

Total Questions : 50

Time : 65 min

Total Marks : 60



PATTERN & MARKING SCHEME

Section	(1) Economics	(2) Business Studies	(3) Accountancy	(4) HOT'S (High Order Thinking Section)
No. of Questions	15	15	15	5
Marks per Ques.	1	1	1	3

SYLLABUS

- Section - 1 (Economics)** : Basic Concepts in Economics, Money, Partition Values, The structure of Indian Economy Rural Development in India, Population in India, Unemployment in India, Poverty in India, Economic Policy of India Since 1991, Economic Planning in India, Introductory Microeconomics.
- Section - 2 (Business Studies)** : Nature and Significance of Management, Principles of Management, Business Environment, Planning, Organising, Staffing, Directing, Controlling, Financial Management, Marketing, Consumer Protection
- Section - 3 (Accountancy)** : Introduction to Book-Keeping and Accountancy, Meaning and Fundamentals of Double Entry Book-Keeping, Journal, Ledger, Subsidiary Books, Bank Reconciliation Statement (BRS), Depreciation, Rectification of Errors, Final Accounts of a Proprietary Concern, Single Entry System
- Section - 4 (HOT'S)** : High Order Thinking Section - Syllabus as per Section 1, 2 & 3

Economics

- Which statement best captures the meaning of a capital market in the Indian context?
 - A platform for short-term funds with maturity under one year.
 - A venue where long-term funds are raised and allocated between savers, businesses and government.
 - A retail marketplace facilitating consumer goods transactions.
 - A market where only government bonds are traded.
- In the context of stock exchanges, what does dematerialization (demat) mean?
 - A process to cancel a company's listing from the exchange.
 - Printing new share certificates after an IPO.
 - Converting physical share certificates into electronic form held with a depository.
 - Allowing cash settlements without delivery of securities.
- Which of the following is a function of stock exchanges in fostering investor protection?
 - Guaranteeing returns on equity investments.
 - Issuing sovereign bonds on behalf of the government.
 - Mandating and disseminating timely corporate disclosures by listed entities.
 - Setting income tax rates for investors.
- Which risk is an equity investor primarily exposed to in capital markets?
 - Market risk arising from price volatility and earnings uncertainty.
 - Credit default risk only.
 - Interest rate risk only.
 - No risk because exchanges guarantee profits.
- Which statement about central bank operations in the money market is most accurate?
 - Central banks buy equities in routine operations to control inflation.
 - Central banks primarily issue long-term corporate bonds to provide liquidity.
 - Policy implementation avoids the money market and focuses only on fiscal transfers.
 - Open market operations use repos and reverse repos to manage reserves and target short-term interest rates.

Business Studies

06. Which among the following alternatives does not suggest the characteristics of business?
a. Profit earning b. An economic activity c. Certainty of return d. Element of risk
07. Which among the following alternative is inappropriate with reference to the forms of business organization?
a. Sole proprietorship – Individual entrepreneurship
b. Partnership – Relation between persons who have agreed to do business
c. Joint stock company – Artificial person having legal status carrying out business activities
d. Cooperative society – Business is owned and carried out by the members of Hindu Undivided Family
08. Choose the option that correctly describes the two statements below.
Statement 1- An active partner is the one who contributes capital, participates in the management and shares its profits and losses.
Statement 2- A nominal partner is one who allows the use of his/her name by a firm but does not contribute to its capital.
Select the correct alternative.
a. Both the statements are correct. b. Only statement 1 is correct.
c. Only statement 2 is correct. d. Both the statements are incorrect.
09. The famous case of Salomon vs Salomon and Co. (1897) is related to validating which of the following characteristics of a company?
a. Perpetual succession b. Common Seal
c. Limited liability of members d. Separate legal entity
10. Which among the following alternatives suggests one of the basic features of services?
a. Tangibility b. Separability c. Inconsistency d. Storability

Accountancy

11. Which of the following statements BEST distinguishes the primary purpose of book-keeping from the primary purpose of accounting?
a. Book-keeping focuses on recording transactions; accounting focuses on reporting information for decision-making.
b. Book-keeping is for small businesses; accounting is for large businesses.
c. Book-keeping requires less technical knowledge than accounting.
d. Book-keeping is mechanical; accounting is creative.
12. The concept of "Assets = Liabilities + Capital" is sometimes criticized because it becomes problematic when a business incurs a loss greater than its initial capital. Which of the following best explains why this criticism is fundamentally MISGUIDED?
a. The equation always holds true because liabilities and capital can both be negative.
b. The equation is merely a tautology and shouldn't be criticized.
c. Once loss exceeds capital, the business should be liquidated.
d. The equation adjusts by allowing capital to become negative (deficiency), maintaining the fundamental balance.
13. A key distinction between "Drawings" and "Salary to Proprietor" involves differences in their treatment across accounting periods. Which statement MOST accurately captures this distinction?
a. Drawings are recorded in the income statement; salary is not.
b. Salary reduces profit before calculating drawings; drawings reduce profit after calculating profit.
c. Both reduce capital but at different points in the accounting process and with different implications for capital structure.
d. Drawings are cash withdrawals; salary can be in any form.
14. The opening balance of Prize Fund was ₹ 32,800. During the year, donations received towards this fund amounted to ₹ 15,400, amount spent on prizes was ₹ 12,300 and interest received on prize fund investment was ₹ 4,000. The closing balance of prize fund will be
a. ₹ 39,900 b. ₹ 31,900 c. ₹ 64,500 d. ₹ 56,500
15. If capital at the end of the year is ₹ 40,000; capital introduced during the year is ₹ 30,000; drawings for the year is ₹ 20,000 and loss for the year is ₹ 60,000, then capital at the beginning of the year was
a. ₹ 90,000 b. ₹ 80,000 c. ₹ 70,000 d. ₹ 10,000

