BOARD OF INTERMEDIATE EDUCATION, A.P, HYDERABAD

MODEL PAPER (w.e.f.2009-10)

Sub: COMMERCE PART-A (50 Marks) II year

Answer any two of the following not exceeding 40 lines each. 2x10:20 M

1. What is Marketing? Explain the functions of marketing.
2. What is a Stock Exchange? State its functions.
3. State the powers and functions of consumer forums

Answer any four of the following not exceeding 20 lines each: 4x5: 20 M

4. Write the basic Principles of insurance.
5. Write five advantages of advertising.
6. Write five differences between customs duties and excise duties.
7. Write in brief about E-Banking.
8. What is SEBI? Explain its any four functions.
9. Write the advantages of a computer.

Answer any five of the following not exceeding 5 lines each. 5x2:10 M

10. Special economic zone.
11. Tele marketing
12. State any tow reasons for the backwardness of consumer movement in India
13. Out door media
14. Bonded ware houses
15. mixed policy
16. Stag
17. Central Processing Unit

PART-B (50 MARKS)

18. Answer the following Question. 1X20:20 M

The Balance Sheet of Sarath and Sindhu as on 31.12. 2009 who are sharing profits and losses in the ratio of 3:1 is as follows:

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Rs.</th>
<th>Assets</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors</td>
<td>3,50,000</td>
<td>Cash at bank</td>
<td>3,00,000</td>
</tr>
<tr>
<td>General Reserve</td>
<td>1,00,000</td>
<td>Debtors</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Sarath Captial</td>
<td>3,00,000</td>
<td>Stock</td>
<td>1,50,000</td>
</tr>
<tr>
<td>Sindhu Captial</td>
<td>2,00,000</td>
<td>Land &amp; Buildings</td>
<td>2,00,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Furniture</td>
<td>1,00,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,50,000</td>
<td></td>
<td>9,50,000</td>
</tr>
</tbody>
</table>

They have agreed to admit Sameer under the following conditions:

a) Sameer has to bring a capital of Rs.2,00,000 for his 1/5th share of profits.
b) Furniture and stock has to be depreciated by 10% and a reserve of 5% has to be created on debtors for bad and doubtful debts.
c) Land and Buildings has to be appreciated by 20%
d) Goodwill has to be raised by Rs.80000
Prepare necessary ledger A/cs and the balance sheet of the new firm.  

**Answer any one of the following.**

19. Samatha of Hyderabad consigned 100 bicycles to Kavitha of Kanur to be sold on behalf of Samatha. The Cost of each bicycle was Rs.300, but the invoice price was Rs.350. Samatha incurred Rs.2,000 on freight and insurance and received Rs.20,000 as advance from Kavitha. Kavitha paid Rs.500 as Octroi and Carriage, Rs.500 as rent and Rs.500 as insurance and disposed of 75 bicycles for Rs.30,000. Kavitha is entitled to a Commissioner @ 10% on sales. Kavitha remitted the amount due form him by a bank draft.

20. From the following particulars given below prepare income and expenditure A/c of Warangal Town Club for the year ending 31.12.2009

<table>
<thead>
<tr>
<th>Receipts</th>
<th>Rs.</th>
<th>Payments</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Balance b/d</td>
<td>1,200</td>
<td>By Salaries</td>
<td>6,500</td>
</tr>
<tr>
<td>To Subscription (including Rs.400 for 2010)</td>
<td>6,400</td>
<td>By Rent</td>
<td>1,200</td>
</tr>
<tr>
<td>To Interest on investments (investments cost Rs.40,000)</td>
<td>2,500</td>
<td>By Printing &amp; Stationery</td>
<td>180</td>
</tr>
<tr>
<td>To Bank Interest</td>
<td>50</td>
<td>By Postage</td>
<td>50</td>
</tr>
<tr>
<td>To Scale of furniture</td>
<td>500</td>
<td>By Cycle Purchased</td>
<td>800</td>
</tr>
</tbody>
</table>

**Adjustments:** Subscriptions received included Rs.200 of 2008. Rent paid included Rs.100 for Dec. 2009. Subscriptions due for 2009 Rs.300. Salaries payable Rs.600. Cost of furniture sold was Rs.640.

**Answer any two of the following :**

21. Draw the differences between consignment and scale.

22. On 01.01.2009 Kalyani sold goods Rs.10000 to Madhavi on the same day Kalyani drew a bill for 2 months for Rs.10000 on Madhavi. After receiving acceptance Kalyani discounted the bill with the bank and realized Rs.9500. On the due date Madhavi dishonoured the bill. Write entries in the books of Kalyani.

23. Machinery bought on 01.01.2006 for Rs.20,000 had become out dated and sold out it on 30.06.2008 for Rs.13,000. Draw up machine A/c and find out the profit or loss on sale of the machine. Assuming the depreciation was charged at 10% p.a. on fixed instalment method.

24. Ram keeps his books under the single entry system. His assets and liabilities were as under on 31.12.2009.

Cash Rs.90; Debtors Rs.4,500; stock Rs.3,200; Plant and Machinery Rs.8,000; Creditors Rs.1,490; Bills payable Rs.500.

During 2009 he introduced Rs.1,000 as new capital. He withdrew Rs.300 for every month for his house hold expenses. Ascertain his profits.
Answer any five of the following: 5x2:10 M

25 Write two causes of Depreciation.
26 Delcredere Commission
27 What is Legacy?
28 What is Capital Expenditure.
29 Explain about days of grace.
30 Give the meaning of single entry system.
31 A,B,C are partners in a firm sharing profit and losses in the ration of 3:2:1 they admitted D by giving 1/7th share. Calculate new profit sharing ration.
32 Write any two limitations of single entry system.

******