PART A (compulsory).

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

1. One of the following is not included in the tertiary sector of the economy.
   a. Agriculture   b. Banking   c. Finance   d. Retail

2. Which among the following is a regulatory body?
   a. CBDT   b. SBI   c. HDFC   d. IDBI

3. Which of the following is not included in the term Asian tigers?
   a. Taiwan   b. Indonesia   c. Singapore   d. Hong Kong

4. Which of the following is not a use of funds?
   a. Funds lost in operation   b. Sale of non-current assets
   b. c. Payment of dividends   d. Payment of taxes

5. One of the following will not appear in the debit side of the trading account.
   a. Wages   b. Direct expenses
   c. Sales less returns   d. Carriage Inwards
6. WTO came into existence on 1st January

7. Gross Domestic Product of a country can be measured by
   a. Expenditure method  b. Income method
   c. Value added method  d. All of the above

8. High volume brands which exhibit a high price sensitivity and tend to be price focused are called
   a. Maintstream brands  b. Market leaders
   c. Price takers  d. Price fighters

Q2. State whether true or false:  
   8 marks

1. Insurance is an example of primary economic activity.
2. Capital profit is the profit which arises from the normal course of business.
3. It is necessary to depreciate the building even if it is not in use.
4. Balance sheet is always prepared on a certain date and not for a particular period.
5. Capital market is overseen by RBI.
6. Ledger is also called a ‘Book of final entry’.
7. Journal is a basic book of original entry.
8. Financial statements disclose only monetary facts.

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

1. A country's GDP is one of the ways of measuring the ____________ of its economy.
2. The Net National Product is an alternative and closely related measure of the National ________
3. ________ is a market dominated by many sellers and a few buyers.
4. Study of the growth, change and structure of the human population is called ________.
5. Technical know-how is ________ asset.
6. IMF is the abbreviation of International Monetary ________
7. Economics is divided into two major parts, namely microeconomics and ________________ economics
8. The objective of the firm is to maximize its value to its ________
Q4. Expand the abbreviations: 8 marks
1. NAFTA
2. EEC
3. IBRD
4. ICSID
5. NHB
6. EXIM Bank
7. UTI
8. GIC

PART B

Q5. Write short notes on: (any 4) 16 marks
1. Corporate Governance
2. Factors of production
3. Wholesale Price Index
4. Balance Sheet
5. Quality culture
6. Bipolar worlds

Q6. 16 marks
1. Explain FDI. Discuss role of FDI in India.
2. Discuss India’s foreign trade policy of liberalization.

Q7. 16 marks
1. Explain the different forms of business organisation.
2. Discuss the different sectors of an economy.

Q8. 16 marks
1. Discuss social responsibility and ethics.
2. Explain the concept and role of financial accounting.

Q9. 16 marks
1. Discuss globalization and its effects.
2. Discuss the role of technology, education and employment in an economy.
Q10.
From the following ledger account balances extracted from the book of accounts of M/s Jayanti Shah Industries, Ahmedabad for the year ended Mar 31\textsuperscript{st}, 2012, prepare the trading and P& L A/c.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Stock</td>
<td>50,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>160,000</td>
</tr>
<tr>
<td>Sales</td>
<td>260,000</td>
</tr>
<tr>
<td>Wages</td>
<td>20,000</td>
</tr>
<tr>
<td>Carriage Inwards</td>
<td>4,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>8,000</td>
</tr>
<tr>
<td>Trade expenses</td>
<td>1,000</td>
</tr>
<tr>
<td>Loss by fire</td>
<td>1,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,000</td>
</tr>
<tr>
<td>Printing and Stationary</td>
<td>500</td>
</tr>
<tr>
<td>Rent and taxes</td>
<td>2,000</td>
</tr>
<tr>
<td>Audit fees</td>
<td>3,000</td>
</tr>
<tr>
<td>Discount received</td>
<td>2,000</td>
</tr>
<tr>
<td>Interest earned</td>
<td>4,000</td>
</tr>
<tr>
<td>Commission received</td>
<td>3,000</td>
</tr>
<tr>
<td>Dividend from shares</td>
<td>2,000</td>
</tr>
<tr>
<td>Bad debts recovered</td>
<td>50</td>
</tr>
<tr>
<td>Closing Stock</td>
<td>35,000</td>
</tr>
<tr>
<td>Fuel expenses</td>
<td>1,000</td>
</tr>
<tr>
<td>Carriage Outwards</td>
<td>2,000</td>
</tr>
<tr>
<td>Postage and telegrams</td>
<td>1,000</td>
</tr>
<tr>
<td>Bad Debts</td>
<td>500</td>
</tr>
<tr>
<td>Bank charges</td>
<td>1,000</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>3,000</td>
</tr>
</tbody>
</table>

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