

ICSE SEMESTER 2 EXAMINATION
SPECIMEN QUESTION PAPER
COMMERCIAL APPLICATIONS

Maximum Marks: 50

Time allowed: One and a half hours

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

You will not be allowed to write during the first 10 minutes.

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.)*

Question 1

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

[10]

(i) Income and Expenditure account is a _____ account.

- (a) Nominal
- (b) Real
- (c) Personal
- (d) Recurring

(ii) _____ is a revolving credit arrangement.

- (a) Overdraft
- (b) Discounting of Bills
- (c) Cash credit
- (d) Loans and Advances

- (iii) Job Evaluation is one of the _____ functions of Human Resource Department.
- (a) Procurement
 - (b) Development
 - (c) Training
 - (d) Compensation
- (iv) _____ is a negative process.
- (a) Education
 - (b) Selection
 - (c) Training
 - (d) Recruitment
- (v) _____ is one of the elements of Public Relation.
- (a) Sympathy
 - (b) Human relation
 - (c) Monologue
 - (d) Media relation
- (vi) Consumer education benefits _____ by increasing sales.
- (a) Businesses
 - (b) People
 - (c) Region
 - (d) Environment
- (vii) Deliberate mixing of low quality, undesirable, inedible and even toxic materials in food items is known as _____.
- (a) Food Pollution
 - (b) Mixing of food items
 - (c) Food adulteration
 - (d) Quality degradation

- (viii) _____ is the first stage in hiring.
- (a) Selection
 - (b) Recruitment
 - (c) Development
 - (d) Training
- (ix) The objective of preparing _____ account is to find out the cash position of the organization.
- (a) Receipts and Payment Account
 - (b) Balance Sheet Account
 - (c) Trading Account
 - (d) Trial balance account
- (x) Income and expenditure contain only _____ items.
- (a) Capital
 - (b) Capital and Revenue
 - (c) Revenue
 - (d) Outstanding

SECTION B

*(Answer **any four** questions from this Section.)*

Question 2

- (i) State one point of difference between Cash Credit and Overdraft. [2]
- (ii) State one point of difference between Dexterity Test and Intelligence Test. [2]
- (iii) What is a Balance Sheet? Write any two uses of it. [3]
- (iv) Consumer education is beneficial to the society. Give any three reasons. [3]

Question 3

- (i) Write any two features of Receipt and Payment account. [2]
- (ii) What is Public Relations? [2]
- (iii) Write about any three general utility functions of Commercial Bank. [3]
- (iv) One must follow environmental values and ethic. Explain giving any three points. [3]

Question 4

- (i) Write a short note on Field Recruitment. [2]
- (ii) Why Stockholder Relation important for an organization? [2]
- (iii) Explain in short, any three functions of Central Bank. [3]
- (iv) Write any three features of Human Resource. [3]

Question 5

- (i) Justify either *for* or *against* by giving a reason for the following statement.
'Income and Expenditure account shows the opening and closing balances of cash in hand and cash at bank.' [2]
- (ii) Justify either *for* or *against* by giving a reason for the following statement.
'Central Bank is a Banker to the Government.' [2]
- (iii) State any three points of difference between 'Receipts and Payment Account' and 'Income and Expenditure Account'. [3]
- (iv) Write any three disadvantages of payment through cheques. [3]

Question 6

- (i) Write a short note on Automated Teller Machine. [2]
- (ii) Mention the elements of Public Relations. [2]
- (iii) Write about any three activities of procurement function of Human Resource Department. [3]
- (iv) Explain any three consumer rights provided by Consumer Protection Act. [3]

Question 7

Case Study

Nokia, a leading mobile phones company has a supervisor, Mr. Ansari, at the Surat Branch. His workers respond well to his leadership and try to come up to his expectations. However, Mr. Ansari takes a tough stand when workers are unable to meet their targets. In the past Mr. Ansari punished two workers for not being able to reach their targets and this led to much resentment. The workers felt that they should have been consulted in determining work targets. Later Mr. Ansari realised this and arranged for a special motivational program for the employees to achieve targets. Since then, he has had a good relationship with his employees.

In reference to the above case answer the following questions:

- (i) What type of bank account should Mr. Ansari open for new hires in Nokia? [2]
- (ii) Mr. Ansari likes to promote some of the employees as supervisors. Which program shall he undertake? [2]
- (iii) There is a vacancy in the Ahmedabad Branch of Nokia. Which source of recruitment should be used to fill the vacancy? Justify your answer by giving two reasons. [3]
- (iv) What type of interview is most appropriate to fill this vacancy? Give two reasons? [3]



Section-A

Answer 1.

- (i) (a) Nominal

Explanation :

Income and Expenditure is a nominal account. Expenses and losses are debited and incomes and gains are credited.

- (ii) (c) Cash credit

Explanation :

Cash credit is a revolving credit arrangement because the borrower can withdraw upto his cash credit limit according to his needs and can deposit back any surplus.

- (iii) (d) Compensation

Explanation :

Job Evaluation is compensation function of HRD because it comes under the category of providing equitable and fair remuneration to employees.

- (iv) (b) Selection

Explanation :

Selection is a negative process because it involves rejections.

- (v) (b) Human relation

Explanation :

There are four main elements of good public relations-

- | | |
|--------------------|---------------|
| 1. Human Relations | 3. Persuasion |
| 2. Empathy | 4. Dialogue |

Thus, Human relation is one of the elements of public relation.

- (vi) (a) Businesses

Explanation :

Consumer education benefits business by satisfying consumers and increasing sales. Thus Business is the right answer.

- (vii) (c) Food adulteration

Explanation :

Food Adulteration is mixing of low quality or any undesirable material in food item such as mud or stone pieces in cereals.

(viii) (b) Recruitment

Explanation :

Recruitment is the first step in hiring because all other options are performed after recruitment. Recruitment is searching the candidates and motivate them to apply for job.

(ix) (a) Receipts and Payment Account

Explanation :

The objective of preparing Receipts and Payment Account is to find out the cash position as it is a summary of the cash book including cash and bank transactions.

(x) (c) Revenue

Explanation :

Income and Expenditure Account includes only revenue items and capital items are not included. Receipts and Payment Account includes both.

Section-B

Answer 2.

- (i) Cash credit is for a longer period than overdraft.
- (ii) **Dexterity Test:** It is designed to identify how swiftly and efficiently a candidate uses his hands, fingers, eyes and other parts of the body.
Intelligence test: It measures a person's capacity for listening and comprehension in terms of his vocabulary, mental alertness, memory, reasoning etc.
- (iii) It means a statement which shows the assets and liabilities of an organisation and its capital on a particular date.
Uses-
 - 1. It reveals the liabilities of the organisation.
 - 2. It shows the financial position of the organisation.
- (iv) Consumer education is beneficial to the society because:
 - 1. It increases the awareness of public.
 - 2. It promotes stability in society.
 - 3. It helps in enhancing confidence of the society.

Answer 3.

- (i)
 - 1. It is a summary of the cash book.
 - 2. It is a real account.
- (ii) It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its public.
- (iii)
 - 1. Issuing credit instruments- Bank issue letters of credit, drafts and travellers' cheques to their customers. People can transfer funds from one place to another without carrying currency notes with them.
 - 2. Underwriting capital issues- banks underwrite the shares and debentures issued by companies.
 - 3. Safe custody of valuables Banks accept jewellery, documents and other valuables for safe keeping. They provide safe deposit vaults for storing these valuables.
- (iv)
 - 1. Human life can flourish in the long run only when non-human life is conserved.
 - 2. The human race cannot hope to prosper without providing adequate space for the growth of natural resources.
 - 3. Besides human beings, all other living and non-living things are equally valuable.

Answer 4.

- (i) Field recruitment is a direct method of recruitment. In this method, company representatives visit management and technical institutes. They take on the spot tests and interviews and shortlist candidates for appointment.
- (ii) Stockholder relation is very important for any organisation. The objective of shareholder relations programme is to arouse their interest in the company and promote holding of stock as a long term investment. It is also important to reduce shareholder criticism and organised opposition to management.
- (iii) Central bank performs the following three functions:
 - 1. **Issue of currency notes:** The central bank has monopoly over issuing currency notes in the country. The central bank keeps reserves of gold, silver, etc., for issuing currency.
 - 2. **Banker to the government:** The central bank acts as a banker, agent and advisor to the government. As a banker, it receives and makes payments on behalf of the government. The central bank serves as the government's agent in financial matters. It advises the government in matters relating to monetary and banking matters.
 - 3. **Banker's bank:** The central bank acts as the bank for all commercial banks in the country. When a commercial bank needs funds it can obtain loans and rediscount its bills with the central bank. Therefore, it is called lender of last resort.
- (iv)
 - 1. Human resources are heterogeneous. They consist a large number of individuals each having a unique personality, different needs, attitudes and values.
 - 2. These are dynamic and behave differently. They react to the same situation in quite different ways.
 - 3. They have the greatest potential to develop and grow provided the right climate is provided to them.

Answer 5.

- (i) No, Income and Expenditure account does not show the opening and closing balances of cash in hand and cash at bank. Its balance at the end shows the surplus or deficit for the year. Receipts and Payments Account shows the opening and closing balance.
- (ii) This statement is true.

Central Bank is a Banker to the government. The central bank acts as a banker, agent and advisor to the government. As a banker, it receives and makes payments on behalf of the government. The central bank serves as the government's agent in financial matters. It advises the government in matters relating to monetary and banking matters.
- (iii)
 - 1. Receipts and Payment Account is a summary of cash receipts and cash payments whereas Income and Expenditure Account is like the Profit and Loss Account of a trading concern.
 - 2. Receipts and Payment Account is a real account whereas Income and Expenditure Account is a nominal account.
 - 3. Receipts and Payment Account contains only cash items whereas Income and Expenditure Account contains non-cash items also.
- (iv)
 - 1. Cheques are not legal tender and a creditor may refuse to accept a cheque in payment.
 - 2. A dishonest person forge or make alterations in a carelessly drawn cheque.
 - 3. There is risk of loss when a cheque is mislaid or stolen.

Answer 6.

- (i) Banks having high tech computerised branches provides round the clock banking facilities through ATM which is automated teller machines. Customers can withdraw amount from such machines. Its services depends upon the software used by the banks. We can not only withdraw cash but can also check balances of account.
- (ii) Elements of Public Relations are:
 - 1. Human Relations
 - 2. Empathy
 - 3. Persuasion
 - 4. Dialogue

- (iii) Procurement function is concerned with securing and employing the right kind and proper number of people required to accomplish the organisational objectives. It consists of the following activities-
1. **Job Analysis:** It is the process of studying in detail the operations and responsibilities involved in a job to identify the nature and level of human resources required to perform the effectively.
 2. **Human Resource Planning:** It is the process of estimating the present and future manpower requirements of the organisation, preparing inventory of present manpower and formulating action programmes to bridge the gaps in manpower.
 3. **Recruitment:** It is the process of searching for required personnel and stimulating them to apply for jobs in the organisation.
- (iv) 1. **Right to safety:** It means the right to be protected against the marketing of goods and services which are hazardous to life and property. They should purchase products carrying quality marks such as ISI, AGMARK etc.
2. **Right to be informed:** It means right to be informed about the quality, quantity, purity, standard and price of the products so that the consumer can make right choice and protect himself from unfair trade practices.
 3. **Right to Consumer Education:** It means the right to acquire the knowledge and skill to be an informed consumer. He must not only know but also exercise his rights.

