

# FUNDAMENTALS OF COMMERCE

B.Com / B.B.A / B.C.A Honors (Major)

First Semester w.e.f Academic Year 2023-2024

Time: 2.30 Hrs

Max.Marks:70

## SECTION – A (50 Marks)

Each question carry 1 Mark

30x1=30 Marks

### I. Choose the correct answer

1. What is the full form of GAAP

- (a) Generally Accepted Accounting Provision
- (b) Generally Accepted Accounting Policies
- (c) Generally Accepted Accounting Principles
- (d) None of the above

2. Is explicit business substance separate from workforce undertaking of the proprietor is?

- (a) Matching Principle      (b) Stable Currency Principle
- (c) Objective Principle      (d) Entity Principle

3. For every debit, there is credit is stated in which concept?

- (a) Money Measurement Concept      (b) Dual Aspect Concept
- (c) Revaluation Reserve      (d) Market Value

4. What is full form of IFRS

- (a) International Financial Reporting Standards
- (b) International Financial Reporting System
- (c) International Financial Report Systems
- (d) None of the above

5. The main purpose of Financial Accounting is

- (a) Provide financial information to shareholders      (b) To maintain balance sheet
- (c) To maintain taxes      (d) To keep track of liabilities

6. What is supporting evidence in a business transaction called?

- (a) Journal      (b) Ledger      (c) Voucher      (d) Contract Voucher

7. What is full form of WTO

- (a) World Tariff Organization
- (b) World Tax Organization
- (c) World Trade Organization
- (d) World Trademark Organization

8. What is GATT?

- (a) A Part eliminating most trade barriers between the U.S, Canada and Mexico
- (b) Political and Economic Union
- (c) Regional Inter-governance organization
- (d) A Legal agreement between many countries

9. Which of the following is not an economic activity?

- (a) A doctor practicing
- (b) A lawyer practicing law
- (c) A professional cricketer playing cricket
- (d) A student playing cricket

10. What is purpose of a certificate of origin in the export process?

- (a) To assess the credit worthiness of the importer
- (b) To provide details of the goods and terms of the export
- (c) To obtain an export license
- (d) To prove the origin of the goods for tariff concession or exemptions

11. Which document is required to obtain an export license?

- (a) Export invoice
- (b) Import Export code (IEC) number
- (c) Certificate of Inspection
- (d) Registering with export credit and guarantee corporation (ECGC)

12. Which of the following is not in receipt side of current account?

- (a) Export of goods
- (b) Invisibles
- (c) Non-Monetary movement of gold
- (d) Import of goods

13. Which economic concept refers to the total value of goods and services produced within a country's border in a specific time period?

- (a) Gross National Product (GNP)
- (b) Gross Domestic product (GDP)

- (c) Net National Product (NNP)
  - (d) Net Domestic Product (NDP)
14. Net foreign investment
- (a) Exports - Imports
  - (b) Exports + Imports
  - (c) Imports - Exports
  - (d) None of the above
15. Which of the following is the relation that the law of demand business?
- (a) Income and price of a commodity
  - (b) Price and quantity of a commodity
  - (c) Income and quantity demand
  - (d) Quantity demanded and quantity supplied
16. What do you mean by the demand of a commodity?
- (a) Desire for the commodity
  - (b) Need for the community
  - (c) Quantity demanded of that commodity
  - (d) Quantity that consumer are able and willing to buy at various prices during any particular period of time
17. When price floor is set above equilibrium price, it will result in
- (a) Shortage (b) Surpluses (c) Equilibrium (d) None of the above
18. What is the main economic problem faced by the society?
- (a) Unemployment (b) Inequality (c) Poverty (d) Scarcity
19. Which of the following is a progressive tax?
- (a) Customs duty (b) GST (c) Income Tax (d) Development surcharge
20. Identify the indirect taxes from the given options
- (a) GST, Corporate Tax (b) Customs duty, Corporate Tax
  - (c) Income Tax, GST (d) GST, Corporate Tax
21. Highest administrative authority for Income Tax in India
- (a) Finance Minister (b) CBDT (c) President of India (d) Director of Income Tax

22. Year in which Income Tax is taxable is known as and year in which income is earned is known as  
(a) PY, AY (b) AY, PY (c) AY, AY (d) PY, PY
23. Which of the following taxes have been subsumed in GST  
(a) Central Sales Tax (b) Central Excise duty (c) VAT (d) All of the above
24. What are the taxes levied as an intra-state supply?  
(a) CGST (b) SGST (c) CGST and SGST (d) IGST
25. Webpage editors works on which principle  
(a) WWW (b) HTML (c) WYSIWYG (d) WYGWYSI
26. What are shared on the Internet and are called as webpages  
(a) Programs (b) Cables (c) Hypertext documents (d) None of the above
27. How many color names are used by the browser  
(a) 8 (b) 10 (c) 12 (d) 16
28. Which of the following is NOT a characteristic of digital media  
(a) Digital media a Pull media  
(b) Mass customization is possible in digital media  
(c) Digital media is lean-back media  
(d) Digital media is intense media
29. Which are among the following is not a way for gaining permission for sending email to people  
(a) Opt-Out (b) Opt-In (c) Double Opt-Out (d) Self-Opt
30. Expansion of HTTP  
(a) Hypertext Transfer Protocol (b) Hypertext Protocol  
(c) Hyper Transfer Text Protocol (d) Hypertext Transfer Proxy

**II. Fill in the blanks****(10x1=10 Marks)**

1. Business is a \_\_\_\_\_ activity
2. Export trade refers to sale of \_\_\_\_\_ to a foreign country
3. \_\_\_\_\_ is the study of economic action of individuals and well defined groups of individuals.
4. Supply means the \_\_\_\_\_ offered for sale by producers
5. A part of the total expenditure allocated to a specific product or service is termed as \_\_\_\_\_
6. Single entry systems is regarded as an \_\_\_\_\_ form of recording business transaction
7. Income tax act 1961 came to into force from \_\_\_\_\_ in whole of the country
8. Write full form of CBIC \_\_\_\_\_
9. Write full form of SEO \_\_\_\_\_
10. \_\_\_\_\_ Marketing allows businesses to communicate directly with their target audience

**III. Give one line answer to the following****10x1=10 Marks**

1. Import Trade
2. Balance of Payment
3. Perfect competition market
4. Elasticity of demand
5. Assessee
6. GST Council
7. Book keeping
8. Nominal Account
9. Social Media
10. Website

## SECTION – B (20 Marks)

### I. Match the following 5 x 1 = 5 Marks

A	B
(a) Income Tax Act	1. 2015
(b) GST	2. 1962
(c) Income Tax Rules	3. 1961
(d) Black Money and Imposition of Tax Act	4. 2011
(e) IFRS	5. 2017

### II. Match the following 5 x 1 = 5 Marks

A	B
(a) Domestic Currency	1. Bill of Exchange
(b) Negotiable Instrument	2. Current Account
(c) Demand	3. Internal Trade
(d) GDP	4. Income Tax of the consumer
(e) Non-Monetary Movement of Gold	5. National Income

### III. True / False questions 10 x 1 = 10 Marks

1. Social Media has transferred control of the message from the organization to the consumer
2. High levels of the Inflation affects E-Commerce business that mainly deals with essential items
3. GST includes both Direct and Indirect Taxes
4. Income Tax is levied by State Government
5. Inter-connected demand is example of cross demand
6. In a perfect competition market products are homogenous
7. AS-3 relating to cash flow statement
8. Capital = Assets- Liabilities
9. IEC – Import Export Council
10. Profession is non economic activity