STD :- 9 COMMERCIAL STUDIES

QUESTION BANK

CH 5. SOLE PROPRIETORSHIP

MCQ

1. Which of the following is not governed by a specific Act?
   a. Partnership
   b. Sole proprietorship
   c. Company
   d. Co-operative society
   Ans – b
2. A sole proprietor has
   a. Limited liability
   b. Unlimited liability
   c. Joint liability
   d. No liability
   Ans – b
3. It is a form of business organisation which is owned, managed and controlled by an individual who is the recipient of all profits and bearer of all risk. Identify the concept
   a. Company
   b. Partnership
   c. Co-operative society
   d. Sole proprietorship
   Ans:- d
4. Assertion (A) : The size of the sole proprietorship generally remains small.
   Reason(R) : Working for one self provides personal satisfaction. So, sole proprietor does not want to share his decision making power.

   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
   Ans – b

5. The reason for the end of the Sole proprietorship can be
   a. Insolvency
   b. Insanity
   c. Death
   d. All of the above
   Ans:- d
6. Which form of organisation is best suited where it allows people with limited skills to run the business.
   a. Sole proprietorship
   b. Partnership
   c. Company
   d. Both a and b
   Ans – d

CASE STUDY

Rohan owns a grocery shop in his village. He started the business with his own savings. He takes all the decision himself and keeps all the profits. If the business suffers a loss, he has to bear it alone.

a. Identify the form of business organisation.

Ans:- Sole proprietorship

b. State any two features of this form of business.

Ans:- It is owned and managed by one person.

The owner enjoys all the profits and bears all the losses.

c. State any two advantages of this form of business.

Ans:- 1. Quick decision   2. Easy to start and close

Ch 6 PARTNERSHIP

MCQ

1. Which of the following is compulsory for every partnership?
   a. Partnership deed in writing
   b. Registration of the firm
   c. Agreement between partners
   d. Company registration
   Ans – c

2. The main objective of partnership business
   a. Provide free service
   b. Earn profit
   c. Help the government
   d. Conduct charity

   Ans – b
3. A Partnership firm does not have
   a. Partners
   b. Profit motive
   c. Separate legal entity
   d. Capital

   Ans – c
4. Partnership is suitable for business requiring
   a. Very large capital only
   b. Small or medium capital
   c. No capital
   d. Government grants only

   Ans – b
5. The law governing Partnership in India is the
   a. Companies Act 2013
   b. Indian Partnership Act 1932
   c. Consumers Protection Act
   d. Sale of Goods Act

   Ans – b
6. Partners share profit and losses in the ratio
   a. Agreed upon in the partnership deed
   b. Decided by customers
   c. Fixed by the Government
   d. Fixed by the bank

   Ans – a
7. Limited liability Partnership are different from traditional partnership because
   a. LLPs requires a minimum of five partners.
   b. LLPs limit personal financial risk for partners.
   c. LLPs cannot raise capital from external investors
   d. LLPs operate only in the manufacturing sector.

   Ans – b

CASE STUDY

1. Rohit and Kiran started business. After a few years the business suffered heavy losses. Since the firm's assets were not enough to repay the debts, both partners had to use their personal assets.
    a. Which feature of partnership is shown in this case?
    Ans:-Unlimited liability
    b. What does unlimited liability mean?
    Ans:- if the firm's assets are insufficient, the partners personal assets can be used to pay the form's debts.
    c. Mention one limitation of partnership.
    Ans:- unlimited liability
2. Priya and Sneha run a bakery. Sneha purchased bakery equipments on behalf of the firm without informing Priya. Priya accepted the purchases because Sneha had the authority to act for the firm.
    a. Which feature of Partnership is highlighted?
    Ans:- Mutual agency
    b. Explain this feature.
    Ans:- Partnership business can be carried on by all the partners or by any one of them acting on behalf of the other. Every partner is an implied agent of the other partners and of the firm. Each partner is liable for acts performed by other partners on behalf of the firm.
    c. Name the business organisation.
    Ans:- Partnership

CH 7. JOINT STOCK COMPANY

MCQ

1. A Joint Stock Company has
    a. No legal identity
    b. Separate legal entity
    c. Temporary existence
    d. No ownership
    Ans:-b

2. The liability of shareholders in a company is generally
   a. Unlimited
   b. Limited
   c. Equal to the company's debts
   d. Not defined

   Ans:- b

3. Assertion (A) : Registration of a Joint Stock Company is optional.

   Reason(R) : A company comes into existence only after registration under the Companies Act.

   e. Both A and R are true and R is the correct explanation of A
   f. Both A and R are true and R is not the correct explanation of A
   g. A is true, R is false
   h. A is false, R is true

   Ans – d

4. A Joint Stock Company is an example of
   a. Sole proprietorship
   b. Partnership firm
   c. Cooperative society
   d. Artificial legal person

   Ans:- d

5. Which feature protects the personal assets of the shareholders?
   a. Common seal
   b. Perpetual succession
   c. Limited liability
   d. Separate management

   Ans:- c

6. The capital of a company is raised mainly by issuing
   a. Bonds only
   b. Salaries
   c. Wages
   d. Shares

   Ans:- d

7. The common seal of a company represents its
   a. Official signature
   b. Logo
   c. Trademark
   d. Advertisement
   Ans:- a
8. The management of a Joint Stock Company is carried out by
   a. Partners
   b. Government officers
   c. Board of Directors
   d. Customers
   Ans:- c
9. The capital of a Joint Stock Company is divided into
   a. Loans
   b. Shares
   c. Deposits
   d. Funds
   Ans:- b
10. Assertion (A) : The death or insolvency of a member does not affect the existence of the company.
    Reason(R) : A Company enjoys perpetual succession .

    a. Both A and R are true and R is the correct explanation of A
    b. Both A and R are true and R is not the correct explanation of A
    c. A is true, R is false
    d. A is false, R is true

    Ans – a

SHORT ANSWER QUESTIONS

1. Why is a joint stock Company called an artificial person?

Ans:- it is called an artificial person because it is created by law and has a separate legal identity from its members.

2. What is a share?

Ans:- A share is a unit of ownership in the capital of a company.

LONG ANSWER QUESTION

1. Why is a Joint Stock Company considered suitable for large-scale business?

Ans:- A Joint Stock Company is considered suitable for large-scale business because

1. It can raise large amounts of capital.
2. Shareholders have limited liability.
3. It has perpetual succession.
4. Shares are transferable.
5. Professional managers ensure efficient administration.

CASE STUDY

XYZ Ltd is registered under the Companies Act. The company purchased land in its own name. Even after the death of one of its shareholders, the business continued without any interruption.

1. Identify the two features of a Joint Stock Company highlighted in the case.
   Ans:- separate legal entity and Perpetual succession
2. Explain why the company continued to exist even after the death of a shareholder.
   Ans:- a company has perpetual succession, so t continues to exist despite the death, retirement or insolvency of its members
3. Under which Act is a Joint Stock company registered
   Ans:- Companies Act

CH 8. CO-OPERATIVE SOCIETY

MCQ

1. A cooperative society is formed mainly to
   a. Earn maximum profit
   b. Provide service to members
   c. Increase taxes
   d. Promote monopoly
      Ans:- b
2. Membership of cooperative society is

a. Voluntary
b. Limited to businessmen
c. Compulsory
d. Restricted to one family
Ans:- a

3. A cooperative society has a
   a. unlimited government ownership
   b. Temporary existence
   c. Sole owner
   d. Separate legal entity
   Ans:- d

4. The principle followed in cooperative society is
   a. One share one vote
   b. One man one vote
   c. More shares more vote
   d. Directors only vote
   Ans- b

5. Assertion (A) : A cooperative society is formed to promote the economic interests of its members.
   Reason(R) : its main objective is service rather than profit.

   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
   Ans – a

6. The primary motive of cooperative society is
   a. Profit motive
   b. Service motive
   c. Sales motive
   d. Advertising motive
   Ans :- b

7. Registration of a cooperative society is
   a. Optional
   b. Temporary
   c. Compulsory
   d. Unnecessary

Ans:-c

8. Profits in a cooperative society are distributed on the basis of
   a. Share capital only
   b. Volume of business with the society
   c. Age of members
   d. Number of years of membership
   Ans:- b

9. Assertion (A) : Membership in a cooperative society is compulsory.
   Reason(R) : Any eligible person can voluntarily join a cooperative .

   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
   Ans – d

10. Generally, a cooperative society follows
    a. Credit trading
    b. Online trading
    c. Cash trading
    d. Instalment trading
    Ans:- c

SHORT ANSWER QUESTIONS

1. What is meant by voluntary association?

Ans :- Any person who satisfies the society's conditions can join or leave the society voluntarily.

2. What is the principle of 'one member, one vote'?

Ans:- Every member has one vote irrespective of the number of shares held.

LONG ANSWER QUESTION

1. Why is cooperative society considered a service-oriented organisation?

Ans:- A Cooperative society is service-oriented because

1. It works for the welfare of its member.
2. Its main objective is service rather than profit.

3. It provides goods and services at reasonable prices.
4. It promotes cooperation, self-help and mutual benefit.
5. It protects members from exploitation by middlemen.

READ THE PARAGRAPH AND ANSWER THE QUESTIONS

1. A consumer cooperative society sold goods only on cash payment. At the end of the year, surplus was distributed among members according to the amount of business they had done with the society.

   a. Identify the two features mentioned in the paragraph.
   Ans :- cash trading and distribution of surplus

   b. How is surplus distributed in a cooperative society?
   Ans:- surplus is distributed according to the volume of business done by members.

   c. Does a cooperative society generally allow credit sales?
   Ans:- No

2. Twenty weavers voluntarily formed a cooperative society to improve their income. No one was forced to join or remain as a member. The society worked mainly to provide help to its members rather than to earn maximum profit.
   a. Name two features highlighted in the paragraph.
   Ans:- Voluntary association and service motive

   b. Why is a cooperative society called a voluntary association?
   Ans:- People are free to join or leave the society according to their choice.

   c. What is the primary objective of a cooperative society?
   Ans:- To provide service to its members.

Ch 20 TRADE

MCQ

1. E-Commerce refers to
   a. Buying goods from local shops
   b. Business transactions through the internet
   a. Selling only agricultural products

b. Trading through newspapers

   Ans:- b

2. E-trade mainly means
   a. Buying and selling goods and services online
   b. Manufacturing goods
   c. Exporting goods only
   d. Banking only

   Ans : a

3. Which of the following is a merit of online trading?
   a. High risk
   b. Global market
   c. Lack of security
   d. Operational problems

   Ans :- b

4. Online trading enables business firms to reach customers
   a. Only within the city
   b. Across the world
   c. Only in villages
   d. Only in India

   Ans:- b

5. Which feature allows customers to shop at any time?
   a. Customer convenience
   b. Round-the-clock working
   c. Sales promotion
   d. Direct contacts

   Ans:- b

6. E-Commerce eliminates middlemen through
   a. Sales promotion
   b. Customer convenience
   c. Global market
   d. Direct contact

   Ans:- d

7. Which of the following is NOT a merit of online trading?

a. Reduced costs
b. High risk
c. Wide choice
d. Customer satisfaction
Ans:- b

8. Online customers are often reluctant to disclose their credit card details due to
   a. High prices
   b. Poor internet speed
   c. Fear of fraud
   d. Lack of products
   Ans:- c

SHORT ANSWER QUESTIONS

1. State one difference between E-commerce and E-trade.

Ans:- E-commerce includes all online business activities, whereas E-trade mainly focuses on the online buying and selling of goods and services.

2. Mention any two functions of trade.

Ans:- Facilitates the exchange of goods and services.
Connects producers with consumers.

3. Name any two E-commerce websites

Ans:- Amazon and Flipkart

4. What is cyber security?

Ans:- Cyber security is the protection of computers, networks and online data from unauthorized access and cyber attacks.

5. How does E-Commerce benefit businesses?

Ans:-it helps businesses reach more customers, reduce operating costs and increase sales.

Read the paragraph and answer the questions

1. Rita compared the prices of the same mobile phone on different shopping websites before placing her order. She purchased it from the website offering the best price and paid online from her home.

   a. Identify any two merits of online trading highlighted in the paragraph.

Ans:- Wide choice and customer convenience

b. Explain how these benefits help customers.
Ans:- customers can compare prices and shop easily from home at any time.

c. Which merit allows customers to compare products on different websites?
Ans: wide choice

2. A garment company allows customers to choose the colour, size and design of clothes online. It also communicated directly with customers without using wholesaler or retailers.

   a. Name the two merits of online trading shown in the paragraph.
      Ans :- Customised products and services
      Direct contacts

   b. Explain how these features help the business
      Ans:- They satisfy customer needs and reduce selling costs by dealing directly with customers.

   c. Which merit eliminates middlemen?
      Ans:- Direct contacts

CH 10. MARKETING AND SELING

MCQ

1. The primary objective of the marketing and sales department is to
   a. Reduce competition
   b. Increase sales
   c. Reduce production
   d. Increase taxes
   Ans :- b

2. Marketing helps in building
   a. Brand awareness
   b. Factory building
   c. Warehouses
   d. Profits only
   Ans:- a

3. Assertion (A) : Sales focus on satisfying customer needs.
   Reason(R) : Sales manly aim at transferring ownership of goods to customers.
   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
      Ans – d
4. Marketing begins
   a. After production
   b. Before production
   c. During selling only
   d. After sale
      Ans:- b
5. Selling mainly focuses on
   a. Customer satisfaction
   b. Seller's needs
   c. Product development
   d. Social welfare
      Ans:- b
6. Assertion (A) :- Marketing helps in building long-term customer relationships.
   Reason(R) : -Marketing involves customer satisfaction and after sales service.
   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
   Ans – a
7. Which approach is product oriented
   a. Selling
   b. Marketing
   c. Customer service
   d. Market research
      Ans:- a

8. ‘Let the buyer be aware’ is associated with
    a. Marketing
    b. Advertising
    c. Selling
    d. Branding
    Ans :- c

SHORT ANSWER QUESTIONS

1. Why is marketing important?
Ans:- Marketing helps businesses understand customer needs, increase sales and build long term customer relationship.

2. Why is sales important?
Ans:- Sales generate revenue, help achieve business goals and ensure the flow of goods to customers.

3. What is market research?
Ans:- Market research is the process of collecting and analysing information about customers, competitors and market trends.

CASE STUDY

Fresh Bite Foods launched a new healthy snack. Before introducing it, the company surveyed customers to k ow their tastes and preferences. It advertised the product through social media and T.V. After the launch, the company collected customer feedback and improved the product.

1. What marketing activity did the company perform before launching the product?
   Ans:- Marketing research to understand customer needs

2. Which objective of marketing is fulfilled by advertising the product?
   Ans:= Building brand awareness and increasing sales

3. Why did the company collect customer feedback after the sale?
   Ans:- To ensure customer satisfaction and improve the product

CH 11. FINANCE AND ACCOUNTS

MCQ

1. The primary objective of the Finance Department is to
   a. Increase sales
   b. Procure funds
   c. Recruit employees
   d. Advertise products
   Ans:- b
2. Preparing and managing the budget is known as
   a. Risk management
   b. Budgeting
   c. Selling
   d. Advertising
   Ans:- b
3. Proper cash flow is essential for
   a. Smooth day-to-day operations
   b. Reducing advertisements
   c. Hiring more employees only
   d. Closing the business
   Ans:- a
4. Assertion (A) : Finance is essential for starting and running a business.
   Reason(R) : Every business requires money to purchase assets and meet day-to-day expenses.
   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true
   Ans – a
5. Which department prepares financial reports and documents?
   a. Marketing department
   b. Accounts department
   c. HR department
   d. Production department
   Ans:- b

6. Assertion (A) : Accounting information is useful only to the owner of the business.
   Reason(R) : Investors, creditors and government also use accounting information.
   a. Both A and R are true and R is the correct explanation of A
   b. Both A and R are true and R is not the correct explanation of A
   c. A is true, R is false
   d. A is false, R is true

   Ans – d
7. Which of the following comes under the Finance Manager?
   a. Customer care
   b. Sales promotion
   c. Credit management
   d. Marketing research

   Ans:- b

LONG ANSWER QUESTION

1. Why is the Finance and Accounts department essential for a business?

Ans:- The Finance and Accounts department is essential for a business because it

1. assists in planning and controlling business activities.
2. Provides accurate financial information
3. Maintains financial discipline
4. Helps prevent fraud and errors
5. Ensures legal and tax compliance

2. Explain the role of finance in the growth and success of a business.

Ans:- Finance plays a vital role in every business because

1. It provides funds to start the business.
2. It ensures smooth day-to-day operations
3. It helps to expand the business and introduce new products
4. It helps to purchase fixed assets and raw materials
5. It improves the financial stability and reputation of the business.

CASE STUDY

1. ABC Ltd wanted to expand its business. The finance department arranged funds from a bank at a reasonable cost. It also prepared a budget to ensure that the money was spent wisely.

   a. Which objective of the finance department is highlighted by arranging funds?
      Ans :- Procurement of funds

   b. Why is budgeting important for a business?
      Ans:- It helps allocate resources efficiently and ensures proper use of funds

   c. Name the department responsible for these activities.
      Ans:- Finance department