



KARNATAKA ICSE SCHOOLS ASSOCIATION

ICSE STD. X Preparatory Examination 2025

Subject – Commercial Studies

Duration: **2Hrs**

Maximum Marks: **80**

Date: **.01.2025**

Answers to this paper must be written on the paper provided separately.

You will not be allowed to write during the first 15mins. This time is to be spent in reading the question paper.

The time given at the head of this paper is the time allowed for writing the answers.

Attempt **all** questions from **Section A** and **any four** questions from **Section B**

The intended marks for questions or parts of questions are given in brackets [].

SECTION A

(Attempt **all** questions from this **Section**.)

Question 1

[16]

Choose the correct answers to the questions from the given options. (Do not copy the questions, write the correct answers only.)

- (i) Which stakeholder provides employment opportunities to individuals in exchange for labour, services, or skills?
- (a) Employee
 - (b) Employer
 - (c) Shareholder
 - (d) Consumer
- (ii) Price Structure affects the _____ of the firm.
- (a) Competitive position and market share
 - (b) Revenue and Profitability
 - (c) Cost and Revenue
 - (d) Profitability and Risk

- (iii) Which of the following sales promotion techniques is best for introducing new products and increasing the sales of established products?
- (a) Prize Contests
 - (b) Coupons
 - (c) Distribution of free samples
 - (d) Bonus offer
- (iv) Which of the following best describes an organization that provides all advertising-related services for a fee or commission?
- (a) Public Relations Firm
 - (b) Advertising Agency
 - (c) Media Buying Agency
 - (d) Market Research Firm
- (v) Kiran purchased a new mobile phone from an electronics store. After a week, she noticed that the phone's screen started malfunctioning. She contacted the store for a refund as the phone was still under warranty. The store manager refused to provide a solution, claiming that Kiran had misused the device. Kiran decided to escalate the matter to the Consumer Forum. The Consumer Forum examined the evidence and ruled in her favour ordering the store to replace the phone and compensate Kiran because she had the-
- (a) Right to choose
 - (b) Right to safety
 - (c) Right to be heard
 - (d) Right to information
- (vi) Which of the following refers to a cross-functional software that provides support to all the processes within an organization?
- (a) Customer Relationship Management (CRM)
 - (b) Enterprise Resource Planning (ERP)
 - (c) Supply Chain Management (SCM)
 - (d) Business Intelligence (BI)
- (vii) Cleaning and greasing office fans is an example of which type of expenditure?
- (a) Capital Expenditure
 - (b) Capital Receipt
 - (c) Revenue Expenditure

- (d) Revenue Receipt
- (viii) The _____ provides information about the net profit earned or the net loss suffered by a business during a given accounting period.
- (a) Trading Account
 - (b) Profit and loss Account
 - (c) Balance Sheet
 - (d) Both (a) and (b)
- (ix) The _____ helps a business, plan the quantity of goods to be produced in a specific period, based on the estimated sales and inventory levels.
- (a) Production Budget
 - (b) Cash Budget
 - (c) Master Budget
 - (d) Sales Budget
- (x) Opening stock ₹32000, purchase ₹160,000, direct expenses ₹5000, closing stock ₹ 10,000. Calculate cost of goods sold?
- (a) ₹182,000
 - (b) ₹180,000
 - (c) ₹220,000
 - (d) ₹187,000
- (xi) Investors can sell their securities at any time and convert them into cash and when necessary. Which function of the capital market does this refer to?
- (a) Promotion of Thrift
 - (b) Investment Avenue
 - (c) Liquidity
 - (d) Availability of Capital
- (xii) Under this source of recruitment, a notice is placed on the notice-board of an educational institution specifying the details of the jobs available.
- (a) Advertisements
 - (b) Campus Interview
 - (c) Recommendations
 - (d) Direct recruitment
- (xiii) A shipping company insured its valuable cargo being transported from Japan to Australia. The ship encountered heavy storms, causing damage to the cargo. The

insurance policy helped the company recover most of its losses, ensuring minimal financial impact.

Why did the shipping company insure its cargo?

- (a) To increase profit
- (b) To protect the cargo from risks like storms
- (c) To reduce shipping costs
- (d) To ensure faster delivery

(xiv) **Assertion (A):** The central bank is known as the "lender of last resort" for commercial banks.

Reason (R): The central bank provides loans to commercial banks during times of financial crisis to ensure the stability of the banking system.

- (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, 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.

(xv) What does IMPS stand for?

- (a) Instant Money Payment Service
- (b) Immediate Mobile Payment System
- (c) Immediate Payment Service
- (d) International monetary payment system

(xvi) The Environment Protection Act, 1986, was enacted in India primarily as a response to which major industrial disaster?

- (a) Chernobyl Disaster
- (b) Bhopal Gas Tragedy
- (c) Fukushima Nuclear Disaster
- (d) Gulf Oil Spill

Question 2

Distinguish between:

- (i) Revenue and Capital Expenditure [2]
- (ii) Direct Cost and Indirect Cost [2]
- (iii) Life Insurance and General Insurance [2]

- (iv) Products and Services [2]

Question 3

- (i) What is a Capital Market? [2]
(ii) What is E-Marketing? [2]
(iii) Explain bonded warehouse. [2]
(iv) What is 'internal recruitment'? Explain one type of internal recruitment. [2]

Question 4

- (i) Why the Central Bank is called the "custodian of foreign exchange"? [2]
(ii) What is debenture? [2]
(iii) What do you mean by Job Rotation? [2]
(iv) Explain the term logistics. [2]

Section B

(Attempt **any four** questions from this **section**)

Question 5

- (i) Explain any five principles of Insurance. [5]
(ii) Write short notes on: [5]
a. Cash Budget
b. NEFT

Question 6

- (i) Describe the classification of costs based on their behavior. [5]
(ii) Differentiate between Equity Shares and Preference Shares. [5]

Question 7

- (i) What precautions should be taken while using debit cards and credit cards to ensure security and prevent fraud? [5]
(ii) Explain any five differences between Central Banks and Commercial Banks. [5]

Question 8

- (i) Bright Future Technologies (BFT) is a rapidly growing software development company based in a major city. The company specializes in creating innovative software solutions for various industries, including healthcare, finance and education. As BFT has expanded, it has needed to hire new employees to meet the growing demand for its services. The HR team at BFT has developed a structured and systematic selection process to ensure that they hire the best candidates for the job.

Scenario:

You are a Class 10 student and have been asked to help your friend, who is applying for a job at Bright Future Technologies. Your friend is nervous about the process and wants to understand how the company selects candidates for positions.

Explain the steps in selection process. [5]

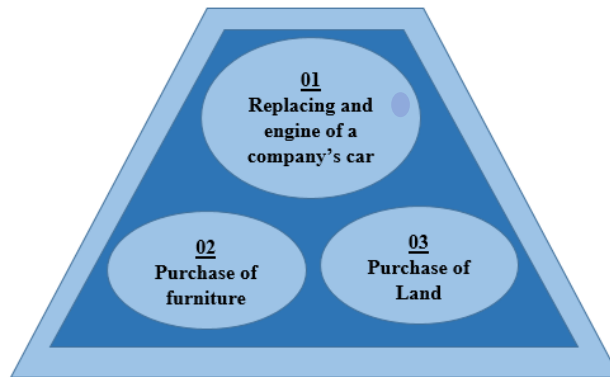
(ii) Write a short note on: [5]

- a. Trade Union
- b. Apprenticeship Training

Question 9

(i) Explain briefly the objectives of Pricing. [5]

(ii) [5]



Identify the expenditure and state any four points of this expenditure.

Question 10

Prepare a Trading and Profit and Loss account and Balance Sheet of Mr. Jagath Shah for the year ending on 31st March, 2018.

[10]**TRIAL BALANCE**

Particulars	Amount Dr. (₹)	Amount Cr. (₹)
Capital		3,60,000
Machinery	70,000	
Sales		8,20,000
Purchases	4,00,000	
Sales Return	10,000	
Stock on 1 st April, 2017	1,00,000	
Drawings	40,000	
Wages	1,00,000	
Carriage inwards	5,000	
Salaries	60,000	
General Expenses	20,000	
Rent	50,000	
Purchases Return		5,000
Debtors	3,00,000	
Cash	40,000	
Carriage outwards	20,000	
Advertising	20,000	
Creditors		50,000
Total	12,35,000	12,35,000

The Closing Stock was valued at ₹200000.