

## COMMERCE

### UNIT I

#### ACCOUNTING:

**Financial Accounting:** Accounting concepts and conventions, Preparation of Final Accounts (Sole trading concern and Partnership) with adjusting entries.

**Corporate Accounting:** Accounting for issue and redemption of shares and debentures; Preparation of Final accounts and statements; Amalgamation, absorption and reconstruction; Accounting for Liquidation.

**Cost and Management Accounting:** Ascertainment of Cost; Methods of costing, Job costing, Process costing (Except Equivalent production), contract costing; cost control techniques, Standard costing and analysis of variance; Marginal Costing- Absorption versus variable costing, Cost-volume-profit analysis, Break-even analysis and decision making; Ratio analysis.

### UNIT II

#### BUSINESS REGULATORY FRAMEWORK:

##### **Business Law**

Law of Contract: Essentials of a valid contract, Void agreements, Discharge of a contract, Contract of Indemnity and Guarantee, Contract of Bailment.

Sale of Goods Act: Contract of Sale, Conditions and warranties, Transfer of ownership in goods including sale by a non-owner, Performance of contract of sale, Unpaid seller- meaning, rights of an unpaid seller against the goods and the buyer.

Partnership Act: Nature and characteristics of Partnership, Registration of partnership, Rights and duties of partners, Types of partners, Limited liability of partnership (LLP) Act, 2008- Salient features of LLP, difference between LLP and partnership, LLP and Company, LLP agreement, Incorporation document, Incorporation by Registration.

##### **Corporate Law**(As per Companies Act 2013):

Administration of Company Law, National Company Law Appellate Tribunal, types of companies, formation of company and registration of a company, Documents of a company- Memorandum of Association, Articles of Association, Prospectus, GDR; allotment and forfeiture of shares, transmission of shares, buy back of shares; Appointment of Directors, their powers and duties, removal of directors; Types of meeting, Remuneration committee, Audit committee.

**Depository Act 1996-** Depository process, De-mat, NSDL, SHCIL, Need for investor' education

### UNIT III

#### QUANTITATIVE TECHNIQUES AND STATISTICS :

**Quantitative techniques:** Linear Programming- Meaning and types of LP, Linear Programming Problems (LPP); LP approaches; Network Analysis- Meaning, network diagram, techniques to network analysis, CPM, PERT; Inventory Control techniques- Meaning, Inventory control models: ABC analysis, EOQ, Queuing model, single channel model, Multi service channels.

**Statistics:** Measures of Central Tendency, Measures of Dispersion, Skewness, Kurtosis, Correlation and Regression analysis, Theory of probability, Index number.

#### **UNIT IV**

##### **TAXATION & AUDITING:**

**Income Tax-** Concepts of Assesse, Assessment Year, Previous Year, Persons, Total Income and Agricultural income; Residential status of Assesses; Exempted income; Income from Salary, Income from House Property, Income from Business and Profession, Income from capital gain and income from other sources; Computation of Total Income of individual assesses and deduction U/S 80 relating to individual assesses.

##### **Goods & Services Tax (GST)-**

Introduction- Constitutional framework of indirect tax before GST, major defects in the structures of Indirect tax prior to GST, GST Council, GST Network, State compensation mechanism, Registration; Levy and collection of GST:- Taxable event- supply of goods and services, place of supply: within state, interstate, import and export, time of supply, valuation for GST, valuation rules, taxability of re-imburement of expenses, exemption from GST

**Auditing-** Meaning, Objects and types of Audit; Internal check and internal control; Vouching of Cash transactions, trading transactions and impersonal ledger; Verification and valuation of assets and liabilities, Auditor's duty in respect of divisible profits and dividends.

#### **UNIT V**

##### **MANAGEMENT:**

**Principles of Management-** Evolution of management thought, Management functions- Planning, Organising, staffing, directing- motivation, leadership, communicating and controlling.

**Human Resources Management-** Concept and functions, Role, HR policies; evolution of HRM; Emerging challenges of HRM; work-force diversity, empowerment, downsizing; VRS, HR information system; Acquisition; Training & Development and Performance appraisal.

**Principles of Marketing-** Importance of marketing, evolution of marketing concept; Marketing mix: Product- Meaning, importance, product classification, product mix, branding, packaging, Labelling; product life cycle; Pricing- Factors affecting pricing, pricing policies and strategies; Place- Channels of distribution: importance and types, factors affecting choice of distribution channel, Physical distribution; Promotion- Nature and importance, advertising, personal selling, Public Relation and sales promotion.

**Financial management-** Time value of money; valuation of bond and equities; Capital budgeting- methods.

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## **SSB COMMERCE: SAMPLE QUESTIONS**

### **Unit I ACCOUNTING:**

Q1. Closing stock appearing in Trial Balance implies that:

- (a) Closing stock should be shown in the credit side of the trading account
- (b) No adjusting entry for closing stock is required
- (c) Closing stock should not be reflected in the balance sheet
- (d) Closing stock should be deducted from purchases in the trading account

Ans.: (b)

Q2. Only fully paid preference shares can be redeemed because:

- (a) By redeeming fully paid shares company pays less to the share holders
- (b) It will affect the security available to the creditors
- (c) It will increase the cash position of the company resulting in window dressing
- (d) Fresh issue cannot be made

Ans.: (b)

Q3. During liquidation 'B' list of contributories implies:

- (a) Preference shareholders
- (b) Debenture shareholders
- (c) All persons who ceased to be shareholders within one year of the date of winding up of the company
- (d) All creditors other than existing shareholders of the company

Ans.: (c)

Q4. Notional Profit in contract costing means:

- (a) The amount of profit taken to Profit and loss account
- (b) The profit that should have been generated unless there was stoppage in the contract work
- (c) Value of work certified minus cost incurred up to date
- (d) Value of work certified minus cost of work certified

Ans.: (d)

Q5. Break Even Point is calculated by using the formula:

- (a)  $\text{Contribution} / \text{Sales}$
- (b)  $(\text{Contribution} + \text{Fixed cost}) / \text{Sales}$
- (c)  $(\text{Fixed cost} + \text{profit}) / \text{PV ratio}$
- (d)  $\text{Fixed Cost} / \text{PV ratio}$

Ans.: (d)

### **Unit II BUSINESS REGULATORY FRAMEWORK**

Q1. A single consideration may support:

- (a) One promise
- (b) More than one promise
- (c) Either 'a' or 'b'

(d) None of the above.

Ans.: (c)

Q2. State which of the following statements is false:

- (a) Unless otherwise agreed the expenses incidental to putting the goods in a deliverable state are to be borne by the seller
- (b) In case of a CIF contract, the seller agrees to sell and deliver the goods from a ship which has come overseas
- (c) In the absence of any contract to the contrary, the buyer must apply for delivery
- (d) Unless otherwise agreed the buyer is not bound to accept delivery of goods in instalments.

Ans.: (b)

Q3. Select the most appropriate answer:

A partnership is formed in law between:

- (a) members of the HUF carrying of family business as such
- (b) a Burmese Buddhist husband and wife carrying on business as such
- (c) a father and his son agreeing to carry on a business and share the profits
- (d) a principal and an agent when the latter is given a share of the profits in the business

Ans.: (c)

Q4. State which of the following statements is true:

- (a) Memorandum of Association contains the rules regarding internal management of the company
- (b) Alteration in Memorandum always requires the consent of the court
- (c) A company can always have a name of its choice
- (d) Reserve capital cannot be converted into ordinary capital without the permission of the court

Ans.: (d)

Q5. State which of the following statement is false:

- (a) Every Depository has to be registered with the SEBI
- (b) A depository participant can be an individual, firm or a company
- (c) A Depository results in saving in stamp duty on transfer of securities
- (d) All securities held by depository are to be dematerialized and are held in electronic form.

Ans.: (b)

### **Unit III QUANTITATIVE TECHNIQUES AND STATISTICS**

Q1. Which of the following statement is not true:

- (a) PERT involves time estimates which are probabilistic
- (b) In CPM, the activity time estimates are deterministic
- (c) In CPM network the individual activity times are random
- (d) Both PERT and CPM are useful for Project management.

Ans.: (c)

Q2. Which of the following Inventory control techniques takes into account criticality of inventories:

- (a) Economic Order Quantity (EOQ)
- (b) Always Better Control (ABC)
- (c) High, medium and low (HML)
- (d) Vital, essential and desirable (VED)

Ans.: (d)

Q3. Which of the following Averages is not based on all the observations of a series:

- (a) Arithmetic mean
- (b) Median
- (c) Geometric mean
- (d) Harmonic mean

Ans.: (b)

Q4. From the following measures of dispersion which one is suitable for advanced statistical analysis?

- (a) Quartile deviation
- (b) Mean deviation
- (c) Range
- (d) Standard deviation

Ans.: (d)

Q5. Select the correct statement from the following:

- (a) Laspeyre's method of calculating Index number is based on fixed weights as value of the base year
- (b) Paasche's method of calculating Index number is based on fixed weight as value of the current year
- (c) Fisher's index number is the geometric mean of the index formula of Laspeyre and Paasche
- (d) Kelley's method of Index number takes fixed weight as arithmetic average of quantities of base year and current year.

Ans.: (c)

#### **Unit IV TAXATION AND AUDITING**

Q1. A HUF can be a resident if its control and management in a previous year:

- (a) Wholly in India
- (b) Partially in India
- (c) Either 'a' or 'b'
- (d) Wholly outside India

Ans.: (c)

Q2. Any salary, commission or remuneration received by a working partner from a firm shall be taxable under the head:

- (a) Salary
- (b) Income from other sources

- (c) Profit and gains
  - (d) None of these
- Ans.: (c)

Q3. Foreign allowance in case of Government employee posted outside India is:

- (a) Fully taxable
  - (b) Fully exempted
  - (c) Partially taxable
  - (d) None of these
- Ans.: (b)

Q4. Short term capital gain is the gain on the asset held by assessee for a period:

- (a) Up to 36 months
  - (b) More than 36 months
  - (c) 60 months
  - (d) More than 12 months
- Ans.: (a)

Q5. In India GST became effective from:

- (a) 1<sup>st</sup> April, 2017
  - (b) 1<sup>st</sup> January, 2017
  - (c) 1<sup>st</sup> July, 2017
  - (d) 1<sup>st</sup> March, 2017
- Ans.: (c)

#### **Unit V: MANAGEMENT**

Q1. The ten roles of a manager (categorized under three broad heads) were contributed by:

- (a) Peter F Drucker (b) Frederick Taylor (c) Henry Mintzberg (d) Henri Fayol. Ans. (c)

Q2. The development of management thought Human Relation Approach is the contribution of

- (a) McGregor (b) Elton Mayo (c) Henri Fayol (d) Max Weber. Ans. (b)

Q3. Which of the choice below is incorrect:

Training involves some kind of change for employees; changes in: (a) How they do their jobs (b) how they relate to others (c) their responsibilities (d) conditions of their living. Ans.: (d)

Q4. Which of the following does not come under seven ingredients of marketing mix:

- (a) Promotion (b) Persons (c) Place (d) Profit. Ans.: (b)

Q5. Which of the capital budgeting techniques does not consider time value of money:

- (a) Internal rate of return (b) Accounting rate of return (c) Net present value (d) Discounted pay-back period. Ans. (b)

