-2                      (c) C-3                      (d) D-4

**Answer the following questions:**

- Q1. Who is known as a service provider and service holder?  
 Q2. Statistics are figures, but all figures are not statistics. Justified the statement.  
 Q3. There is a general perception that statistical knowledge is intentionally misused. Explain how?  
**Q4. What are the stages of statistical study?**  
**Q5. Explain any three importance and limitation of statistics in economics.**  
**Q6. “The government and policy makers use statistical data to formulate suitable policies of economic development”. Illustrate with two examples.**  
 Q7. “Statistical methods are no substitute of common sense”. Comment.  
 Q8. “You have unlimited wants and limited resources to satisfy them.” Explain by giving two examples.

**CHAPTER 2 STATISTICS  
 COLLECTION OF DATA**

Multiple Choice Questions:

- Which of the following is not a primary source of data?  
 a) Census                      b) Surveys  
 c) Government records                      d) Research articles
- The data collected for the first time by a researcher for a specific purpose is known as:  
 a) Primary data                      b) Secondary data  
 c) Raw data                      d) Sample data
- Which of the following is an example of quantitative data?  
 a) Gender                      b) Marital status                      c) Income                      d) Occupation
- The purpose of data collection is:  
 (a) to understand a problem.                      (b) to explain a problem.  
 (c) to analyse a problem to find its causes.                      (d) All of the above
- Data collected on religion from the census reports are:  
 (a) Primary data                      (b) Secondary data  
 (c) Sample data                      (d) Either (a) or (b)
- Some important sources of secondary data are:  
 (a) Census of India and NSSO                      (b) International and primary sources  
 (c) Private and primary sources                      (d) Government sources
- Which is the most expensive method in term of time money and efforts involved?  
 (a) Indirect oral investigation                      (b) Direct personal investigation  
 (c) Information through questionnaires                      (d) Information from local sources
- Which of these statements is true for collecting information from a third party?  
 a). The indirect oral investigation is used to collect data from the third parties  
 b). The mailed questionnaire method is apt for gathering information from third parties  
 c). Third parties prefer direct personal interviews to provide data to the researcher  
 d). All of the above
- The main feature of secondary source of data is that \_\_\_\_\_.  
 a. It provides first-hand information to the researcher  
 b. It is more reliable compared to primary data  
 c. It implies that the data is collected from its original source  
 d. It involves collecting data from existing sources that had gathered primary data beforehand for their research purpose
- A person responsible for conducting statistical enquiry is known as:  
 (a) Informant                      (b) Respondent                      (c) Enumerator                      (d) Investigator
- The diagnostic centres which collect blood of a patient to test is an example of:  
 (a) Sample method                      (b) Census method                      (c) Diagnostic method                      (d) None of these

**Fill in the blanks:**

1. \_\_\_\_\_ is a person who helps the investigator to collect data.  
(Enumerators/questionnaire)
2. Suppose you have to select 10 out of 100 households in a locality. You have to decide which Household to select and which to reject. You may select the households conveniently situated or the Households known to you or your friend. In this case, you are using your judgement (bias) in selecting 10 households. This way of selecting 10 out of 100 households is called a \_\_\_\_\_ (random/ non- random) sampling.
3. \_\_\_\_\_ provides the most complete and continuous demographic record of population.
4. In \_\_\_\_\_ (random/non-random) sampling, every individual has an equal chance of being selected.
5. A \_\_\_\_\_ refers to a smaller group or section selected from the population from which the relevant information is to be obtained.
6. Pre-testing of the questionnaire is known as \_\_\_\_\_.

**Assertion reason questions:**

1. Assertion (A): In India, census is undertaken only once in five years.  
Reason (R): Taking census is a costly affair.  
(a) Both assertion and reason are true and reason is the correct explanation of assertion.  
(b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
(c) Assertion is true but reason is false.  
(d) Assertion is false but reason is true.

2. Assertion (A): No method of collecting primary data is free from personal prejudices.  
Reason (R): Chances of error increase when the investigator is not trained.  
(a) Both assertion and reason are true and reason is the correct explanation of assertion.  
(b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
(c) Assertion is true but reason is false.  
(d) Assertion is false but reason is true.

3. Assertion (A): As the sample size increases, variable tends to become close to the census value.  
Reason (R): Samples are always collected from different groups of heterogeneous data randomly.  
(a) Both assertion and reason are true and reason is the correct explanation of assertion.  
(b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
(c) Assertion is true but reason is false.  
(d) Assertion is false but reason is true.

4. Assertion (A): Collection of secondary data needs more effort than primary data.  
Reason (R): Secondary sources of information are less reliable than primary sources.  
(a) Both assertion and reason are true and reason is the correct explanation of assertion.  
(b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
(c) Assertion is true but reason is false.  
(d) Assertion is false but reason is true.

5. Match the following pairs given below:

Column I

A. Indirect oral investigation

B. Mailed questionnaire

C. Personal investigation

D. Investigation from local sources

(a)(ii) (i) (iv) (iii)

(c)(iv) (i) (ii) (iii)

Column II

i. Investigator prepares a questionnaire sends it to the respondent with a covering letter.

ii. Local agents who are appointed to supply information regularly.

iii. Collecting information from third parties by the investigator.

iv. Investigator collects information by self.

(b)(i) (ii) (iv) (iii)

(d)(ii) (iii) (iv) (i)

**Case study:**

In a village of 200 farms, a study was conducted to find the cropping pattern. Out of the 50 farms surveyed, 50% grew only wheat.

Q. What is the population and the sample size?

Answer the following questions:

1. Distinguish between 'Primary Data' and 'Secondary Data'. Give examples.
2. Explain 'Census of India' and 'National Sample Survey organisation' as important sources of secondary data.
3. State any four precautions which should be kept in mind while preparing a questionnaire.
4. Write a short note on pilot survey.
5. Distinguish between 'Census' and 'Sample' surveys with an example of each.
6. "What is primary data today will become secondary data tomorrow" Elaborate.
7. Which of the following methods give better result and why?  
(a) Census (b) Sample
8. Explain the procedure for selecting a random sample of 5 students out of 40 in your class by using random number tables and lottery method.
9. Does the lottery method always gives a random sample? Explain.

**CHAPTER 3 STATISTICS – ORGANIZATION OF DATA**

**MCQ**

1. The frequency distribution of two variable is known as:  
(a) Univariate Distribution (b) Bivariate distribution  
(c) Multivariate distribution (d) None of the above
2. In ..... series, lower limit of the second class is same as the upper limit of the first class. (Inclusive/Exclusive)
3. Raw data is made comprehensive by:  
(a) Collection of data (b) Classification of data  
(c) Presentation of data (d) None of the above
4. The data classified with reference to countries is called:  
(a) Spatial (b) Chronological  
(c) Both a and b (d) None of these
5. Class size of a class interval is calculated as:  
a) Product of upper limit and lower limit of the class  
b) Difference between upper limit and lower limit of the class  
c) Sum of upper limit and lower limit of the class  
d) Ratio of upper limit and lower limit of the class
6. "Frequency and class frequency are terms that are used interchangeably" (true or false).
7. Match the following:

	Column I		Column II
(a)	Temporal classification	(i)	Bus Route No. as per the area/location covered
(b)	Geographical classification	(ii)	COVID vaccination data based on age group
(c)	Qualitative classification	(iii)	No. of workers on the basis of their wage level
(d)	Quantitative classification	(iv)	Performance of a student in past 4 years

**Assertion reason questions:**

Choose the correct answer out of the following choices.

- (a) Both assertion and reason are true and reason is the correct explanation of assertion.
- (b) Both assertion and reason are true and reason is not the correct explanation of assertion.
- (c) Assertion is true but reason is false.
- (d) Assertion is false but reason is true.

8. Assertion (A): Age of an individual is a variable.  
Reason (R): Variable means the characteristic which changes.
9. Assertion (A): Chronological classification is based on period of time.  
Reason (R): Spatial classification is based upon geographical classification.
10. Assertion (A): Discrete variable move in a finite jump.  
Reason (R): Desk in a class is an example of discrete variable.

**Short Answer Questions: - (3-4 marks)**

11. Differentiate between Discrete Variables and Continuous Variables.
12. Convert the following marks of students in mathematics into frequency array. 12, 15, 18, 12, 10, 18, 20, 25, 25, 12, 22, 25, 24, 23, 23, 23, 12, 15, 10, 18, 25, 22, 12, 25, 15.
13. From the data below of wages of 20 workers in a factory, prepare a frequency array.

100	500	600	150	120
150	250	150	500	115
120	115	120	85	90
90	85	85	600	90

14. From the date given below prepare an exclusive frequency distribution series with class size 5.

10	12	30	35	32
4	14	18	20	22
6	10	9	30	29

13. Convert the following into Exclusive Series

Class Intervals	2-4	6-8	10-12	14-16	18-20
Frequency	1	2	5	4	3

14. Convert the given series into exclusive series and then into less than series.

Class Intervals	Below 20	20-40	40-60	60-80	Above 80
Frequency	2	4	6	7	3

15. Convert the given series into exclusive series and then into more than series.

Midpoints	5	10	15	20	25
Frequency	2	4	6	7	3

16. What is loss of information in frequency distribution
17. Can there be any advantages in classifying things? Explain with an example from your daily life.
18. Explain the Exclusive and Inclusive method used in classification of data.

**CHAPTER – 4 STATISTICS**  
**PRESENTATION OF DATA: TABULAR PRESENTATION**

**MCQ**

1. Which of the following is not the part of a table?  
(a) Title (b) Headnote  
(c) Captions and stubs (d) None of these
2. .... are the headings of columns in the tables.
3. .... describes the title of the table in detail.
4. .... are headings of horizontal rows.  
(a) Cells (b) Stubs  
(c) Captions (d) None of these

**Assertion reason questions:**

- Choose the correct answer out of the following choices.
- (a) Both assertion and reason are true and reason is the correct explanation of assertion.  
(b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
(c) Assertion is true but reason is false.  
(d) Assertion is false but reason is true.
5. Assertion (A): A complex table presents more than one characteristic of the data.

- Reason (R): A two-way table shows two inter related characteristic of the data.
6. Assertion (A): Classification is a method of statistical analysis and tabulation is a process of presenting data.  
Reason (R): Classification and tabulation are one and same thing
7. Assertion (A): The heading given to a column in a table is caption.  
Reason (R): Body of a table contains numerical information.

**8. Match the following: -**

	Column I		Column II
(a)	General purpose table	(i)	It shows more than one attribute
(b)	Simple table	(ii)	These are also called as Reference Tables
(c)	Derived table	(iii)	Table showing marks of students in economics
(d)	Complex tables	(iv)	Data is not presented in the form it was collected

9. "Captions are the headings of the rows of the table". State true or false.
10. Which of the following is not a benefit of tabular presentation of data?  
(a) It facilitates easy analysis  
(b) Data in tables are easy to understand  
(c) They are a form of descriptive presentation and are simple to prepare  
(d) It points out differences in the data

**Short Answer Questions: -**

11. Total number of people going on a school trip are 60. As per school principal's instructions, there will be total of 6 teachers. There are total of 45 male members in the group out of which 2 are teachers. Make a tabular presentation.
12. In session 2020-21, there are 200 students in class XI. Number of students in commerce in this session were twice as compared to last year, which was 40. Total number of girls in XI are 80 out of which 20 belong to humanities section. The total number of students in humanities are twice the number of students in science. The ratio of number of boys and girls in science is 1:3. Tabulate.
13. Explain in brief objectives of tabulation.

**CHAPTER – 5 STATISTICS**  
**DIAGRAMATIC PRESENTATION OF DATA**

**MULTIPLE CHOICE QUESTIONS**

1. Which of the following statement is incorrect?  
(a) Bar diagrams are those diagrams in which data is presented in the form of bars or rectangles.  
(b) In pie diagrams, absolute values of the series are converted into cumulative values  
(c) Bars in bar diagrams are equidistant from each other  
(d) Multiple bar diagrams are those diagrams which show two or more sets of data simultaneously
2. What will be the degree measure of an angle in a pie diagram if a household spends 80% of his income on a good.  
(a) 180 (b) 288  
(c) 90 (d) 72
3. "Height of the bars in case of percentage sub divided bar diagrams changes as per the values of the variables." State true or false.
4. Bar diagram is a:  
(a) One dimensional diagram (b) Two-dimensional diagram  
(c) Three-dimensional diagram (d) None of these

5. Percentage bar diagrams are used when the values are of relatively \_\_\_\_\_ magnitude.

- (a) Lower (b) Medium (c) Higher (d) None of these

**6 Match the following: -**

	Column I		Column II
(a)	Deviation Bar Diagram	(i)	It is termed as circular diagrams
(b)	Percentage Subdivided Bar Diagram	(ii)	It is used to show the two or more data sets simultaneously
(c)	Multiple Bar Diagrams	(iii)	Height of the bars remains the same
(d)	Pie Diagrams	(iv)	It helps to show the difference in the variables

**Assertion reason questions:**

Choose the correct answer out of the following choices.

- (a) Both assertion and reason are true and reason is the correct explanation of assertion.  
 (b) Both assertion and reason are true and reason is not the correct explanation of assertion.  
 (c) Assertion is true but reason is false.  
 (d) Assertion is false but reason is true.

7. Assertion (A): In case of one-dimensional diagrams length or height of the bar remain the same.

Reason (R): Bar need to be equidistant from each other in case of one-dimensional diagrams.

**Short Answer Questions: -**

7. Even though diagrams are attractive and easy to understand, they still suffer from certain limitations. Do you agree? Explain.

8. Use appropriate bar diagram to represent the following data:

Name of Student	A	B	C	D	E
Marks in Eco.	40	50	25	50	60
Marks in Maths	30	70	10	55	70

9. Draw Subdivided Bar diagram to represent the following data:

Name of Product	A	B	C
Expenditure on Raw Material	1000	1200	1100
Expenditure on Electricity	500	1000	400
Expenditure on Advertisement	250	800	500

10. Use a Multiple Bar Diagram to represent the following data:

Name of District	A	B	C
Vaccinated	100	150	100
Non-Vaccinated	50	25	150

11. Use a circular diagram to present the following data:

Components	Food	Clothing	Miscellaneous
Monthly Expenditure	1800	1200	600

**Long Answer Questions:**

12. Make Pie Diagrams for the following Data:

Firm A	
Items	Values
Fuel	500
Electricity	750
Raw Material	250

Firm B	
Items	Values
Fuel	1000
Electricity	1500
Raw Material	500

13. Draw Bar Diagram for the following data:

Year	2018	2019	2020

Exports	2000	4000	4500
Imports	3500	1200	6800

14. Draw a circular Diagram for the following data:

Components	A	B	C	D	E
Percentage of marks	25%	30%	15%	20%	10%

15. Present the following information in percentage bar diagram.

Years	2021	2022	2023
Wheat in tons	400	1200	800
Rice in tons	600	800	200

## CH. 6 STATISTICS GRAPHIC PRESENTATION

### **MULTIPLE CHOICE QUESTIONS:**

Q 1. Data presentation through a histogram can help in finding graphically the:

- a) mean  
b) median  
c) mode  
d) all of the above

Q2. Ogives can be helpful in locating graphically the:

- a) mean  
b) median  
c) mode  
d) none of these

Q3. A histogram is a graphical presentation of a frequency distribution of a:

- a) individual series  
b) discrete series  
c) continuous series  
d) none of these

Q4. Which of the following diagrams is drawn by joining mid points of the tops of all rectangles in a histogram?

- a) frequency distribution  
b) frequency polygon  
c) frequency curve  
d) none of these

Q5. Normal curves are also known as:

- a) J shaped curves  
b) L shaped curves  
c) U shaped curves  
d) bell shaped curves

### **FILL IN THE BLANKS:**

Q6. In case of \_\_\_\_\_ ogive the cumulative total tends to increase.  
(less than/more than)

Q7. In \_\_\_\_\_ quadrant, the value of x will be positive but that of Y will be negative.  
(3rd/4th)

Q8. In \_\_\_\_\_ quadrant, the value of x will be negative but that of Y will be positive.  
(2nd/3rd)

### **TRUE OR FALSE:**

Q9. Graphic presentation helps to identify correlation between the variables.

Q10. In the 3rd quadrant, the values of both x and y are negative.

Q11. Frequency polygons are multi-dimensional, whereas histogram is two-dimensional figures.

### **MATCHING TYPE QUESTIONS:**

Q12. Match the statements given under A with the correct options given under B

A	B
i) histogram	a) an alternative to histogram & can be derived from histogram
ii) frequency curve	b) arithmetic line graphs
iii) time series graphs	c) vertices of frequency polygon are joined by a smooth curve
iv) frequency polygon	d) it can be used to determine the value of mode

### **ASSERTION REASON BASED QUESTIONS:**

Q13. Read the following statements and choose one of the correct alternatives given below.

Assertion (A): Histogram is never drawn for a discrete series.

Reason (R): Histogram can also be used to determine the value of mode.

- (a) Both assertion (A) and reason (R) are true and R is the correct explanation of A.
- (b) Both assertion (A) and reason (R) are true and R is not the correct explanation of A.
- (c) Assertion (A) is true but reason (R) is false.
- (d) Assertion (A) is false but reason (R) is true.

Q14. Assertion (A): Frequency curve is also known as smoothed frequency curve.

Reason (R): In case of frequency curve, the points are joined by straight lines.

**SHORT ANSWER TYPE QUESTIONS:**

Q15. How does the procedure of drawing a histogram differ when class intervals are unequal in comparison to equal class intervals in frequency table?

Q16. Graphic presentation is much more accurate and appropriate than diagrammatic presentation. Enumerates the advantages of graphic presentation which justify the given statements.

Q17. Define graphic presentation.

Q18. What is a false base line?

Q19. Define a graph. Describe its types.

Q20. Describe the limitations of graphical presentation.

Q21. Describe the advantages of graphical presentation.

Q22. Represent the following frequency distribution graphically.

No. of children	0	1	2	3	4	5
No. of families	5	10	20	25	30	10

Q23. Draw a histogram from the following data.

Marks	0-10	10-20	20-30	30-40	40-50	50-60	60-70
Students	10	16	20	25	22	15	8

Q24. Draw a histogram from the following data.

Marks	0-10	10-20	20-40	40-70	70-80
Students	6	8	32	36	4

Q25. Make a frequency polygon.

Marks	0-10	10-20	20-40	40-70	70-80
Students	9	12	18	15	6

Q25. Draw a frequency curve from the following data.

X	0-10	10-20	20-30	30-40	40-50	50-60
F	5	15	10	20	5	10

Q26. Prepare more than and less than ogive from the following data.

Marks	0-10	10-20	20-30	30-40	40-50
Students	3	10	14	10	3

**CHAPTER 7 STATISTICS – ARITHMETIC MEAN**

**MULTIPLE CHOICE QUESTIONS:**

1. The sum of deviations of values calculated from mean is .....
- (a) Maximum
  - (b) Minimum

- (c) Zero (c) None of the above
2. If mean of a series of 10 observations is 20, then .....is the sum of observations.
3. Weighted arithmetic mean is calculated as .....
4. A good measure of average should be:  
 (a) affected by extreme values (b) affected by sample fluctuations  
 (c) based on all observations (c) None of the above
5. Simple Arithmetic Mean is also called as .....  
 (a) Weighted Mean (b) Un weighted mean  
 (c) Relative mean (d)None of the above
6. Arithmetic mean is widely used measure of central tendency because of:  
 (a) Rigidly define (b) Stable measure  
 (c) A representative value (c) All of the above
7. Which of the following is not a merit of arithmetic mean  
 (a) Simple to calculate (b) No scope for estimated values  
 (c) Based on all the observations (d) May lead to misleading conclusions
8. The mean weight of 150 students in a class is 60 kg. The mean of boys in the class is 70 kg and that of girls is 55 kg. Find the number of boys and girls in the class respectively.  
 (a) Boys = 50, Girls = 100 (b) Boys = 80, Girls = 70  
 (c) Boys = 100, Girls = 50 (d) Boys = 60, Girls = 90
9. Arithmetic mean of values 10, 15, x, 20, 30 is 20. Find out the missing value.  
 (a) 10 (b) 15  
 (c) 5 (d) 25
10. Mean marks obtained by a student in his 5 subjects are 12. In English, he secured 10 marks, in Economics 12, in Mathematics 15 and in Commerce 9. Find out the marks he secured in statistics.  
 (a) 14 (b) 16  
 (c) 15 (d) 12

**11. Match the following: -**

	Column I		Column II
(a)	Weighted Arithmetic Mean	(i)	Sum of observations ÷ Number of observations
(b)	Combined arithmetic mean	(ii)	Mean = A + $\left[ \left( \frac{\sum f \cdot D'_m}{\sum f} \right) \times C \right]$
(c)	Step deviation method	(iii)	$\frac{\sum WX}{\sum W}$
(d)	Simple arithmetic mean	(iv)	$\frac{[(\bar{X}_1 \times N_1) + (\bar{X}_2 \times N_2)]}{(N_1 + N_2)}$

**ASSERTION REASON BASED QUESTIONS:**

Read the following statements and choose one of the correct alternatives given below.

- (a) Both assertion (A) and reason (R) are true and R is the correct explanation of A.  
 (b) Both assertion (A) and reason (R) are true and R is not the correct explanation of A.  
 (c) Assertion (A) is true but reason (R) is false.  
 (d) Assertion (A) is false but reason (R) is true.

12. Assertion (A): The sum of deviations of the observations from their arithmetic mean is always zero.

Reason (R): The sum of positive deviations from mean is equal to sum of negative deviations.

13. Assertion (A): Arithmetic mean cannot be computed for a qualitative data  
 Reason (R): Arithmetic mean gives more importance to higher item of a series.

**Short Answer Questions:**

14. Mean marks for a combined group are 50. The mean of first group with 10 observations is 25 and the number of observations is half as compared to the first group. The mean of second group is .....

15. The marks of 10 students in economics period test are 12, 15, 18, 20, 22, 25, 16, 10, 8, 5. Calculate the arithmetic mean.

16. Calculate the arithmetic mean using direct method for the following data.

Marks	10	20	30	40
No. of Students	5	6	4	10

17. From the data below, answer the following questions.

i) Prepare a frequency array

ii) Calculate the arithmetic mean using short cut method

12, 15, 18, 12, 20, 25, 10, 5, 4, 10, 12, 15, 18, 20, 20, 15, 5, 5, 5, 4

18. Calculate arithmetic mean using step deviation method:

Class Intervals (Less than)	15	25	35	45	55
No. of Students	20	25	35	43	50

19. A survey report shows that 10 student of Class XI has pocket money at an average of Rs. 1500 per month. While cross checking it, it was found that one observation was wrongly written as 800 instead of 200. Calculate the correct average of pocket money.

20. The mean weight of class XI A is 55 kg with 25 as class strength. The same numbers of class XI B are 60 kg and 20 students. Calculate the combined mean weight of the two sections.

21. Calculate the missing value if mean of the given series is 40.

Class Intervals	10-20	20-30	30-40	40-50	50-60
Frequency	2	6	10	?	8

22. Calculate arithmetic mean using Assumed Mean Method

Wages (In Rupees)	12	15	18	21	24	27
No. of Workers	5	4	6	7	3	5

**Long Answer Questions:**

23. A student scored 50 in Hindi, 65 in English, 80 in Mathematics, 75 in Economics and 60 in science. It was decided to give thrice as much weightage to Hindi, English and Mathematics as compared to Economics and twice the weightage of Economics to the subject Science. Calculate the Weighted Mean Marks of the student.

24. Calculate mean from the following data:

CI	2-4	6-8	10-12	14-16	18-20
Frequency	2	6	8	10	4

25. From the following distribution of marks obtained by 50 students in Economics. Calculate the average marks.

Marks	More than 0	More than 10	More than 20	More than 30	More than 40	More than 50
No. of Students	50	45	38	26	10	4

**CHAPTER 8 STATISTICS – MEDIAN AND MODE**

**MULTIPLE CHOICE QUESTIONS:**

- Median divides the series into ..... parts. (2/4/10/100)
- Mode is the value which repeats itself ..... (maximum/minimum) number of times.
- The most suitable average of qualitative measurement is:
  - Mean
  - Median
  - Mode
  - None of the above

4. Which average is affected most by the presence of extreme items?  
 (a) Mean (b) Median  
 (c) Mode (d) None of the above
5. Bar diagrams are used to determine .....  
 (a) Mean (b) Median  
 (c) Mode (d) None of the above
6. The value of X variable corresponding to the point of intersection of cumulative frequency curves given the value of:  
 (a) Mean (b) Median  
 (c) Mode (d) None of the above
7. Which of the following is not affected by the presence of extreme values?  
 (a) Median (b) Quartile  
 (c) Both a & b (d) None of these
8. Which one of the following is a measure of median.  
 (a) Q1 (b) Q2  
 (c) Q3 (d) Q4

**ASSERTION REASON BASED QUESTIONS:**

Read the following statements and choose one of the correct alternatives given below.

- (a) Both assertion (A) and reason (R) are true and R is the correct explanation of A.  
 (b) Both assertion (A) and reason (R) are true and R is not the correct explanation of A.  
 (c) Assertion (A) is true but reason (R) is false.  
 (d) Assertion (A) is false but reason (R) is true.
9. Assertion (A) In case of symmetrical distribution, the value of mean, median and mode are equal.  
 Reason (R) The frequency curve is not bell shaped in case of symmetrical distribution.
10. Assertion (A) Median is a positional average which divides the distribution in two equal parts.  
 Reason (R) Positional average like median and quartiles are affected by extreme items of the series.
11. Formula  $Z = 3 \text{ Median} - 2 \text{ Mean}$  is used in case of (Symmetrical/Asymmetrical) distribution.

**Short Answer Questions:**

12. If mode of a series is 15 and Mean is 18, calculate the value of Median.  
 13. Calculate median for the following data: 12, 16, 19, 10, 12, 17  
 14. Based on the data below, answer the following questions:

12	10	25	26	12	10	45	12	10	45	12	16	10	12	45
----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

15. Calculate Median for the following data:

X (Marks)	10-20	20-30	30-40	40-50	50-60
F (Number of Students)	10	12	20	25	35

16. Calculate Median  $Q_1$  and  $Q_3$ :

Class Intervals (Less than)	20	40	60	80	100
Frequency	12	25	36	40	60

17. Calculate

- a) Median  
 b) Maximum value of lowest 25% of the values  
 c) Minimum value of top 25% of the values

Class Intervals	2-4	6-8	10-12	14-16	18-20
Frequency	2	4	6	3	2

18. Find the missing values, if the median of the series is 40 and the sum of observations is 40.

Class Intervals	10-20	20-30	30-40	40-50	50-60
Frequency	2	$F_1$	10	$F_2$	8

19. For the following data, calculate the value of:

- (a) Arithmetic Mean (b) Median (c) Mode

Mid Values	12	14	16	18	20
Frequency	2	6	7	8	2

20. Calculate the value of Median graphically:

CI	1-10	11-20	21-30	31-40	41-50
F	4	6	3	5	7

21. Calculate Mode for the following data:

Marks	10	22	14	16	18	20
No. of Students	2	6	8	8	2	1

**Long Answer Questions:**

22. Calculate Mode using Graphical Method

Mid Values	10	20	30	40	50	60
Frequency	2	4	5	3	2	4

23. Calculate Mode

CI (More than)	10	20	30	40	50	60	70
Frequency	20	18	15	12	10	4	0

24. For the data as follows, calculate Mode using Grouping Method:

CI	10-20	20-30	30-40	40-50	50-60	60-70
Frequency	10	12	15	18	16	15

25. Calculate the missing value if Mode of the give series is 65.

CI	10-20	20-40	40-60	60-100	100-120
Frequency	10	15	?	25	10

26. Calculate the values of  $Q_1$  and  $Q_3$  from the following information.

Wages	0-10	10-20	20-30	30-40	40-50
No. of Workers	22	38	46	35	19

**Chapter -9 STATISTICS  
COEFFICIENT OF CORRELATION**

**Multiple Choice Questions:**

- \_\_\_\_\_ is the situation when two variables move in the same direction.
  - Positive correlation
  - Negative correlation
  - Correlation
  - Zero correlation
- When two variables change in constant proportion it is known as;
  - Positive correlation
  - Negative correlation
  - Linear correlation
  - Non-linear correlation
- Which of the following stages in statistical study uses correlation as a statistical tool?
  - Data Collection
  - Data Presentation
  - Data Analysis
  - Data Interpretation
- The value of r is not affected by the change of
  - Origin
  - Scale
  - Both (A) and (B)
  - Neither (A) nor (B)
- Who developed rank correlation?
  - Ronald Fisher
  - Karl Pearson
  - W. Edwards
  - C.E. Spearman
- The unit of correlation coefficient between height in feet and weight in kgs is:
  - Kg/Feet
  - Percentage
  - Non-existent
  - None of these
- The range of simple correlation coefficient is:
  - 0 to infinity
  - 
  - Both (A) and (B)
  - None of these
- If  $r_{xy} = 0$ , the variable x and y are:
  - Linearly related
  - Non linearly related
  - Independent
  - None of these

**Assertion and reason:**

In the following questions , a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (A) Both Assertion and Reason are correct and Reason is the correct explanation for Assertion.
- (B) Both Assertion and Reason are correct but reason is not the correct explanation for assertion.
- (C) Assertion is correct but Reason is incorrect.
- (D) Both Assertion and Reason are incorrect.

1. ASSERTION: The correlation between two variables “Intensity of cold” and “Sale of woollen clothes” is positive.

REASON: The value of correlation between +1 and -1.

2. Assertion- Quantitative method of calculating correlation is given by Karl Pearson. Reason – Karl Pearson’s coefficient of correlation is generally written as ‘ $\gamma$ ’

3. Assertion- coefficient of correlation has no unit.

Reason- negative value of correlation coefficient indicates a positive relation.

**Read the statements given below and choose the correct alternative:**

- (a) Both are correct
- (b) Both are incorrect
- (c) Statement 1 is correct and statement 2 is incorrect
- (d) Statement 1 is incorrect and statement 2 is correct

1. Statement 1- perfect correlation happens when two variables change in the same proportion.

Statement 2- when there is no relationship between two series or variables then it is known as the absence of correlation.

2. Statement 1- Correlation is a perfectly negative change in two variables in the same direction.

Statement 2- Correlation is perfectly positive when changes in the two variables are in the opposite direction.

3. Statement 1- The graphic expression of the direction and the degree of correlation is offered by Karl Pearson method

Statement 2- Scatter diagram method is simple and indicates whether the relation is positive or negative.

**Case study:**

Read the following hypothetical case study, carefully and answer the following questions on the base of the same:

Correlation studies and measures the direction and intensity of relationships among variables. Correlation does not measure causation. Correlation should never be interpreted as implying cause and effect relation. The presence of correlation between two variables X and Y simply means that when the value of one variable is found to change in one direction, the value of the other variable is found to change either in the same direction or in the opposite direction, but in a definite way. For simplicity, we assume here that the correlation, if it exists, is linear. i.e. the relative movement of the two variables can be represented by drawing a straight line on graph paper.

- 1. \_\_\_\_\_ measures the relationship between two or more variables (Correlation/Range)
- 2. At the value of r -1 then there is a perfect - correlation between X and Y. (positive/negative)
- 3. In \_\_\_\_\_ correlation, two variables move in same direction. (Positive/negative)
- 4. Correlation is denoted by \_\_\_\_\_ (r/c)

**Match the following.**

Column - I	Column - II
1. Correlation	(A) Variables change in the same direction
2. Positive Correlation	(B) Variables change in the opposite direction
3. Negative Correlation	(C) Represented by straight line
4. Linear Correlation	(D) Measures the direction and intensity of

5. Non-Linear Correlation	relationship among variables
6. Scatter diagram	(E) Graphical presentation of direction and degree of correlation between variables.
7. Kart Pearson measure of correlation	(F) Represented by a smooth curve
8. $r = 0$	(G) Rank correlation
9. The value of $r$ lies between	(I) -1 and +1
	(J) Variables are not Linearly related

**NUMERICALS: Answer the following questions:**

1. Ranking of 10 students in Hindi and English on the basis of marks obtained are:

<b>X</b>	6	5	3	10	2	4	9	7	8	1
<b>Y</b>	3	8	4	9	1	6	10	7	5	2

2. Calculate rank coefficient of correlation.

Make a scatter diagram from the following data and interpret the result.

X	4	5	6	7	8	9	10	11	12
Y	78	72	66	60	54	48	42	36	30

3. Given the following pairs of values of the variables X and Y, Make a scatter diagram and comment on the nature of relationship between variables X and Y.

X	1	2	3	4	5	6	7	8
Y	11	12	15	20	24	18	26	29

4. Find the coefficient of correlation between X and Y series from the data. Use Karl Pearson's coefficient of correlation:

X	10	12	8	15	20	25	40
Y	15	10	6	25	16	12	8

5. Calculate coefficient of correlation for the ages of husband and wife.

Age of husband	24	25	22	30	34	37
Age of wife	20	21	18	26	28	30

6. Two judges in a beauty competition rank the 12 entries as follows:

X	1	2	3	4	5	6	7	8	9	10	11	12
Y	12	9	6	10	3	5	4	7	8	2	11	1

7. Calculate Karl Pearson's coefficient of correlation from the following data.

<b>X</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>12</b>
<b>Y</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>14</b>

**8. What is the difference between negative and positive correlations? Give an example of each.**

**9. Why does rank correlation coefficient differ from Pearson's correlation coefficient?**

**CHAPTER-10 STATISTICS INDEX NUMBERS**

**Multiple Choice Questions:**

1. A simple aggregate quantity index is used to measure the:

- (A) change in quantity of a good
- (B) change in price of a good
- (C) overall change in price of a group of goods
- (D) overall change in the quantity of a group of goods

2. What is the ratio of a new price to the base year price called?

- (A) Price increase
- (B) Price relative
- (C) Price decrease
- (D) Price absolute

3. What is the percentage increase if index for a year is 130 to the base?
  - (A) 130 percent
  - (B) 150 percent
  - (C) 30 percent
  - (D) 20 percent
4. Which of the following weights are used in the Paasche price index?
  - (A) Base year
  - (B) Current year
  - (C) Average of (A) and (B)
  - (D) None of the above
5. What is fixed in the Laspeyres price index?
  - (A) Base year prices
  - (B) Base year quantities
  - (C) Current year prices
  - (D) Current year quantities
6. Rate of inflation is calculated by using
  - (A) Wholesale Price Index
  - (B) Consumer Price Index
  - (C) Industrial Price Index
  - (D) Agricultural Price Index
7. An index number which accounts for the relative importance of the items is known as
  - (i) Weighted index
  - (ii) Simple aggregative index
  - (iii) Simple average of relatives
  - (iv) None of the above
8. The impact of change in the price of a commodity with little weight in the index will be:
  - (i) Small
  - (ii) large
  - (iii) uncertain
  - (iv) no change
9. A consumer price index measures changes in
  - (i) retail prices
  - (ii) wholesale prices
10. The item having the highest weight in consumer price index for industrial workers is
  - (i) Food
  - (ii) Housing
  - (iii) Clothing
  - (iv) All of these

**State whether the following statements are true or false.**

1. Index numbers are expressed in terms of percentage.
2. Index numbers are the exact indications of relative changes.
3. Construction of simple index numbers requires weight
4. Current period is the period with which the comparison is to be made.
5. We obtain the same index number whether we use simple index method or weighted index method.
6. A poor family spends proportionately more on food than a rich family.
7. Laspeyre's price index uses current year quantities as weights.
8. Consumer Price Index (CPI) indicates the change in the general price level.
9. Inflation refers to a situation of rise in the general price level in a country over a fairly long period of time.

Match the following.

Column -I	Column -I
1. Index number	(A) $\frac{\sum P_1}{\sum P_0} \times 100$
2. Base year	(B) $\frac{\sum P_1 q_0}{\sum P_0 q_0} \times 100$
3. Aggregate Method	(C) A statistical tool for measuring change in variable
4. Laspeyre's Method	(D) The period with which the comparison is to be made
5. Paasche's Method	(E) Cost of living index
6. Consumer Price Index (CPI)	(F) $\frac{\sum P_1 q_1}{\sum P_0 q_1} \times 100$
7. Wholesale price index	
8. Base year for Index of Industrial production	
9. HDI	

10. Base year for Sensex	(G) 2011-12=100 (H) Indicates the change in general price level (I) 1978-79 (J) Measures development of a country
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### ASSERTION REASON QUESTIONS:

Read the following statements- Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

- (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true and Reason (R) is false.
- (d) Assertion (A) is false and Reason (R) is true.

1. Assertion (A): Fisher's index number is an ideal index number.

Reason (R): Fisher index number correctly predicts the expenditure index and it satisfies both time reversal test as well as factor reversal test.

2. Assertion (A): Index numbers act as economic barometers

Reason (R): Index numbers are used in planning and formulating various government and business policies.

### Fill in the blanks with correct answer.

2. \_\_\_\_\_ index numbers measure and facilitate comparison of the prices of certain period.

3. A production index is an important indicator of the \_\_\_\_\_ level in the economy. (output/price)

4. An index number of 200 reflect that the value is ----- that of the base period. (twice/equal)

5. All items are given \_\_\_\_\_ weights in simple index method. (equal/unequal)

6. Paasche's price index uses \_\_\_\_\_ year quantities as weights. (base/current)

7. \_\_\_\_\_ measures the average change in prices.

8. WPI is widely used to measure the rate of \_\_\_\_\_.

9. \_\_\_\_\_ is a useful guide for investors in the stock market

10. Index numbers help in framing economic \_\_\_\_\_.

### CASE STUDY:

**Read the following hypothetical case study carefully and answer the following questions on the base of the same:**

An index number is a statistical device for measuring changes in the magnitude of a group of related variables. In other words. it is a measure of the average change in a group of related variables two different situations. It represents the general trend of diverging ratios from which it is calculated the comparison may be between categories such as persons, schools, hospitals, etc. An index number also measures changes in the value of the variables such as prices of specified list of commodities. volume of production in different sectors of an industry, production of various agricultural crops, cost of living, etc.

Questions:

- 1. index numbers are expressed in terms of. (percentage/natural numbers)
- 2. period is the period with which the comparison is to be made. (Base/Current)
- 3. A consumer price index measures changes in \_\_\_\_\_ price. (retail/wholesale)
- 4. Base year is denoted by \_\_\_\_\_. (O/1)

**Answer the following questions:**

1. What are the desirable properties of the base year?
2. Why is it essential to have different CPI for different categories of consumers?
3. If the salary of a person in the base year is Rs. 4000 per annum and the current year salary is Rs. 6000, by how much should his salary be raised to maintain the same standard of living if the CPI is 400?
4. Certain difficulties have to be faced while constructing CPI. Do you agree? Comment.
5. Mention the limitations of index number.

**Numerical questions:**

1. Construct an index number for the year 2013, from the data given below taking 2012 as the base year. Use simple aggregative method.

Items	1	2	3	4	5
Price 2013:	50	40	80	110	20
Price 2014:	70	60	90	120	20

2. Find index number for 2013 taking 2012 as base year using weighted index of price relatives method

Item	1	2	3	4	5
Weight	40	30	15	10	5
Price 2012	100	200	500	800	100
Price 2013	200	800	400	400	600

3. From the following data construct an index for 2006 taking 2005 as base. Use average of price relative method.

Item	Price 2005	Price 2006
1	50	70
2	40	60
3	80	90
4	110	120
5	20	20

4. Construct price index using (i) Laspeyre's (ii) Paasche's method for the following data.

Item	2006		2007	
	Price	Quantity	Price	Quantity
1	2	8	4	6
2	5	10	6	5
3	4	14	5	10
4	2	19	2	13

5. The monthly per capita expenditure incurred by workers for an industrial centre during 1980 and 2005 on the following items are given below. The weights of these items are 75, 10, 5, 6 and 4 respectively. Prepare a weighted index number for cost of living for 2005 with 1980 as the base.

Items	Price in 1980	Price in 2005
Food	100	200
Clothing	20	25
Fuel and Lighting	15	20
House rent	30	40
Misc.	35	65

## CHAPTER – 1 MICRO ECONOMICS INTRODUCTION

### Multiple Choice Questions

Q1. The central problems of an economy are:

- (a) what to produce and how much (b) how to produce  
(c) for whom to produce (d) all of these

Q2. Value of a factor in its next best alternative use is

- (a) social cost (b) opportunity cost  
(c) marginal rate of substitution (d) PPC

Q3. Microeconomics is the study of:

- (a) A consumer (b) A producer (c) An industry (d) All of these

### Fill in the blanks

Q4. \_\_\_\_\_ is the value of a factor in its next best alternative use.

Q5. \_\_\_\_\_ technique is the one which produces maximum at minimum cost.

Q6. \_\_\_\_\_ is the study of aggregate units of an economy.

### State True or False

Q7. "Microeconomics and macroeconomics are independent branches of economy".

Q8. "The opportunity cost of a plot of a land which can produce only one crop is zero".

### Very Short Answer Type Questions

Q9. "Scarcity and choice go all together". Defend or refute.

Q10. Define marginal opportunity cost.

Q11. What is the meaning of "for whom to produce"?

Q12. What is meant by economizing of resources?

### Short answer type questions

Q13. Explain briefly central problems relating to allocation of resources.

Q14. Distinguish between Microeconomics and Macroeconomics.

Q15. Why does an economic problem arise? Explain.

### Numerical questions

Q16. Calculate MOC of good X and draw PPC from the following data:

Good X	0	1	2	3	4	5
GOOD Y	30	28	24	18	10	0

Q17. Complete the following table:

GOOD A	0	1	2	3	4
GOOD B	14	-	-	-	-
M O C	-	1	2	3	6

Q18. Calculate MOC and discuss the shape of PPC:

Production of Wheat	0	1	2	3
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Production on Rice	12	7	7	0
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**High order thinking skill questions (HOTS)**

Q19. "Economic goods command price". Defend or refute.

Q20. A basic economic problem is that there is oil shortage in India. What measures do you suggest to meet the growing demand of oil?

**Conceptual questions**

Q21. Using a diagram explain what will happen to the PPC of Bihar if the river Kosi causes widespread floods?

Q22. How does Maruti Udyog Ltd. Fix the prices of its cars, is it studied in macroeconomics??

Q23. Production in an economy is below to its potentiality due to unemployment. Government starts employment generation schemes. Explain its effects by using production possibility curve.

**NCERT Questions**

Q24. Discuss the subject matter of economics.

Q25. What do you understand by positive and normative economic analysis?

## Chapter – 2 MICRO ECONOMICS CONSUMER'S EQUILIBRIUM

### Multiple Choice Questions

Q1. In case of cardinal utility analysis, utility is measured in:

- (a) utils (b) ranks (c) rupees (d) all of these

Q2. . In case of ordinal utility analysis, utility is measured in:

- (a) utils (b) ranks (c) rupees (d) all of these

Q3. As long as marginal utility is positive, total utility:

- (a) remains constant (b) increases (c) falls (d) all of these

### Fill in the blanks

Q4. Indifference curve analysis is given by \_\_\_\_\_.

Q5. Law of DMU is given by \_\_\_\_\_.

### State True or False

Q6. "TU remains same always irrespective of change in MU"

Q7. A consumer can go beyond the budget line.

### Assertion Reason Questions

Q8. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): An indifference curve slopes downwards. It means that an indifference curve has a negative slope implying that if the consumer wants to have more units of one good, he will have to reduce the number of units of another good in order to maintain the same level of satisfaction.

Reason (R): An indifference curve touches X-axis or Y-axis. Indifference curve analysis is based on ordinal utility analysis which assumes consumption of two goods. If it touches X-axis or Y-axis, it will be again the assumption.

- 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

Q9. Read the following statements Assertion (A) and Reason (R) .

Choose one of the correct alternatives given below:

Assertion (A): Consumption of good beyond the point of satiety causes disutility.

Reason (R): Point of satiety represents maximum satisfaction. Consumption of further units causes negative marginal utility.

- 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

### Very Short Answer Type Questions

Q10. What does budget line in terms of price and money income indicate?

Q11. What is consumer's equilibrium?

Q12. What is MU when TU is maximum?

Q13. State the law of diminishing marginal utility

### Short Answer Type Questions

Q13. Explain determination of consumer's equilibrium in case of single commodity using utility analysis/approach.

Q14. Giving reasons, comment on the following statements:

1. A consumer's equilibrium is always formed at a point on the given budget line.
2. A consumer's equilibrium will shift to a higher indifference curve with an increase in consumer's income.

Q15. Explain the condition of consumer's equilibrium under indifference curve approach.

Q 16. "law of diminishing marginal utility will operate even if consumption takes place in intervals". Defend or refute.

### Long answer type questions

Q17. Define total utility and marginal utility. Explain the consumer's equilibrium with the help of a suitable schedule and diagram.

Q18. Explain the shift in budget line.

Q19. Determine consumer's equilibrium with the help of utility analysis in case of single/two commodities.

Q19. What is indifference curve? Explain diagrammatically.

### High order thinking skill questions (HOTS)

Q20. Suppose a consumer can buy 6 units of good A and 2 units of good B when he spends his entire income. Price of good A is Rs. 10 and that of good B is Rs. 8. Calculate money income of consumer.

Q21. Let there be three bundles containing good X and good Y, Bundle (20,10), Bundle (20,20) and Bundle (8,20). If a consumer has monotonic preferences, which bundle will be preferred by him?

Q22. Given that a consumer has to buy a combination of 2 goods X and Y. If his income is Rs. 60 and the goods are priced Rs. 10 each, write the bundles he can buy to be on budget line.

Q23. 'Higher indifference curve represents higher level of satisfaction to the consumer'. Explain the statement, also state the underlying assumption related to this property of indifference curve.

## CHAPTER – 3 MICRO ECONOMICS THEORY OF DEMAND

### Multiple Choice Questions

Q1. The factor which causes movement along the demand curve is:

- (a) price of the commodity (b) income of the consumer  
(c) price of other goods (d) tastes of the consumer

Q2. The effect of change in price of related goods on demand of a commodity is:

- (a) income effect (b) substitution effect  
(c) cross-price effect (d) none of these

Q3. The demand of these goods varies directly with income

- (a) substitute goods (b) inferior goods (c) normal goods (d) giffen goods

### Fill in the blanks

Q4. In case of \_\_\_\_\_ goods, price effect is positive.

Q5. The cause of change in demand is change in \_\_\_\_\_.

### State True or False

Q6. Demand curve of tomatoes will not shift with change in its price.

Q7. Unequal distribution of income shifts the demand curve to its left.

### Assertion Reason Questions

Q8. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): The demand of normal goods varies directly with income.

Reason (R): The demand curve of normal goods shifts to its right with fall in income of the consumer.

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

Q9. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): Extension of demand refers to rise in demand of a commodity due to fall in its price assuming other factors remaining constant. It is shown by movement from an upper point to a lower point on the same demand curve.

Reason (R): Other things, being equal, when demand of a commodity falls due to rise in its price is represented by movement from a lower point to an upper point on the same demand curve.

- 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

### Short Answer Type Questions

Q10. Give 3 reasons of a leftward shift of demand curve.

Q11. Do you think that the law of demand does not apply on miser people or people with special needs?.

Q12. Distinguish between movement along a demand curve and shift in demand curve with the help of diagrams.

Long answer type questions

Q13. Explain briefly any three factors which lead to decrease in demand.

Q14. Differentiate between:

- (i) Normal good and inferior good and
- (ii) Complementary goods and substitute goods. Give examples.

Q15. Explain with the help of diagram the effect of the following changes on the demand of a commodity.

- (i) A fall in the price of substitute goods
- (ii) A favorable change in the taste of the buyer

Q16. Explain with the help of diagram the effect of the following changes on the demand of a commodity.

- (i) A new steel plant comes up in Jharkhand people who were previously unemployed in the area are now employed. How will this effect the demand for colour T.V and Black and White T.V in the region?
- (ii) There are train and bus services between New Delhi and Jaipur . Suppose that the train fare between the two cities comes down. How will this affect demand curve for bus travel between the two cities?

## CHAPTER - 4 MICRO ECONOMICS ELASTICITY OF DEMAND

### Multiple Choice Questions

Q1. A good which has inelastic demand is:

- (a) salt
- (b) medicines
- (c) textbooks
- (d) all of these

Q2. The factors affecting price elasticity of demand are:

- (a) nature of the commodity
- (b) time period
- (c) availability of close substitutes
- (d) all of these

Q3. Perfectly elastic demand is represented by a curve which is:

- (a) parallel to x-axis
- (b) rectangular hyperbola
- (c) parallel to y - axis
- (d) straight line downward sloping

### State True or False

Q4. Slopes of a demand curve and elasticity of a demand curve the same thing.

Q5. Demand curve of a good is steeper when percentage change in its demand is

more than percentage change in its price.

#### **Very Short Answer Type Questions**

Q6. Define price elasticity of demand.

Q7. What is the shape of perfectly inelastic demand curve?

Q8. What is the shape of perfectly elastic demand curve?

Q9. What is the shape of unitary elastic demand curve?

#### **Long answer type questions**

Q10. Explain the percentage method to measure price elasticity of demand with the help of an example.

Q11. Explain any 4 factors that affect price elasticity of demand. Give suitable examples.

Q12. Explain diagrammatically greater/less than unitary elastic demand.

#### **High order thinking skill questions (HOTS)**

Q13. When price of a good is 7 per unit, a consumer buys 12 units. When price falls to 6 per unit, he spends 72 on the good, Calculate Price Elasticity of Demand by using percentage method. Comment on the likely shape of demand curve based on this measure of elasticity.

Q14. A person buys 10 units of a good at Rs. 6 per unit. When the price falls to Rs. 5 per unit he buys 14 units. Calculate degree of price elasticity of demand.

Q15. A consumer buy 40 units of a commodity at price rs 5 per unit and P E D is -1.5. calculate the amount he will buy at price rs 4 per unit of a commodity.

### **CHAPTER – 5 MICRO ECONOMICS PRODUCTION FUNCTION**

#### **Multiple Choice Questions**

Q1. The time period in which production can be increased by increasing the quantity of variable factor only

(a) very short period (b) long period

(c) short period (d) none of these

Q2. Production function refers to functional relationship between inputs and \_\_\_\_\_

(a) cost (b) output (c) revenue (d) profit

Q3. Total product falls when MP

(a) falls positively (b) rises (c) is zero (d) is negative

#### **Fill in the blanks**

Q4. Law of variable proportion is applicable in \_\_\_\_\_

Q5. When MP is negative, TP \_\_\_\_\_

Q6. TP is summation of \_\_\_\_\_

#### **State True or False**

Q7. Both MP and AP can be zero.

Q8. With increase in level of output, average fixed cost goes on falling till it reaches zero.

#### **Very Short Answer Type Questions**

Q9. Can Average product be zero or negative?

Q10. Give the meaning of production function.

Q11. In which period, some factors of production are fixed and other variable?

Q12. What change will take place in marginal product, when total product increases at a diminishing rate?

#### **Short answer type questions**

Q13. Explain the concept of production function.

Q14. What is meant by variable factor and fixed factor? Give two examples of each.

Q15. Define the following terms:

(i) Total product (ii) Average product (iii) Marginal product

#### **Long answer type questions**

Q16. Explain the law of variable proportions with the help of total and marginal physical product curves.

Q17. Discuss the relationship between

(i) TP and MP

(ii) AP and MP

Q18. Explain the reasons for:

(i) Increasing returns to a factor

(ii) Diminishing returns to a factor

**High order thinking skill questions (HOTS)**

Q19. From the following units, find out the phase during which there are increasing returns to a factor. Give reasons for your answer.

UNITS OF LABOUR	1	2	3	4	5
AVERAGE PRODUCT	10	12	14	14.5	14

Q20. Complete the following table

Units of labour	TP	AP	MP
0	0	-	-
1	-	-	20
2	-	-	26
3	66	-	-
4	-	19	-
5	-	-	4

Q21. Output of food grain in India at one stage was less than its domestic demand. Now it is not. Does it mean that the law of diminishing returns has failed in Indian agriculture?

Q22. FDI not only brings investment in the domestic economy, it also brings new technology. How would the availability of new technology( relating to auto industry) impact the short period production function of a car manufacturer in India?

## MICRO ECONOMICS CHAPTER 6 COST

### Multiple Choice Questions

- Q1. When MC is less than AC  
(a) AC rises (b) AC falls (c) AC is minimum (d) AC is constant
- Q2. At zero level of output TC is equal to  
(a) TVC (b) TFC (c) AFC (d) AVC
- Q3. Example of fixed cost  
(a) cost of raw material (b) cost of fuel  
(c) depreciation of machinery (d) all of these

### Fill in the blanks

- Q4. \_\_\_\_\_ refers to per unit variable cost of production.  
Q5.  $TVC = \text{_____} MC$  Q6. Average cost refers to per unit \_\_\_\_\_ cost of production.

### State True or False

- Q7. "ATC and AVC curves intersect"  
Q8. "Total cost rises only when marginal cost rises"

### Very Short Answer Type Questions

- Q9. Give two examples of fixed cost of a firm.  
Q10. Can AC be more than MC when AC is rising?  
Q11. How is MC derived from TVC? Q12. Define fixed costs.

### Short answer type questions

- Q13. What is the shape of TC and TVC curves? Why are TC and TVC curves parallel to each other? Explain  
Q14. State the relation between TC and MC.  
Q15. Distinguish between fixed and variable costs.  
Q16. What is the behaviour of average fixed cost as output is decreased and why?

### Long answer type questions

- Q16. Draw average total cost and marginal cost in a single diagram. Also explain the relation between marginal cost and average total cost with the help of a diagram.  
Q17. Why does the minimum point of AC curve fall towards right of minimum point of AVC curve?  
Q18. Explain with the help of suitable table and diagram that total cost is the sum of fixed cost and variable cost.  
**High order thinking skill questions (HOTS)**  
Q19. What is the relationship between AC and MC?  
Q20. What does a (i) fall in average cost (ii) rise in average cost and (iii) constant average cost mean?  
Q21. What is the relationship between TVC and MC?  
Q22. Give the relationship between AVC and MC?

## CHAPTER – 7 MICRO ECONOMICS REVENUE

### Multiple Choice Questions

- Q1. Price of a commodity is  
(a) TR (b) MR (c) AR (d) None of these
- Q2. As long as MR is positive, TR  
(a) decreases (b) increases (c) remains constant (d) none of these
- Q3. In monopolistic competition  
(a)  $MR < AR$  (b)  $MR > AR$  (c)  $MR = AR$  (d) None of these

### Fill in the blanks

- Q4. When TR falls, \_\_\_\_\_ is negative.  
Q5. When TR is maximum, MR is \_\_\_\_\_.  
Q6. In monopoly both AR and MR curves are \_\_\_\_\_ sloping.

### State True or False

Q7. MR can never be zero.

Q8. AR curve under perfect competition is a downward sloping curve.

### **Very Short Answer Type Questions**

Q9. What is meant by revenue in microeconomics?

Q10. Define total revenue.

Q11. How are the total revenue of a firm, market price, and the quantity sold by the firm related to each other?

Q12. Define average revenue.

### **Short answer type questions**

Q13. Explain the relation between MR and AR when a firm is able to sell more quantity of output.

(i) at the same price (ii) only by lowering the price

Q14. Explain the relation between total revenue and marginal revenue with the help of a revenue schedule and diagram.

Q15. What change in TR will result in: (i) A decrease in MR (ii) An increase in MR?

Q16. How do changes in MR affect TR?

### **Long answer type questions**

Q15. Explain the relationship among TR, AR and MR with the help of a diagram.

Q16. Discuss the relationship between AR and MR when price is reduced to sell more.

Q17. Discuss the relationship between TR and MR when price is reduced to sell more.

### **High order thinking skill questions (HOTS)**

Q18. Prove that area under AR (and MR) curve is equal to total revenue in case of perfect competition.

Q19. What is the relationship between (i) TR and MR when price falls with rise in output

(ii) AR and MR when price falls with rise in output.

## **MICRO ECONOMICS CHAPTER 8 PRODUCER EQUILIBRIUM**

### **Multiple Choice Questions**

Q1. A producer aims to produce that level of output at which:

(a)  $MR = MC$  (b)  $MC > MR$   
(c) both (a) and (b) (d) neither (a) nor (b)

Q2. In perfect competition, a firm achieves equilibrium when:

(a)  $MC = MR$  (b)  $MC > MR$   
(c) MC is rising when it cuts MR (d) all of these

Q3. Which of the following is true in perfect competition at equilibrium

(a)  $MR = MC$  (b)  $AR = MC$  (c) Price = MC (d) all of these

### **Fill in the blanks**

Q4. Economic \_\_\_\_\_ refers to excess of total revenue over total cost.

Q5. MC \_\_\_\_\_ MR after equilibrium level of output at  $MC = MR$ .

Q6. A firm earns \_\_\_\_\_ profit when its  $AR = AC$ .

### **State True or False**

Q7. Normal profits are earned by a firm when Price > AC.

Q8. At producer's equilibrium super normal profits are earned when  $MR > MC$ .

### **Very Short Answer Type Questions**

Q9. Give the meaning of producer's equilibrium.

Q10. What is break even point? Q11. Define profits.

Q12. At a particular level of output, a producer finds that  $MC > MR$ . What will a producer do to maximize his profit?

### **Short answer type questions**

Q13. Define producer's equilibrium. State its conditions.

Q14. Explain with the help of TR and TC data, how does a producer choose the

maximum profit position?

Q15. Explain producer's equilibrium in terms of total cost and total revenue.

**Long answer type questions**

Q16. Can there be a positive level of output that a profit maximizing firm produces in a competitive market at which market price is not equal to marginal cost? Give an explanation.

Q17. Explain the short run equilibrium conditions in a perfect competitive market.

Q18. Explain the producer's equilibrium conditions in an imperfect market.

**High order thinking skill questions (HOTS)**

Q19. From the following units, find out the phase during which there are increasing returns to a factor. Give reasons for your answer.

Q20. Will a profit maximizing firm in a competitive market ever produce a positive level of output in the range where the marginal cost is falling? Give an explanation.

**MICRO ECONOMICS CHAPTER 9 THEORY OF SUPPLY**

**Multiple Choice Questions**

Q1. The factor causing extension in supply of a good is

- (a) increase in number of firms (b) decrease in tax rate  
(c) improvement in technology (d) increase in price of the good

Q2. An increase in price of inputs will shift the supply curve

- (a) to its left (b) to its right (c) no change (d) none of these

Q3. The following factor will cause increase in supply of a good

- (a) Rise in price of good (b) increase in excise tax rate  
(c) Improvement in technology (d) all of these

Q4. In case of \_\_\_\_\_ in supply, supply of the good rises at the same price:

- (a) decrease (b) increase (c) extension (d) contraction

Q5. The market supply of a good is determined by

- (a) excise tax rate (b) state of technology (c) price of inputs (d) all of these

**Fill in the blanks**

Q6. Due to fall in price of input, there is \_\_\_\_\_ shift in supply curve.

Q7. Supply curve will shift to its \_\_\_\_\_ (right/left) due to fall in price of inputs.

Q8. Stock refers to a \_\_\_\_\_ (period/particular point) of time whereas supply refers to a \_\_\_\_\_ (period/particular point) of time. Q9. Increase in number of firms will cause \_\_\_\_\_ (movement/shift) in the supply curve.

**True or False**

Q10. The supply curve of a good shifts to the right when prices of other goods rise.

Q11. Market supply curve is flatter as compared to individual supply curves.

**Match the following**

Q12. Match the following items given in Column A with those in Column B.

<b>COLUMN A</b>	<b>COLUMN B</b>
(i) Less elastic supply	(a) Leftward shift in supply curve
(ii) Perfectly inelastic supply	(b) Very short period
(iii) Decrease in supply	(c) Short period
(iv) Contraction in supply	(d) Downward movement or supply curve

Q13. Identify correct pair of statements from the set of statements given below in Column I and Column II.

<b>COLUMN A</b>	<b>COLUMN B</b>
(i) Slope of supply curve	(a) Leftward shift in supply curve
(ii) Fall in price of inputs	(b) Very short period
(iii) $P_{es} > 1$	(c) Supply curve has an intercept on the Y axis
(iv) Increase in supply	(d) Rightward shift in demand curve

### Assertion Reason Questions

Q14. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): When percentage change in quantity supplied of a commodity is exactly equal to percentage change in its price, the elasticity of supply is unitary elastic. In this case co-efficient of price elasticity of supply is one.

Reason (R): The curve representing unitary elastic supply is an upward sloping straight line supply curve shooting from Y-axis or negative X-axis

- 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

Q15. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): When there is reduction in taxes on production or increase in subsidies to the producer, supply of the commodity increases and the supply curve shifts to its right.

Reason (R): Government imposes various types of taxes on production. Similarly subsidies are provided by government to encourage production. When government reduces the tax rate or increases subsidies, marginal cost of production decreases and profit margin increases. The investment rises leading to increase in production and supply of the commodity.

- 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

### Very Short Answer Type Questions

Q16. When does the shift in supply curve occur?

Q17. What do you mean by extension in supply?

Q18. What do you mean by contraction in supply?

Q19. What is increase in supply?

Q20. What is decrease in supply?

### Short Answer Type Questions

Q21. Explain any two determinants of supply of a commodity.

Q22. What is meant by 'change in supply'? State three factors that can cause a change in supply?

Q23. Explain the effect of rise in the input prices on the supply of a good.

Q24. Explain the effect of technical progress on the supply of a good.

Q25. Explain the effect of the following on the supply of a commodity:

- a) Fall in prices of factor inputs
- b) Rise in the prices of other commodities

### Long Answer Type Questions

Q26. Explain the difference between change in supply and change in quantity supplied. Mention two reasons for shift in supply curve and the reason for movement along the supply curve.

Q27. Explain the concept of supply schedule and supply curve with the help of a hypothetical schedule and diagram.

Q28. Examine the effect of:

- a) Fall in own price of good X and

- b) Rise in tax rate on good X on the supply curve. Use diagrams.

### High Order Thinking Skill Questions (HOTS)

Q29. Withdrawal of subsidy on LPG has increased its price. The production of LPG cannot be increased due to scarcity of resources. Suggest how in two ways the problem of scarcity of LPG can be solved?

- Q30. There is shortage of basic essentials like pulses, oil, wheat flour etc. What will be its impact on prices? What should be done by the government to check this?
- Q31. Under what conditions, a producer would like to supply more at a given level of price?

### **MICRO ECONOMICS CHAPTER 10 ELASTICITY OF SUPPLY**

#### **Multiple Choice Questions**

- Q1. In the short period the supply of a good is  
 (a) perfectly elastic (b) perfectly inelastic (c) unitary elastic (d) less elastic
- Q2. In case of unitary elastic supply, the supply curve starts from  
 (a) the origin (b) +X-axis (c) -X-axis (d) none of these
- Q3. A seller rise supply of a good from 100 units to 200 units at a price of Rs.10 per unit. What will be P.es?  
 (a) Infinity (b) Zero (c) One (d) Less than one

#### **Fill in the blanks**

- Q4. In case of \_\_\_\_\_ elastic supply curve, P.es = 1
- Q5. It is \_\_\_\_\_ inelastic supply of good when coefficient of P.es is zero. State True or False
- Q6. The supply curve passing through the origin are unitary elastic.
- Q7. The supply curve is a vertical straight line when coefficient of price elasticity of supply is infinity.

#### **Assertion Reason Questions**

Q8. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): When percentage change in quantity supplied is greater than the percentage change in price of the good, the elasticity of supply is said to be greater than unitary elastic.

Reason (R): Greater than unitary elastic supply curve shoots from positive X-axis.

- 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.

#### **Very Short Answer Type Questions**

- Q9. Define price elasticity of supply.
- Q10. What is the price elasticity of supply of a commodity whose straight line supply curve passes through the origin forming an angle of  $75^\circ$ ?
- Q11. When is the supply of a commodity called 'elastic'?
- Q12. Price elasticity of supply of a good is 0.8. Is the supply 'elastic' or 'inelastic', and why?

#### **Short Answer Type Questions**

- Q13. What will be the price elasticity of supply at a point on a positively sloped, straight line supply curve?
- Q14. State the percentage method of measuring price elasticity of supply (in case of straight line supply curve).

#### **Numerical Based Questions**

- Q15. Price of a good rises from Rs.10 to Rs.12 per unit, its supply rises by 40% Calculate price elasticity of supply.
- Q16. The price elasticity of supply is 2.5. At a price of Rs.5 per unit, its quantity supplied is 300 units. Calculate quantity supplied at a price of Rs.4 per unit.
- Q17. A producer supplies 200 units of a good at Rs.10 per unit. Price elasticity of supply is 2. How many units will the producer supply at Rs.11?

Q18. At a price of Rs.5 per unit of a commodity, total revenue is Rs.800. When its price rises by 20% total revenue increases by Rs.400. Calculate its price elasticity of supply.

Q19. Total revenue is Rs.400 when price of a commodity is Rs.2 per unit. When its price rises to Rs.3 unit, the quantity supplied is 300 units. Calculate price elasticity of supply.

## MICRO ECONOMICS CHAPTER 11 FORMS OF MARKET

### Multiple Choice Questions

Q1. Freedom of entry and exit takes place in

- (a) Short run (b) very short run  
(c) long run (d) all of these

Q2. \_\_\_\_\_ curve is a horizontal straight line parallel to X-axis in perfect competition.

- (a) AR (b) MR (c) both (a) and (b) (d) neither (a) nor (b)

Q3. There are only a few sellers under:

- (a) Perfect competition (b) oligopoly  
(c) Monopoly (d) monopolistic competition

### Fill in the blanks

Q4. A firm under perfect competition is price \_\_\_\_\_

Q5. AR curve under perfect competition is \_\_\_\_\_ elastic

Q6. There is restriction on entry of firms in \_\_\_\_\_

### State True or False

Q7. Under oligopoly, demand curve is indeterminate.

Q8. A monopolist can sell any quantity he likes at a price.

### Very Short Answer Type Questions

Q9. Under which market form, a firm is a price taker?

Q10. In which market form, are the average and marginal revenue of a firm always equal?

Q11. What is the effect on price when a perfectly competitive firm tries to sell more?

Q12. When is a firm called 'price-taker'?

### Short answer type questions

Q13. Explain the implications of the following features of perfect competition:

- (i) Large number of buyers and sellers (ii) Freedom of entry and exit of firms

Q14. Explain the implication of 'freedom of entry and exit of the firms' under perfect competition.

Q15. Explain 'Perfect knowledge about the markets' feature of perfect competition.

### Long answer type questions

Q16. Explain briefly three features of perfect competition.

Q17. Why can a firm not earn abnormal profits under perfect competition in the long-run? Explain.

Q18. Under what market conditions does Average Revenue always equal Marginal Revenue? Explain.

### High order thinking skill questions (HOTS)

Q19. Explain the feature 'large number of buyers and sellers' of a perfectly competitive market.

Q20. At what level of price do the firms in a perfectly competitive market supply when free entry and exit is allowed in the market? How is equilibrium quantity determined in such a market?

## MICRO ECONOMICS CHAPTER 12 PRICE DETERMINATION

### Multiple Choice Questions

Q1. The price determined by the intersection of demand curve and supply curve is

- (a) Controlled price (b) Equilibrium price  
(c) Fixed price (d) None of these

Q2. Equilibrium price remains the same when

- (a) Increase in demand = increase in supply
- (b) Decrease in demand = decrease in supply
- (c) Increase in demand when supply is perfectly elastic
- (d) All of these

Q3. Due to increase in price of inputs equilibrium price:

- a) rises                      (b) falls                      (c) remains constant                      (d) none of these

Q4. If demand and supply curves do not intersect each other at any positive quantity, the industry is: (a) making profits                      (b) in perfect competition  
(c) not economically viable                      (d) all of these

Q5. Equilibrium price rises due to:

- (a) favourable change in tastes                      (b) increase in income
- (c) increase in population                      (d) all of these

### Fill in the blanks

Q6. The situation \_\_\_\_\_ of excess demand and \_\_\_\_\_ excess supply defines market equilibrium.

Q7. Equilibrium price \_\_\_\_\_ due to rise in demand and fall in supply of the good.

Q8. Due to increase in demand, equilibrium price \_\_\_\_\_ when the supply curve is perfectly inelastic.

Q9. Equilibrium quantity \_\_\_\_\_ due to deterioration in technology.

Q10. When demand and supply both increase by same percentage, equilibrium price

### State True or False

Q11. "Demand and supply are like to blades of a pair of scissors".

Q12. Economists say inconsistent things. They say "as price falls demand rises but as demand rises, price rises".

Q13. An increase in price of coffee leads to rise in equilibrium price of tea.

Q14. Increase in demand of a commodity causes equilibrium price to rise when the supply curve is perfectly elastic.

Q15. The industry in which demand curve and supply curve of the product do not intersect each other against a positive quantity is called a non-viable industry.

### Assertion Reason Questions

Q16. Read the following statements Assertion (A) and Reason (R).

Choose one of the correct alternatives given below:

Assertion (A): Increase in income of the consumers causes increase in equilibrium price and equilibrium quantity of a normal good

Reason (R): Rise in income causes demand of a normal good by the consumers to go up. Due to excess demand, there is competition among buyers which pushes the price upwards. Due to increase in price, there is extension in supply. Market demand and market supply become equal again at a new equilibrium point. It corresponds to a higher equilibrium price and higher equilibrium quantity.

- 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.

**Match the following**

Q17. Identify incorrect pair of statements from the set of statements given below in column I and column II

COLUMN 1	COLUMN II
(A) Equilibrium price remains same	i) Decrease in demand when supply of a commodity is perfectly elastic
(B) Equilibrium quantity remains same	ii) Decrease in demand when supply of a commodity is perfectly inelastic
(C) Equilibrium price rises	iii) Increase in excise tax rate
(D) Equilibrium price falls	iv) Increase in price of inputs

**Very Short Answer Type Questions**

Q18. What happens to equilibrium price of a commodity if there is an increase in its demand and decrease in its supply?

Q19. How does an increase in input price affect the equilibrium price and quantity?

Q20. What happens to equilibrium price of a commodity if there is a decrease in its demand and increase in its supply?

Q21. What will be the effect on equilibrium price and equilibrium quantity of electronic goods, if China exports a large number of electronic goods to India?

**Short Answer Type Questions**

Q22. Define the following terms: (a) Equilibrium (b) Equilibrium price (c) Equilibrium quantity (d) Market equilibrium

Q23. Explain the effect of „increase“ in supply of a good on its equilibrium price and equilibrium quantity. Use diagram.

Q24. Explain the concept of non-viable industry with the help of an example.

Q25. Briefly discuss the effect on equilibrium price and quantity when decrease in supply is less than the decrease in demand.

Q26. How will increase in the income of the buyers of an „inferior good“, affect its equilibrium price and equilibrium quantity. Explain with the help of a diagram.

**Long Answer Type Questions**

Q27. How is equilibrium price of commodity determined? Explain with the help of a demand and supply schedule.

Q28. If at a given price of a commodity, there is excess demand how will the equilibrium price be reached? Explain by diagram.

Q29. Explain with the help of a diagram the effect of a rightward shift of supply curve of a commodity on its equilibrium price and quantity.

Q30. How does an increase in demand of a commodity affect its equilibrium price equilibrium quantity? Explain with the help of a diagram.

**High Order Thinking Skill Question**

Q31. The following headline appeared in the Hindustan Times on 2 August 2014: “Crop damaged in Himachal sent tomato prices roaring in Delhi.” Use a diagram and economic theory to analyse the statement.

