PART A

Q1. Select the most appropriate answer from the options given below: 8 marks

1. One of the following is included in the tertiary sector of the economy.

2. The situation where there is only one provider of a product/service is
   a. Oligopoly   b. Monopoly   c. Oligopoly   d. Monopsony

3. The high volume brands which exhibit a high price sensitivity and tend to be price focused are called

4. Which among the following is a regulatory body?
   a. LIC   b. IDBI   c. SEBI   d. SBI

5. Which of the following countries is included in the term ‘Asian tigers’?
   a. India   b. Pakistan   c. Sri Lanka   d. Hong Kong

6. Which of the following is not a use of funds?
   a. Increase in fixed assets   b. Payment of taxes
   c. Increase in accrued expenses   d. Decrease in provisions
7. Net current assets are the same as
   a. Total assets less Current Liabilities   b. Working Capital
   c. Capital less Liabilities     d. Fixed assets

8. One of the following will appear in the credit side of the trading account:

Q2. State whether true or false: 8 marks

1. Compensatory error is not disclosed in a trial balance.
2. Unit Trust of India is not a specialised financial institution.
3. Increase in working capital is a use of funds
4. The capital market does not include the stock market and the bond market.
5. GDP is GNP-Net Factor Income from abroad
6. LAFTA is not a free trade area.
7. Demography is the study of growth change and structure of the human population
8. Consumerism is the equation of personal happiness with consumption and the purchase of material possessions.

Q3. Fill in the blanks with appropriate words: 8 marks

1. The ledger account is the ________ book of the business
2. The basic factors of production are land, labour, capital and ________
3. SEZ is the abbreviation for Special _________ Zones
4. The objective of the firm is to maximize value to its ________
5. Economics is divided into two major parts, namely microeconomics and ________ economics
6. A wage is a compensation, usually financial, received by workers in exchange for their ________
7. World Trade Organization came into existence on 1st January, ________.
8. A country’s GDP is one of the ways of measuring the ________ of its economy.
Q4. Expand the abbreviations:  
1. NABARD  
2. SCICI  
3. NAFTA  
4. IFC  
5. IMF  
6. FDI  
7. MIGA  
8. CBDT

PART B

Q5. Write short notes on: (any 4)  
   a) World Bank  
   b) Types of costs  
   c) Financial market  
   d) Corporate governance  
   e) Global Exchange  
   f) Consumer Price Index

Q6.  
   a) Explain the objective and scope of Management Accounting  
   b) Discuss globalization and its effects.

Q7.  
   a) Explain the different economic systems.  
   b) Discuss the role of SMEs in India

Q8. Explain 'trading blocs'. What are the types of trading blocs? Give the SWOT analysis of a trading bloc.

Q9.  
   a) Explain the Journal. What are its advantages and limitations?  
   b) Discuss Cash and Accrual system of accounting.
Q10.

1. A & Co. incurred the following expenses during the year 2011. Classify the expenses as capital and revenue.
   i. Rs. 850 spent towards replacement of a worn out part in a machinery
   ii. Rs. 2000 spent for legal expenses in relation to raising of a loan for the business
   iii. Rs. 500 spent for ordinary repairs of plant
   iv. Rs. 8000 spent on replacing a petrol driven engine by diesel driven engine.
   v. Rs. 1000 towards electricity charges per month

2. Prepare the P&L Account of M/s. Y & Co. for the year ended 30-6-2012

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rs.</th>
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<td>Gross profit for the year</td>
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<tr>
<td>Salaries</td>
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<tr>
<td>Rent &amp; Taxes</td>
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<tr>
<td>General expenses</td>
<td>1975</td>
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<tr>
<td>Brokerage expenses</td>
<td>100</td>
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<tr>
<td>Bad debts</td>
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<td>Discount allowed</td>
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<tr>
<td>Commission received</td>
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<td>Interest receivable</td>
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<tr>
<td>Depreciation</td>
<td>560</td>
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<tr>
<td>Bank charges</td>
<td>10</td>
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</tbody>
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