

## CGCUET Commerce Sample Paper

**Duration: 50 mins**

**Marking Scheme: +1 for each correct answer, No Negative Marking**

### **Section B: Accountancy (10 Questions)**

1. **Which of the following is a primary objective of accounting?**

- a) To calculate profits and losses
- b) To keep records of financial transactions
- c) To ascertain the financial position of a business
- d) All of the above

2. **The journal is also known as:**

- a) A cash book
- b) The book of original entry
- c) The ledger
- d) A trial balance

3. **Which of the following is not a liability account?**

- a) Bank loan
- b) Accounts payable
- c) Capital
- d) Accounts receivable

4. **The balance sheet of a business shows:**

- a) The profit or loss of a business
- b) The financial position of a business
- c) The cash flow of a business
- d) None of the above

5. **Which of the following is an example of a current asset?**
- a) Land
  - b) Equipment
  - c) Inventory
  - d) Goodwill
6. **The process of transferring journal entries to the ledger is known as:**
- a) Posting
  - b) Journalizing
  - c) Balancing
  - d) Adjusting
7. **What does the term 'capital employed' refer to?**
- a) Total assets
  - b) The total value of assets financed by creditors
  - c) The total value of assets financed by the owner
  - d) The total liabilities
8. **If a business sells goods on credit, the effect is:**
- a) Increase in cash
  - b) Decrease in capital
  - c) Increase in accounts receivable
  - d) Increase in liabilities
9. **The revenue recognition principle is concerned with:**
- a) When to record revenue
  - b) The measurement of revenue
  - c) The collection of revenue
  - d) The payment of revenue
10. **Which of the following is true about depreciation?**
- a) Depreciation is the reduction in the value of fixed assets over time
  - b) Depreciation increases the value of an asset
  - c) Depreciation is charged on intangible assets
  - d) Depreciation is not applicable to machinery

## Section B: Business Studies (7 Questions)

- 1. Which of the following is a function of management?**
  - a) Planning
  - b) Organizing
  - c) Controlling
  - d) All of the above
- 2. Which of the following is an example of a financial decision?**
  - a) Deciding the organizational structure
  - b) Deciding the marketing strategy
  - c) Deciding the capital structure
  - d) Deciding the product pricing
- 3. The term 'entrepreneur' refers to:**
  - a) A person who invests money in business
  - b) A person who organizes and manages a business
  - c) A person who works for a business
  - d) A person who borrows money from banks
- 4. The process of identifying and selecting the best alternative from the available options is called:**
  - a) Decision-making
  - b) Planning
  - c) Organizing
  - d) Directing
- 5. Which of the following is a characteristic of a partnership?**
  - a) Limited liability
  - b) No shared profits
  - c) Mutual agency
  - d) Separate legal entity
- 6. Which of the following is an internal source of capital for a business?**
  - a) Bank loans
  - b) Debentures
  - c) Retained earnings
  - d) Public deposits
- 7. Which of the following is an example of a primary activity in the value chain?**
  - a) Marketing
  - b) Human resource management
  - c) Production
  - d) Procurement

## Section B: Economics (8 Questions)

1. **Which of the following is a factor of production?**
  - a) Money
  - b) Land
  - c) Interest
  - d) Profit
  
2. **The law of demand states that:**
  - a) As price increases, demand increases
  - b) As price decreases, demand increases
  - c) As income decreases, demand increases
  - d) As price decreases, supply decreases
  
3. **The concept of 'elasticity of demand' refers to:**
  - a) The effect of price changes on the quantity demanded
  - b) The effect of income changes on the quantity demanded
  - c) The effect of income changes on the price level
  - d) None of the above
  
4. **Inflation refers to:**
  - a) A decrease in the overall price level
  - b) An increase in the overall price level
  - c) A rise in wages only
  - d) A rise in production cost
  
5. **The GDP of a country is:**
  - a) The total value of exports and imports
  - b) The total value of all final goods and services produced within a country
  - c) The total value of government expenditure
  - d) The total income of all individuals in the country
  
6. **Which of the following is an example of a public good?**
  - a) Street lighting
  - b) Apple
  - c) Television
  - d) Mobile phone
  
7. **Which of the following is a tool of monetary policy?**
  - a) Taxes
  - b) Public expenditure
  - c) Bank rate
  - d) Subsidies

8. **Which of the following is an example of a monopolistic market?**
- a) A local bakery
  - b) A mobile phone service provider
  - c) A public transport service
  - d) A retail clothing store

