PART A (compulsory). (32 x 1 = 32 marks)

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

1. The situation when there is only one provider of a product is called:
   a. Monopoly
   b. Oligopoly
   c. Oligopsony
   d. Monopsony

2. Mainstream brands have:
   a. high volume and high price sensitivity
   b. average volume and average price sensitivity
   c. Low market share and high price sensitivity
   d. high volume share but low price sensitivity

3. One of the following is included in the primary sector of the economy:
   a. Banking
   b. Insurance
   c. Farming
   d. Finance
4 Which of the following is not a source of funds?:
   a. Acceptance of deposits
   b. Issue of shares
   c. Non-trading income
   d. Loss of cash

5 Which of the following countries is not included in the term 'Asian Tigers'?:
   a. Bhutan
   b. Hongkong
   c. Singapore
   d. Taiwan

6 Which of the following is a specialized financial institution?:
   a. Securities and Exchange Board of India
   b. Unit Trust of India
   c. Bombay Stock Exchange
   d. National Stock Exchange

7 Cashflow statement takes into account:
   a. All revenues and expenditure
   b. Only income from sales
   c. All revenues and expenditure excluding Depreciation
   d. None of the above

8 One of the following will appear in the credit side of the trading account:
   a. Direct expenses
   b. Wages
   c. Carriage inwards
   d. Closing stock

Q2. State whether the following are true or false: 8 marks
   a. South Korea is one of the economies included in the term Asian Tigers.
   b. Macro-economics concentrates on behaviour of the economy as a whole.
   c. Goodwill is classified as tangible asset.
   d. Balance Sheet is prepared for a particular period.
   e. Depreciation is a source of funds.
   f. The Headquarters of IMF is in Washington.
   g. Securities Trading Corporation of India Ltd., is not a specialized financial institution.
   h. Ledger Account is not the main book of business.
Q3. Fill in the blanks with appropriate words: 8 marks

a. Working Capital turnover ratio is calculated by dividing ________ sales by working capital.
b. Financial Ratios disclose only ________ facts.
c. Financial markets facilitate the exchange of _______ assets.
d. The brands which typically have a low market share and high price sensitivity are called price________.
e. A country’s GDP is one of the ways of measuring the ________ of its economy.
f. The World Bank was created in __________.
g. Market dominated by many sellers and a few buyers is called __________.
h. Fixed Assets are those held not for __________ in the normal course of business.

Q4. Expand the abbreviations- 8 marks

a. NYSE  b. FDI  c. ASEAN  d. EEC
    e. GNP  f. MIGA  g. MES  h. SIDBI

PART B
(Answer any three) 3x16 = 48 marks

Q5. Write short notes on any four - 16 marks

a. Financial Market
b. Human Development index
c. Global Exchange
d. Corporate Governance
e. Balance Sheet
f. Factors of Production

Q6. Explain Liberalization and Globalisation. Discuss the effects of Globalisation. 16 Marks

Q7  16 marks
   a) Discuss the role of Government in an economy
   b) Discuss the role of SMEs in India.

Q8  16 marks
   a) Explain Journal. What are its advantages and limitations?
   b) Discuss the different sectors of economy.

Q9. Explain ‘Trading Bloc’. What are the different types of trading blocs? Give the SWOT
Q10. 20 marks

1. AB & Co. Incurred the following expenses during the year 2013. Classify the expenses as capital and revenue.
   i. Rs. 850 spent towards replacement of a worn out part of a machinery
   ii. Rs. 2000 spent for legal expenses in relation to raising 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

2. Prepare the P&L Account of M/s AB & Co. for the year ended 31.03.2014

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rs.</th>
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<tbody>
<tr>
<td>Gross profit for the year</td>
<td>9970</td>
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<tr>
<td>Salaries</td>
<td>3225</td>
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<tr>
<td>Rent &amp; Taxes</td>
<td>650</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>
<td>130</td>
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<tr>
<td>Discount allowed</td>
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<tr>
<td>Commission received</td>
<td>50</td>
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<tr>
<td>Interest receivable</td>
<td>320</td>
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<tr>
<td>Depreciation</td>
<td>560</td>
</tr>
<tr>
<td>Bank charges</td>
<td>10</td>
</tr>
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