

ICSE EXAMINATION PAPER - 2025

COMMERCIAL STUDIES

Class-10th

(Solved)

Maximum Marks: 80

Time allowed: Two hours

Instructions to Candidates:

1. Answers to this Paper must be written on the paper provided separately.
2. You will **not** be allowed to write during the first 15 minutes.
3. This time is to be spent in reading the question paper.
4. The time given at the head of this Paper is the time allowed for writing the answers.
5. Attempt all questions from Section A and **any four** questions from Section B
6. The intended marks for questions or parts of questions are given in brackets [].

SECTION A (40 Marks)

(Attempt **all** questions from this Section)

Question-1

[16]

Choose the correct answers to the questions from the given options.

(Do not copy the questions, write the correct answers only.)

- (i) Which of the following is an example of Off-the-Job Training?

- (a) Job rotation (b) Mentoring
(c) Apprenticeship (d) Classroom training

- (ii) Rishav prepared a detailed plan of operations for a specific future period.

Identify the process.

- (a) Forecasting (b) Marketing
(c) Budgeting (d) Selecting

- (iii) Sharma and Company is planning to spend ₹ 5,00,000 on advertising. Under which type of expense can it be classified?

- (a) Capital expenditure
(b) Revenue expenditure
(c) Capital receipts
(d) Deferred Revenue expenditure

- (iv) Observe the picture and identify the type of Consumer Exploitation.



- (a) Overcharging (b) Under weighting
(c) Adulteration (d) Fair pricing
- (v) Assertion (A): Preference shares are a hybrid form of financing.

Reason (R): Preference shares have characteristics of both equity shares and debentures.

- (a) Both (A) and (R) are true and (R) is the correct

explanation of (A).

- (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).

- (c) (A) is true and (R) is false.

- (d) Both (A) and (R) are false.

- (vi) Which of the following is **Not** true with reference to the Reserve Bank of India?

- (a) It is the sole custodian of foreign exchange reserves.

- (b) It extends loans to the general public.

- (c) It makes and receives payment on behalf of the government.

- (d) It has the monopoly of issuing currency notes.

- (vii) Which type of selection test helps to measure an applicant's level of knowledge and skill in a particular occupation?

- (a) Aptitude test (b) Interest test

- (c) Trade test (d) Dexterity test

- (viii) Which of the following are true for a *Trading Account*?

- I. This account contains personal and real accounts only.

- II. This account contains opening balance of stock on the debit side.

- III. It is prepared after the Profit and Loss Account.

- IV. The result of this account is the Gross Profit or the Gross Loss.

- (a) I and II are true. (b) II and III are true.

- (c) III and IV are true. (d) II and IV are true.

- (ix) Marketing aims to build the reputation of the enterprise over time.

- (a) True

- (b) False

- (x) Expenses incurred by the firm to purchase a second-hand machine and make it ready for use, are treated as:

- (a) Capital Expenditure (b) Revenue Expenditure

- (c) Capital Receipts (d) Revenue Receipts

- (xi) **Assertion (A): The Central Bank is the sole custodian of foreign currency reserves.**

Reason (R): The Central Bank has the monopoly of note issue.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
 (c) (A) is true and (R) is false.
 (d) Both (A) and (R) are false.
- (xii) **Mohit goes to the bank with a credit instrument which is due three months later. The bank charges some commission and pays less than the face value of the instrument.**
Identify the kind of loan granted by the commercial bank.
 (a) Term loan
 (b) Cash credit
 (c) Discounting of bills of exchange
 (d) Overdraft
- (xiii) **Which of the following Acts established the Central Pollution Control Board at the national level?**
 (a) Consumer Protection Act, 2019
 (b) Environment Protection Act, 1986
 (c) Companies Act, 1956
 (d) Banking regulations Act, 1949
- (xiv) **Observe the picture and identify what type of Insurance can be claimed.**



- (a) Health (b) Fire
 (c) Life (d) Marine
- (xv) **A social security scheme has the following characteristics:**
 1. Any citizen of India, resident or non-resident, can become a member.

2. It has a Tier I account which is mandatory and Tier II which is optional.

Identify the scheme.

- (a) Provident Fund
 (b) Gratuity
 (c) National Pension Scheme
 (d) Maternity benefits
- (xvi) **The accountant of Gupta & Co. Ltd. has to pass an entry for Carriage Inwards. Where would he post the entry?**
 (a) Debit side of Profit and Loss Account
 (b) Debit side of Trading Account
 (c) Credit side of Trading Account
 (d) Liabilities side of Balance sheet

Question 2.

Write any two differences between:

- (i) Capital Expenditure and Revenue Expenditure [2]
 (ii) Trading Account and Profit and Loss Account [2]
 (iii) Product and Service [2]
 (iv) Direct Cost and Indirect Cost [2]

Question 3.

- (i) **Mohan intentionally burns the old stock of damaged clothes in his warehouse. Then, he claims the insurance.** [2]
 (a) Which type of insurance would he claim?
 (b) Give one reason to state why the claim will not be settled.
- (ii) What is Selection? [2]
 (iii) Explain Application Blank. [2]
 (iv) Write in brief about a Sales Budget. [2]

Question 4.

- (i) Briefly explain the Principle of Indemnity. [2]
 (ii) Who are Internal Stakeholders? Give two examples. [2]
 (iii) Identify the last step of the Final accounts, which is prepared after Profit and Loss Account. Explain in brief. [2]
 (iv) Write in brief about E-tailing. [2]

SECTION B (40 Marks)

(Attempt any four questions from this Section)

Question 5.

- (i) 'Pricing is not an end by itself but a means to achieve marketing objectives of the firm.' [5]
Discuss any five objectives of Pricing.
- (ii) Write short notes on: [5]
 (a) Equity shares
 (b) Mitigation of Loss as a Principle of Insurance.

Question 6.

- (i) 'Trade Unions provide workers with collective bargaining power, enabling them to negotiate for better benefits.'
Explain any five functions of a Trade Union. [5]

- (ii) Briefly explain: [5]
 (a) Inventory Module of ERP.
 (b) ATM.

Question 7.

- (i) Mention three merits and two demerits of Air Transport. [5]
 (ii) (a) Mr. Roy invented a product which uses less harmful chemicals. He paid Sen & Co. (RS sign used) 500000/- to promote the product. Sen & Co. used the product for their own gain without promoting it. [5]
 1. What fraudulent practice was committed?
 2. What action can Mr. Roy take?
 (b) Write a short note on Bonded Warehouse.

Question 8.

- (i) Explain any five features of the Consumer Protection Act. [5]
- (ii) Briefly explain: [5]
- (a) Right to Choose/Right to be Assured
- (b) Industrial Relations

Question 9.

- (i) Discuss the Utility Budgets. [5]
- (ii) This group of people offer raw materials, finished products or various services to a business organisation. [5]
- (a) Identify this group of stakeholders.
- (b) Give four expectations they may have from the business organisation.

Question 10.

The following Trial Balance was extracted from the books of Mr. Joseph as on 31st March, 2024. You are required to prepare the Trading Account and the Profit and Loss Account for the year ended 31st March, 2024. Also, prepare a Balance Sheet as on 31st March, 2024. [10]

Particulars	Amount (Dr.) ₹	Amount(Cr.) ₹
Capital		5,00,000
Drawings	7,500	
Opening stock	20,000	

Purchases and Sales	90,000	2,00,000
Insurance	6,000	
Carriage Inward	1,500	
Carriage Outward	3,000	
Commissions		8,000
Bad Debts	400	
Wages	9,500	
Rent	6,000	
Bills Receivable and Bills Payable	12,000	90,000
Cash in Hand	2,100	
Motor car	9,80,000	
Investment	16,0000	
Bank Overdraft		3,00,000
Creditors		2,00,000
Total	1298000	1298000

Closing Stock was valued at ₹20000 on 31st March, 2024.

□□□

ANSWERS

SECTION A

Answer 1

(i) Option (d) is correct.

Explanation: Classroom training is an example of off-the-job training, as it takes place away from the work environment in a structured setting. It involves lectures, discussions, case studies, and simulations to enhance employees' skills and knowledge before they apply them in the workplace.

(ii) Option (c) is correct.

Explanation: Budgeting is the process of planning financial and operational activities for a specific future period. It helps in allocating financial resources efficiently, setting performance targets, and ensuring that expenditures align with business objectives. Through budgeting, organisations can monitor income and expenses, facilitating better financial management and decision-making.

(iii) Option (d) is correct.

Explanation: Deferred revenue expenditure refers to expenses incurred in the present but providing benefits over multiple years. Although paid in one financial period, advertising expenses provide long-term brand visibility and benefits, making them a deferred revenue expenditures rather than capital or revenue expense.

(iv) Option (c) is correct.

Explanation: Adulteration occurs when harmful or artificial substances are added to food products, making them unsafe for consumption. In the given image, a syringe is injecting a substance into an apple, indicating food adulteration, which misleads consumers and poses health risks.

(v) Option (a) is correct.

Explanation: Preference shares are considered a hybrid form of financing because they have characteristics of both equity shares and debentures. Like equity shares, they represent ownership in a company, but like debentures, they provide a fixed return in the form of dividends. Therefore, the reason accurately supports the assertion.

(vi) Option (b) is correct.

Explanation: The Reserve Bank of India (RBI) is the central bank and regulator of the banking system. It does not give loans to the general public—that role is played by commercial banks. RBI's roles include managing foreign exchange, issuing currency, and acting as the banker to the government.

(vii) Option (c) is correct.

Explanation: A trade test is conducted to assess an applicant's practical knowledge and skills in a

specific occupation, such as mechanics, carpentry, or electrical work. It helps employers evaluate whether a candidate has the required technical expertise for a particular job, ensuring efficient selection.

(viii) Option (d) is correct.

Explanation: A Trading Account includes the on the debit side, as it represents the inventory available at the beginning of the accounting period. The main result of the Trading Account is the Gross Profit or Gross Loss, which is calculated by comparing sales and direct costs. A Trading Account deals with nominal accounts, not just personal and real accounts. The Trading Account is prepared before the Profit and Loss Account, not after.

(ix) Option (a) is correct.

Explanation: Marketing plays a crucial role in building the reputation of an enterprise over time by creating brand awareness, establishing customer trust, and maintaining a positive public image through consistent promotion, quality offerings, and customer engagement.

(x) Option (a) is correct.

Explanation: Expenses incurred to purchase a second-hand machine and make it ready for use are considered capital expenditures because they provide long-term benefits to the business by increasing its productive capacity. These costs are not-recurring and are treated as an investment in fixed assets rather than routine operational expenses.

(xi) Option (a) is correct.

Explanation: The Central Bank (in India, the Reserve Bank of India) is responsible for managing the country's foreign currency reserves, making it the sole custodian of these reserves. Additionally, the Central Bank has the exclusive authority to issue currency notes, which is known as the monopoly of note issuance. The monopoly of issuing currency helps the Central Bank manage money supply and maintain financial stability, which is crucial for handling foreign exchange reserves efficiently. Thus, the reason accurately supports the assertion.

(xii) Option (c) is correct.

Explanation: When Mohit approaches the bank with a credit instrument (such as a bill of exchange) that is due in the future, the bank provides immediate cash after deducting a certain commission or discount. This process is called the discounting of bills of exchange. The bank collects the full amount from the drawee when the bill matures. This facility helps businesses maintain liquidity without waiting for the maturity period.

(xiii) Option (b) is correct.

Explanation: The Central Pollution Control Board (CPCB) was originally constituted in 1974 under the Water (Prevention and Control of Pollution) Act, 1974. However, its powers and functions were further expanded under the Environment Protection Act, 1986, which provides a comprehensive framework for environmental regulation at the national level. The CPCB is responsible for monitoring pollution levels, enforcing environmental laws, and advising the government on environmental issues.

(xiv) Option (d) is correct.

Explanation: The image shows a sinking ship, which is a risk covered under marine insurance. Marine insurance provides financial protection against losses or damages to ships, cargo, and other related assets during transportation by sea. It covers risks such as sinking, collisions, piracy, and natural calamities, ensuring compensation for the insured party in case of maritime accidents.

(xv) Option (c) is correct.

Explanation: The National Pension Scheme (NPS) is a social security initiative that allows any Indian citizens, including residents and non-residents, to become members. It consists of Tier I and Tier II accounts, where Tier I is mandatory for subscribers, and Tier II is optional for those seeking additional voluntary savings. This scheme is designed to provide financial security after retirement, making it a crucial part of India's pension system.

(xvi) Option (b) is correct.

Explanation: Carriage Inward is an expense incurred to bringing goods to the business premises. Since it is directly related to the cost of purchasing goods, it is recorded on the debit side of the trading account. This is because all direct expenses, such as carriage inward, wages, and freight, are included in the Trading Account to determine the Gross Profit or Loss.

Answer-2

(i) Capital Expenditure and Revenue Expenditure:

Basis	Capital Expenditure	Revenue Expenditure
(a) Definition	Expenditure incurred to acquire or improve fixed assets.	Expenditure incurred for day-to-day operations.
(b) Nature	Non-recurring in nature.	Recurring in nature.
(c) Examples	Purchase of machinery, land, buildings, and vehicles.	Payment of rent, salaries, repairs, and utility bills.
(d) Treatments in accounts	Shown as an asset in the Balance Sheet.	Shown as an expense in the Profit and Loss Account.

(Any two)

(ii) Trading Account and Profit and Loss Account:

Basis	Trading Account	Profit and Loss Account
(a) Purpose	To determine Gross Profit/Loss.	To determine Net Profit/Loss.
(b) Inclusion	Includes direct expenses and direct incomes (e.g., purchases, sales, wages).	Includes indirect expenses and indirect incomes (e.g., rent, salaries, advertisement).
(c) Position in Final Accounts	Prepared before the Profit and Loss Account.	Prepared after the Trading Account.
(d) Balance	Balance is carried forward to the Profit and Loss Account.	Balance is transferred to the Capital Account in the Balance Sheet.

(Any two)

(iii) Product and Service:

Basis	Product	Service
(a) Nature	Tangible (can be physically touched and stored).	Intangible (cannot be touched, only experienced).
(b) Transfer of ownership	Ownership is transferred to the buyer.	No ownership is transferred; only usage rights are provided.
(c) Storage	Can be stored for future use.	Cannot be stored, consumed at the time of delivery.
(d) Example	Laptop, mobile phone, and car.	Banking, consultancy, and education.

(Any two)

(iv) Direct Cost and Indirect Cost:

Basis	Direct Cost	Indirect Cost
(a) Definition	Costs directly linked to production.	Costs that are not directly linked to production.
(b) Traceability	Easily traceable to a specific product or service.	Not easily traceable to a specific product.
(c) Effect on Production	Directly affects the cost of production.	Supports production but does not directly impact unit cost.
(d) Example	Raw materials, and wages of factory workers.	Office rent, electricity bills, and administrative salaries.

(Any two)**Answer-3.**

- (i) (a) Mohan would claim fire insurance, as it provides coverage for loss or damage caused by fire to the insured property.
- (b) The claim will not be settled because of the principle of utmost good faith and the principle of indemnity. Since Mohan intentionally set fire to the stock to claim insurance, it amounts to fraud, and insurance companies do not compensate for deliberate losses caused by the insured party.
- (ii) Selection is the process of choosing the most suitable candidate from a pool of applicants for a particular job. It involves evaluating candidates based on their qualifications, skills, experience, and suitability for the job role through various tests and interviews.
- (iii) An Application Blank is a structured form filled out by job applicants, providing details about their personal information, educational qualifications, work experience, skills, and references. It helps employers in shortlisting candidates for further selection processes.
- (iv) A Sales Budget is a financial plan that estimates the expected sales revenue for a specific period. It is based on past sales data, market trends, and business objectives. It helps businesses in setting sales targets, allocating resources, and planning marketing strategies efficiently.

Answer-4

- (i) The Principle of Indemnity states that an insured person will be compensated for the actual financial loss suffered but not allowed to make a profit from the insurance claim. This principle ensures that insurance restores the insured to the same financial position before the loss occurred. It is mostly applicable in non-life insurance, such as property and health insurance.
- (ii) Internal stakeholders are individuals or groups directly involved in the operations of an organisation and have a vested interest in its success. Two examples are:
 - **Employees:** They work for the organisation and depend on it for income and career growth.

- **Managers:** They make strategic decisions and oversee business operations to achieve organisational goals.

- (iii) The last step in final accounts is the Balance Sheet, prepared after the Profit and Loss Account. It provides a statement of financial position, showing the company's assets, liabilities, and capital at a specific date. The Balance Sheet helps in assessing the financial stability and liquidity of the business.
- (iv) E-tailing, or electronic retailing, refers to the process of selling goods and services online through digital platforms. It includes e-commerce websites like Amazon and Flipkart, where customers can browse, select, and purchase products via the internet. E-tailing provides convenience, wider product choices, and home delivery options for consumers.

SECTION B**Answer 5.****(i) Five Objectives of Pricing:**

Pricing plays a crucial role in achieving a firm's marketing objectives. Some key objectives of pricing include:

- (a) **Profit Maximisation:** Setting prices to generate the highest possible profit by balancing production costs, demand, and market conditions.
 - (b) **Market Penetration:** Using lower initial prices to attract customers, increase sales volume, and establish a strong market presence.
 - (c) **Survival** Keeping prices competitive during economic downturns or high competition to ensure business continuity.
 - (d) **Customer Perceived Value:** Aligning prices with the value customers associate with the product, ensuring satisfaction and long-term loyalty.
 - (e) **Competitive Pricing:** Adjusting prices based on competitor strategies to maintain market position and attract price-sensitive consumers.
- (ii) (a) **Equity Shares:**

Equity shares represent ownership in a company and are a primary source of long-term capital. Shareholders who hold equity shares are known as equity shareholders and have voting rights in important company decisions. These

shares do not offer a fixed return, as dividends depend on the company's profitability. Equity shareholders bear the highest risk because they are paid only after all debts and liabilities are settled in case of liquidation. However, they also have the potential for high returns if the company performs well.

(b) Mitigation of Loss as a Principle of Insurance:

The principle of Mitigation of Loss in insurance states that the insured must take all reasonable steps to minimise damage or loss to insured property. This principle prevents carelessness by ensuring that policyholders do not act irresponsibly, assuming that their losses will be covered by insurance. For example, if a fire breaks out in a factory, the owner must attempt to control it and prevent further damage instead of relying entirely on the insurance company for compensation. Insurance does not cover losses that result from negligence or deliberate inaction. By following this principle, insurance companies can keep claims under control, which helps in maintaining lower premium costs for all policyholders. Ultimately, this principle ensures that insurance remains a protective measure rather than an opportunity for financial gain.

Answer-6

(i) Five Functions of a Trade Union:

Trade unions work to protect the rights and interests of workers. Their key functions include:

- (a) Collective Bargaining:** One of the primary functions of a trade union is to negotiate with employers on behalf of workers to secure better wages, improved working conditions, and other employment benefits.
- (b) Protection of Workers' Rights:** Trade unions work to ensure job security and safeguard workers from unfair treatment, discrimination, or wrongful termination. They also advocate for workplace safety and ensure that labour laws are followed.
- (c) Improving Working Conditions:** Trade unions act as mediators to resolve disputes related to wages, working hours, disciplinary actions, and other employment matters, helping to maintain industrial peace.
- (d) Providing Legal Assistance:** Trade unions provide legal support to workers in case of disputes related to employment laws, wrongful dismissal, or workplace harassment. They help employees understand their rights and represent them in legal proceedings when necessary.
- (e) Welfare and Social Security:** Many trade unions engage in welfare activities such as providing healthcare benefits, pensions, housing facilities, and education support for workers and their families. These initiatives help improve the overall well-being and job satisfaction of employees.

(ii) (a) Inventory Module of ERP:

The Inventory Module in ERP (Enterprise Resource Planning) helps businesses manage stock levels, track inventory movements, and optimise supply chain operations. It ensures real-time visibility of stock, reduces wastage and improves order management.

(b) ATM (Automated Teller Machine):

An ATM is an electronic banking machine that allows customers to perform financial transactions such as cash withdrawals, deposits, balance enquiries, and fund transfers without needing a bank representative. It operates using a debit or credit card and a secure PIN.

Answer-7.

(i) Merits and Demerits of Air Transport:

Merits:

- (a) Fastest Mode of Transport:** Air transport is the quickest way to travel long distances, making it ideal for urgent deliveries and emergencies.
- (b) Global Reach:** It connects remote areas and international destinations efficiently, facilitating global trade and tourism.
- (c) Less Infrastructure Dependency:** Unlike roads or railways, air transport does not require extensive infrastructure development along the route.

Demerits:

- (a) High Cost:** Air travel and cargo transportation are expensive due to fuel costs, maintenance, and operational expenses.
- (b) Weather Dependency:** Flights can be delayed or cancelled due to adverse weather conditions, affecting schedules and reliability.

(ii) (a) 1. The fraudulent practice committed by

Sen & Co. is a breach of contract and misappropriation of funds.

2. Mr Roy paid ₹5,00,000 for product promotion, but the company used the product for its gain without fulfilling its obligation. This constitutes fraud and unethical business conduct. Mr Roy can take legal action by filing a case for fraud and breach of contract against Sen & Co. He can also demand a refund or compensation for financial losses and file a complaint with the consumer protection authorities or approach a civil court to claim damages.

- (b) A bonded warehouse is a storage facility authorised by the government where imported goods are kept until the importer pays the required customs duties. These warehouses are usually located near ports and are operated by customs authorities or private entities under strict regulations. Goods stored in a bonded warehouse can be sold, repackaged, or re-exported without paying duties until they enter the domestic market. This facility helps businesses manage cash flow by deferring tax payments until the goods are sold.**

Answer-8.**(i) Five Features of the Consumer Protection Act:**

(a) Establishment of Consumer Protection Councils: The Act provides for Consumer Protection Councils at the central, state, and district levels to promote and protect consumer rights.

(b) Consumer Dispute Redressal Mechanism: It establishes a three-tier redressal system with the District Consumer Disputes Redressal Commission (DCDR), State Consumer Disputes Redressal Commission (SCDR), and National Consumer Disputes Redressal Commission (NCDRC) for resolving consumer complaints.

(c) Product Liability: The Act introduces the concept of product liability, making manufacturers, sellers, and service providers accountable for defective products or services that cause harm to consumers.

(d) E-Commerce and Unfair Trade Practices: The Act covers e-commerce transactions, ensuring that online consumers are protected from fraudulent activities, misleading advertisements, and unfair trade practices.

(e) Alternative Dispute Resolution (ADR): The Act promotes mediation as an alternative method for resolving consumer disputes efficiently, reducing the burden on consumer courts.

(ii) (a) Right to Choose / Right to be Assured:

The Right to Choose ensures that consumers have access to a variety of products and services at competitive prices. The Right to be Assured guarantees that consumers receive products of standard quality without false claims or deceptive advertising.

(b) Industrial Relations:

Industrial Relations refer to the relationship between employers, employees, trade unions and the government. It aims to ensure a harmonious working environment by addressing issues like wages, working conditions and dispute resolution.

Answer-9.

(i) A budget is a financial plan that helps businesses allocate resources, control expenses, and achieve financial goals. The utility of budgets in an organisation includes:

(1) Financial Planning and Control: Budgets help in setting financial goals and ensure that spending aligns with income and business objectives.

(2) Cost Management: By setting spending limits, budgets prevent unnecessary expenses and help in cost reduction.

(3) Resource Allocation: Budgets ensure the efficient distribution of resources across different departments and projects to maximise productivity.

(4) Performance Evaluation: Budgets serve as a benchmark for measuring actual performance against planned figures, helping businesses take corrective actions if needed.

(5) Decision-Making: Budgeting provides financial insights that help management make informed decisions on investments, expansion, and operations.

(ii) (a) The stakeholders referred to in the question are suppliers. They provide raw materials, finished goods, or services necessary for the smooth functioning of a business.

(b) Four Expectations of Suppliers from a Business Organisation

(i) Timely Payments: Suppliers expect prompt payment for the goods or services they provide.

(ii) Long-term Business Relationship: They seek a stable and reliable business partnership.

(iii) Fair Pricing and Contracts: Suppliers expect reasonable pricing and transparent contract terms.

(iv) Consistent Orders: Regular and bulk orders ensure their business stability and growth.

Answer-10

To prepare the Trading Account, Profit and Loss Account, and Balance Sheet for Mr. Joseph as of 31st March 2024, we will follow these steps:

(a) Trading Account for the year ended 31st March 2024

Particular	Amount (₹)	Particular	Amount (₹)
To Opening Stock	28,000	By Sales	2,00,000
To Purchase	90,000	By Closing Stock	20,000
To Carriage Inward	1,000		
To Wages	9,000		
To Gross Profit c/d	92,000		
Total	2,20,000	Total	2,20,000

(b) Profit and Loss Account for the year ended 31st March 2024

Particular	Amount (₹)	Particular	Amount (₹)
To Insurance	6,000	By Gross Profit b/d	92,000
To Carriage Outward	3,400		
To Commission	8,000		
To Bad Debts	4,500		
To Rent	12,000		
To Net Profit c/d	58,100		
Total	92,000	Total	92,000

(c) Balance Sheet as of 31st March 2024

Liability	Amount (₹)	Asset	Amount (₹)
Capital	5,00,000	Closing Stock	20,000
Add: Net Profit	58,100	Bills Receivable	12,000
Less: Drawings	7,500	Cash in Hand	10,000
Adjusted Capital	5,50,600	Motor Car	1,60,000
Bills Payable	90,000	Investments	1,60,000
Bank Overdraft	3,00,000	Debtors (Bills Receivable + Bad Debts Adjusted)	12,000
Creditors	12,000		
Total	9,52,600	Total	9,52,600

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