



**BSO** Bloom  
School  
Olympiad

CLASS 12

# *Bloom Commerce Olympiad Sample Paper*

Maximum Time : 60 Minutes

Maximum Marks : 60

## INSTRUCTIONS

1. There are 50 Multiple Choice Questions in this paper divided into two sections :

**Section A** 40 MCQs; 1 Mark each

**Section B** 10 MCQs; 2 Marks each

2. Each question has Four Options out of which **ONLY ONE** is correct.

3. All questions are compulsory.

4. There is no negative marking.

5. No electric device capable of storing and displaying visual information such as calculator and mobile is allowed during the course of the exam.

Roll No.

Student's Name

## Section-A (1 Mark each)

### Accountancy

1. In which of the following cases, partners are exempted to share losses?
  - (a) Partnership firm having a minor partner
  - (b) Limited liability partnership
  - (c) Unregistered partnership
  - (d) None of the above
2. Which of the following is true about financial ratios?
  - (a) Ratios are expressed in percentages
  - (b) Ratios helps in analysing business changes
  - (c) Ratios can forecast the future based on historical data
  - (d) Both (a) and (b)
3. Ellipse is a finance company owned and governed by a group of finance officers. The company generated ₹ 10,000 interest in the current year. In which of the following sections will this interest be treated?
  - (a) Cash flow from financing activities
  - (b) Cash flow from operating activities
  - (c) Cash flow from investing activities
  - (d) None of the above
4. Which of the following is the correct treatment of interest on capital when the partnership deed states that the interest is a charge?
  - (a) Partially allowed if there is a loss
  - (b) Fully allowed only if there is a profit
  - (c) Partially allowed if there is a profit
  - (d) Fully allowed in all cases
5. It is ..... that share capital can be issued at a premium or a discount; and it is also ..... that share capital is only reported at par.
  - (a) true, false
  - (b) false, true
  - (c) true, true
  - (d) false, false
6. Which of the following statements is true?
  - I. Financial statements ignore price level changes.
  - II. Equity and preference share capital is shown in the same account.

### Codes

- (a) Only II
- (b) Only I
- (c) Both are correct
- (d) Both are incorrect

- 7.** Which of the following is the correct difference between the analysis of financial statements and interpretation of financial statements?
- (a) Analysis is the process of explaining the meaning of financial data, whereas interpretation is used for classifying data
- (b) Analysis can be done without interpretation, whereas interpretation cannot be done without analysis
- (c) Analysis simplifies financial data, whereas interpretation gives the significance of data
- (d) All of the above
- 8.** Mr. Kumar and Mr. Sharma are running a partnership firm. Which of the following is the correct amount of interest on Mr. Kumar's drawings if he withdrew ₹ 7,000 at the end of every month and the interest is charged at 10%?
- (a) ₹ 3,780 (b) ₹ 4,000
- (c) ₹ 3,850 (d) ₹ 3,000
- 9.** How many shares will be issued if assets worth ₹ 9,90,000 are purchased and the shares are to be issued at a face value of ₹ 120?
- (a) 9,900 shares (b) 9,000 shares
- (c) 8,250 shares (d) 8,000 shares
- 10.** Which of the following journal entries is passed on allotment, when shares are issued at premium?
- (a) Debit Share Allotment A/c ;Credit Share Capital A/c and Securities Premium A/c
- (b) Debit Share Allotment A/c and Share Capital A/c; Credit Securities Premium A/c
- (c) Debit Share Allotment A/c and Credit Securities Premium A/c
- (d) Debit Share Allotment A/c and Credit Share Capital A/c
- 11.** Bheem issued 2,000, 10% debentures of ₹ 100 each at a premium of ₹ 10. Record the entry if debentures are fully subscribed and the amount is to be received in a single instalment.
- (a) Debit Debenture Application and Allotment A/c by ₹ 2,20,000; Credit Securities Premium A/c by ₹ 2,00,000 and Debentures A/c by ₹ 20,000
- (b) Debit Debenture Application and Allotment A/c by ₹ 2,00,000; Credit Securities Premium A/c by ₹ 2,00,000
- (c) Debit Debenture Application and Allotment A/c by ₹ 2,00,000; Credit Debentures A/c by ₹ 2,00,000
- (d) Debit Debenture Application and Allotment A/c by ₹ 2,20,000; Credit Securities Premium A/c by ₹ 20,000 and Debentures A/c by ₹ 2,00,000
- 12.** If the trade receivables, short-term investments, inventory, land and building of ALX limited are ₹ 50,000, ₹ 21,000, ₹ 16,000, and ₹ 1,00,000 respectively and the bills payable are ₹ 45,000, what will be the current ratio of ALX Limited?
- (a) 1.9: 1 (b) 1.6: 1
- (c) 4.1: 1 (d) 1.7: 1

## Business Studies

- 13.** Capital budgeting decisions influence the ..... of the companies in the long-run.  
(a) profits (b) earning capacity  
(c) operational capacity (d) productive capacity
- 14.** The products purchased after a lot of time and effort and detailed comparison are known as .....  
(a) shopping products (b) speciality products  
(c) consumer products (d) None of these
- 15.** Which of the following is not a technique of public relations?  
(a) Press release (b) Special events  
(c) Refunds (d) Newspapers
- 16.** What is the time period of filing a complaint against the order of the State Commission?  
(a) 15 days (b) 20 days  
(c) 30 days (d) 31 days
- 17.** Which of the following is an advantage of the on-line trading system?  
(a) Helps in efficient price fixation  
(b) Enables a large number of participants to trade easily  
(c) Improves the liquidity of the market  
(d) All of the above
- 18.** It is ..... that Henry Fayol emphasised on improving overall administration; it is also ..... that Taylor focused on increasing productivity.  
(a) true, true (b) false, true  
(c) true, false (d) false, false
- 19.** Which of the following is true about personnel stability in an organisation?  
(a) Personnel stability increases labour turnover  
(b) Employees get motivated when there is personnel stability in the organisation  
(c) It results in poor relationships between managers and workers  
(d) All of the above
- 20.** Which of the following rights gives the right to get compensation in case of damage?  
(a) Right to education (b) Right to seek redressal  
(c) Right to be heard (d) Right to safety
- 21.** Which of the following statements is/are incorrect?  
I. Increase in tax rates increases business expenses  
II. Traditions are the concepts that are followed by the society as a whole
- Codes**  
(a) Only I (b) Only II  
(c) Both are incorrect (d) Both are correct

- 22.** Identify the correct distinction between functional and divisional organisational structure.
- (a) Divisional structure is used for large-size companies, whereas functional structure is used for medium and small size companies.
  - (b) Divisional structure is suitable when a company has diversified operations, whereas functional structure is suitable when a company has high growth prospects
  - (c) Divisional structure categorises departments on the basis of products, whereas functional department categorises departments on the basis of functions
  - (d) None of the above

- 23.** Sam was a mechanical engineering student and wanted to build a car that causes the minimum air pollution. He got a chance and built a stereotype with the help of his friends and other known experts in this field. He decided to launch his stereotype in Delhi because air pollution was a big problem there.

Which dimension of the business environment is discussed in this case?

- (a) Economic and technological
  - (b) Social and technological
  - (c) Economic and social
  - (d) Political and social
- 24.** The manager of LMD Bank was transferred to a new location where the performance was very low. He had a good record of managing poor performance and therefore, was given the task to upgrade the performance of the new branch. The manager did a thorough research and found out that each employee joined the bank for a reason. He immediately asked the top management to make plans for fulfilling these reasons. After some negotiation with the employees, the management was able to satisfy the needs of its workers and the performance started to rise.
- The element of directing showcased by the manager is
- (a) Incentive
  - (b) Motive
  - (c) Affiliation
  - (d) None of these

### **Economics**

- 25.** Which of the following is the money whose value is more than the value of the material from which it has been made?
- (a) Full-bodied money
  - (b) Credit money
  - (c) Exchange money
  - (d) None of these
- 26.** Which of the following unemployment occurs when there is frequent change in jobs due to the dynamic environment?
- (a) Full unemployment
  - (b) Voluntary unemployment
  - (c) Frictional unemployment
  - (d) Structural unemployment
- 27.** Which of the following taxes puts more burden on the poor and less on the rich?
- (a) Direct tax
  - (b) Indirect tax
  - (c) Relative tax
  - (d) Regressive tax

- 28.** The shift in cultivation for self-consumption to cultivation for sale in the market is known as .....
- (a) commercialisation (b) urbanisation  
(c) privatisation (d) None of these
- 29.** Which of the following is/are the problem(s) faced by small scale industries?
- (a) Lack of finance (b) Shortage of material  
(c) Poor marketing (d) All of these
- 30.** Which of the following fixes the bank and repo rate?
- (a) Central bank (b) World trade organisation  
(c) Commercial banks (d) All of these
- 31.** Which of the following is true about capital goods?
- (a) These are used in the production process for a specific year only  
(b) These goods include all the fixed assets of the producer  
(c) All producer goods are capital goods  
(d) All of the above
- 32.** ..... is the difference between indirect taxes and subsidies.
- (a) National indirect tax (b) Net indirect tax  
(c) Gross indirect tax (d) None of these
- 33.** If the total money deposited is ₹ 2,000 and the LRR is 0.20, what will be the value of money multiplier?
- (a) 5.00 (b) 6.00  
(c) 4.89 (d) 5.10
- 34.** Identify the correct statement from the following
- I. The theory of money explains the issues related to budget, inflation, deflation, etc.  
II. Increase in foreign exchange reserves is recorded on debit side of capital account.
- Codes**
- (a) Only II (b) Only I  
(c) Both are incorrect (d) Both are correct
- 35.** Which of the following is the correct difference between a commercial bank and the central bank?
- (a) A commercial bank creates credit, whereas central bank controls the credit flow in an economy  
(b) Commercial banks can issue currency, whereas central bank has no such authority  
(c) Commercial banks work for social purposes, whereas central bank works for profit maximisation  
(d) Commercial banks act as custodian of foreign reserves, whereas central bank cannot act as custodian

## Entrepreneurship

- 36.** Which of the following leads to entrepreneurial opportunities?  
(a) Innovation (b) Change  
(c) Competition (d) All of these
- 37.** Which of the following forms of business is a creation of law?  
(a) Corporation (b) Partnership  
(c) Sole proprietorship (d) None of these
- 38.** It is ..... that ideas can be generated based on natural resources; it is also ..... that the agricultural sector is the most growing sector of the economy.  
(a) true, false (b) false, true  
(c) true, true (d) false, false
- 39.** ..... is the first step in assessing an idea or opportunity.  
(a) Problem identification  
(b) Cost  
(c) Product identification  
(d) Technological complexity
- 40.** Reddy made a business plan which consisted of all the information regarding the materials, workmen, budget, inventory and manpower requirement.  
Identify the type of plan that was developed by Reddy?  
(a) Working budget (b) Production plan  
(c) Operational plan (d) Financial plan

## Section-B (2 Marks each)

- 41.** Match the functions of management in column I with their correct aspects in column II.

Column I	Column II
A. Controlling	(i) Objectives
B. Directing	(ii) Deviations
C. Planning	(iii) Abilities
D. Staffing	(iv) Leadership

### Codes

- |     | A     | B    | C    | D     |
|-----|-------|------|------|-------|
| (a) | (iii) | (iv) | (i)  | (ii)  |
| (b) | (i)   | (ii) | (iv) | (iii) |
| (c) | (iii) | (i)  | (ii) | (iv)  |
| (d) | (ii)  | (iv) | (i)  | (iii) |

42. Identify the correct pair from the following

Column I		Column II
A. Intermittent Expenses	(i)	Salaries
B. Fixed Expense	(ii)	Utilities
C. Variable Expense	(iii)	Insurance
D. Discretionary Expense	(iv)	Commissions

**Codes**

- (a) A-(i) (b) B-(ii)  
(c) C-(iii) (d) D-(iv)

**Direction** (Q. No. 43 to 46) There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below

**Alternatives**

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)  
(c) Assertion (A) is true, but Reason (R) is false  
(d) Assertion (A) is false, but Reason (R) is true

43. **Assertion** (A) Companies enter markets for new products with low initial prices.

**Reason** (R) The production of new products starts with excess plant capacity.

44. **Assertion** (A) Coordination is required in every organisation to make departments work with integrated efforts.

**Reason** (R) Coordination results in group efforts.

45. **Assertion** (A) A partnership firm dissolves when the profit sharing ratio is changed.

**Reason** (R) The current partnership agreement is changed with a new agreement when profit sharing ratio is changed.

46. **Assertion** (A) The results of business operations at the year end are represented through a profit and loss statement.

**Reason** (R) Part II of Schedule III of the Companies Act prescribes the form in which a profit and loss statement is to be prepared.

**Direction** Read the following case study and answer the Q. No. 47 to 50 on the basis of the same

Human capital formation is the process through which more skilled and experienced people are added to the human capital. It results in the increase of the stock of human resources and upgrades the economic development of a country. Companies spend money to hire analysts for researching and analysing the labour market and know the trends in the labour market.



Management uses the results of these analysts to make informed decisions about the human capital and make an efficient utilisation of it. Therefore, the information about the labour markets is also a source for human capital formation.

- 47.** Which of the following benefits is/are provided by education?  
 (a) Personal benefits (b) Social benefits  
 (c) Both (a) and (b) (d) None of these
- 48.** The process of training and development in a corporation is a .....  
 (a) expenditure (b) expense  
 (c) managerial function (d) investment
- 49.** Which of the following is the primary source of human capital formation?  
 (a) Migration (b) Information  
 (c) Both (a) and (b) (d) None of these
- 50.** Which of the following human resources is/are more beneficial for an economy?  
 (a) Healthy (b) Educated  
 (c) Both (a) and (b) (d) None of these

### OMR SHEET

<b>1</b>	a	b	c	d	<b>2</b>	a	b	c	d	<b>3</b>	a	b	c	d	<b>4</b>	a	b	c	d
<b>5</b>	a	b	c	d	<b>6</b>	a	b	c	d	<b>7</b>	a	b	c	d	<b>8</b>	a	b	c	d
<b>9</b>	a	b	c	d	<b>10</b>	a	b	c	d	<b>11</b>	a	b	c	d	<b>12</b>	a	b	c	d
<b>13</b>	a	b	c	d	<b>14</b>	a	b	c	d	<b>15</b>	a	b	c	d	<b>16</b>	a	b	c	d
<b>17</b>	a	b	c	d	<b>18</b>	a	b	c	d	<b>19</b>	a	b	c	d	<b>20</b>	a	b	c	d
<b>21</b>	a	b	c	d	<b>22</b>	a	b	c	d	<b>23</b>	a	b	c	d	<b>24</b>	a	b	c	d
<b>25</b>	a	b	c	d	<b>26</b>	a	b	c	d	<b>27</b>	a	b	c	d	<b>28</b>	a	b	c	d
<b>29</b>	a	b	c	d	<b>30</b>	a	b	c	d	<b>31</b>	a	b	c	d	<b>32</b>	a	b	c	d
<b>33</b>	a	b	c	d	<b>34</b>	a	b	c	d	<b>35</b>	a	b	c	d	<b>36</b>	a	b	c	d
<b>37</b>	a	b	c	d	<b>38</b>	a	b	c	d	<b>39</b>	a	b	c	d	<b>40</b>	a	b	c	d
<b>41</b>	a	b	c	d	<b>42</b>	a	b	c	d	<b>43</b>	a	b	c	d	<b>44</b>	a	b	c	d
<b>45</b>	a	b	c	d	<b>46</b>	a	b	c	d	<b>47</b>	a	b	c	d	<b>48</b>	a	b	c	d
<b>49</b>	a	b	c	d	<b>50</b>	a	b	c	d										

## Hints and Answers

1. (a) Partnership firm having a minor partner
2. (d) Both (a) and (b)
3. (b) Cash flow from operating activities
4. (d) Fully allowed in all cases
5. (c) true, true
6. (b) Only I
7. (c) Analysis simplifies financial data, whereas interpretation gives the significance of data
8. (c)  $(7,000 \times 12) \times \frac{10}{100} \times 5.5/12 = ₹ 3,850$
9. (c) Shares issued =  $9,90,000/120 = 8,250$  shares
10. (a) Debit Share Allotment A/c; Credit Share Capital A/c and Securities Premium A/c
11. (d) Securities Premium =  $2,000 \times 10 = ₹ 20,000$   
Application and Allotment =  $2,00,000 + 20,000 = ₹ 2,20,000$
12. (a) Current Ratio =  $(50,000 + 21,000 + 16,000)/45,000 = 1.9$
13. (b) earning capacity
14. (a) shopping products
15. (c) Refunds
16. (c) 30 days
17. (d) All of the above
18. (a) true, true
19. (b) Employees get motivated when there is personnel stability in the organisation
20. (b) Right to seek redressal
21. (b) Only II
22. (c) Divisional structure categorises departments on the basis of products, whereas functional department categorises departments on the basis of functions
23. (a) Economic and technological
24. (b) Motive
25. (b) Credit money
26. (c) Frictional unemployment
27. (d) Regressive tax
28. (a) Commercialisation
29. (d) All of these
30. (a) Central bank

- 31.** (b) These goods include all the fixed assets of the producer
- 32.** (b) Net indirect tax
- 33.** (a) Money Multiplier =  $1/LRR = 1/0.20 = 5.00$
- 34.** (a) Only II
- 35.** (a) A commercial bank creates credit, whereas central bank controls the credit flow in an economy
- 36.** (d) All of these
- 37.** (a) Corporation
- 38.** (a) true, false
- 39.** (c) Product identification
- 40.** (b) Production plan
- 41.** (d) (ii) (iv) (i) (iii)
- 42.** (b) B-(ii)
- 43.** (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- 44.** (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- 45.** (d) Assertion (A) is false, but Reason (R) is true.
- 46.** (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- 47.** (c) Both (a) and (b)
- 48.** (d) investment
- 49.** (c) Both (a) and (b)
- 50.** (c) Both (a) and (b)