

POLICE D.A.V. PUBLIC SCHOOL, LUDHIANA
CLASS XII COMMERCE
HOLIDAYS' HOMEWORK (2024-25)

SUBJECT- ENGLISH

- ❖ As the Secretary of the Social welfare club, Greenfield convent school, Mumbai, draft a formal invitation inviting parents to an art fair where the culture and tradition of Odisha are going to be highlighted.
- ❖ The Social Welfare Club has organised an art fair, where the culture and tradition of Odisha is going to be highlighted. Draft an invitation inviting the famous classical dancer Bhavna Manchanda, to be the guest of honour. Write the invitation for the same
- ❖ Read the chapter The Enemy and prepare five competency based questions. Questions can be in the form of MCQ's, short answer questions or long answer questions

SUBJECT – ACCOUNTANCY

WORKSHEET-4

Topic - Revaluation of Assets and Liabilities and Treatment of Provision for Doubtful debts

Q1:A , B, C and D are partners sharing profits in ratio 1 : 1 : 1 : 1. W.e.f 1st April 2023 they decided to share profits in 3:2:1 : 1.following is balance sheet on 1st April ,2023.

LIABILITIES	Rs.	ASSETS	Rs.
Creditors	30,000	Office building	1,00,000
Bills payable	25,000	Factory building	2,00,000
Bank loan	1,50,000	Plant	1,00,000
O/S wages	2,000	Machinery	1,00,000
O/s salaries	1,200	Land	1,20,000
Employee provident fund	45,000	Goodwill	30,000
Workmen compensation reserve	10,000	Stock of raw material	33,000
		Stock of finished goods	24,000
		Stock of work in progress	30,000
		Stock in trade	15,000
		Debtors	20,000
		Patents	15,000
		Prepaid expenses	2,000
		Copyrights	26,000
		Livestock	35,000
		Bill receivables	6,000
		Furniture	15,000
		Fixtures	15,000
		Typewriter	1,500
		Printer	4,000
		Accured rent	12,00
		Investments in shares	38,000
		Loose tools	3,000
		Warehouse building	1,10,000
		Leasehold property	80,000
		Freehold property	60,000
		Investment in debentures	24,000
		Computers	15,000
		Warehouse typewriter	30,000

Additional Information:

1. Value of office building is to be increased by Rs. 20,000
2. Value of factory building is to be increased to Rs. 2,30,000
3. Value of plant is to be brought up to 120% of its book value

4. Machinery is undervalued by Rs. 30,000
5. Warehouse typewriter is overvalued by Rs.20,000
6. Stock of finished goods is undervalued by 20%
7. Stock of raw material is overvalued by 10%
8. Stock in trade includes obsolete items of Rs. 1,000, is to be written off.
9. Livestock to be brought down to Rs.32,000.
10. Value of Office printer is to be brought up by 500
11. Market value of leasehold property is Rs. 1,00,000
12. Computer is taken over by A and B at an agreed value of Rs. 20,000 in 3:1.
13. Unrecorded liability towards supplier are to be accounted Rs. 2,000
14. 1/3rd of the loose tools are to be written off.
15. Creditors to the extent of Rs. 5,000 are **not likely to claim(arise)/to be written back.**
16. One third of investment in debentures are taken over by C for Rs. 10,000 and remaining investment in debentures is re-valued at Rs.19,000
17. Land is to be appreciated by Rs. 50,000
18. Stock of work in progress is to be reduced to Rs. 28,000.
19. Copyrights are reduced by Rs. 20,000.
20. Patents are valueless.
21. Depreciate furniture by 10%
22. Fixtures are now to be valued at 90%.
23. Out of the insurance premium which was debited to profit and loss account Rs. 1,000 is to be carried forward(as prepaid expense)
24. A debtor whose dues of Rs. 10,000 were written off as bad debts earlier, paid Rs. 3,000 in settlement.
25. Expenses of revaluation Rs. 5,000 paid by partner C .
26. A bill for electricity Rs. 1500 was not accounted.
27. There being claim against the firm for damages , a liability to the extent of Rs. 8,000 will be created for the same. (claim for damages is accepted/created)
28. An un accounted commission receivable of Rs. 1,000 be accounted.
29. Compensation payable to workers is estimated to be 16,000
30. Typewriter is valued at Rs. 1800.
31. O/S salary is to be paid off.
32. Bill receivable of Rs. 1,000 was discounted with bank was dishonored , which was not recorded in books .(now to be recorded)
33. A provision for outstanding bill for repairs is to be made for Rs. 500
34. A debtor for Rs. 1500 whose account was written off as bad debts earlier has promised to pay.
35. Employee provident fund liability is to be increased by Rs. 5,000.
36. O/S wages is to be brought down to Rs. 1,500.
37. Investment in shares is taken over by partner D at agreed value of Rs. 35,000.
38. An Old warehouse furniture completely written off was sold for Rs. 200 as scrap.
39. Bills payable paid on maturity Rs.5,000 but no entry was passed.
40. Bills accepted of Rs. 10,000 were not recorded in books
41. Warehouse building in books was valued 10% more than its market value.
42. Goodwill is valued at Rs. 65,000.

You are required to prepare revaluation account and pass journal entries.

Treatment of bad debts/provision for bad debts/doubtful debts on reconstitution.

Q2: Pass journal entries and prepare balance sheet (extract) reconstitution of partnership firm having partners A, B and C in each of the following cases.

CASE I : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000

Additional Information:

(i) Write off bad debts of Rs. 10,000

CASE II : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000

Additional Information:

(i) Write off bad debts of Rs. 10,000

(ii) Create a provision for doubtful debts @ 10% on Debtors.

CASE III : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be maintained @ 10% on Debtors.

CASE IV : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be maintained at Rs. 13,000 on Debtors.

CASE V : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be maintained at 5% on Debtors.

CASE VI : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be increased by Rs. 15,000.

CASE VII : Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be increased to Rs.. 15,000

CASE VIII: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be reduced by Rs. 8,000.

CASE IX: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be reduced to Rs. 8,000.

CASE X: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) All debtors are good.

CASE XI: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Bad debts amounted to Rs. 7,000

CASE XII: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Bad debts amounted to Rs. 12,000

CASE XIII: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Bad debts amounted to Rs. 20,000

(ii) Create provision for doubtful debts @ 10% on debtors.

CASE XIV: Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Bad debts amounted to Rs. 1,000

(ii) Create/maintain provision for doubtful debts @ 5% on debtors.

CASE XV:**Balance Sheet**

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Bad debts amounted to Rs. 1,000

(ii) Create/maintain provision for doubtful debts @ 10% on debtors.

CASE XVI:**Balance Sheet**

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000
		Less: Provision	<u>10,000</u>
			1,00,000

Additional Information:

(i) Provision for doubtful debts is to be brought up to 20% on debtors.

CASE XVII:**Balance Sheet**

Liabilities	Amount	Assets	Amount
		Debtors	1,00,000
		Less: Provision	<u>10,000</u>
			90,000

Additional Information:

(i) An amount of Rs. 6,000 due from Sachin , a debtor , is to be written off as no longer receivable . Provision for doubtful debts on remaning debtors is to be maintained at the current rate.

CASE XVIII :**Balance Sheet**

Liabilities	Amount	Assets	Amount
General reserve	15,000	Debtors	1,10,000

Additional Information:

(i) 20% of the general reserve is to be transferred to provision for doubtful debts.

(ii) Provision for doubtful debts is to be maintained @ 10% on Debtors.

CASE XIX :**Balance Sheet**

Liabilities	Amount	Assets	Amount
		Debtors	1,10,000

Additional Information:

- (i) debtors include Rs. 10,000 receivable from a customer , who has become insolvent . Official receiver has declared a dividend of 50 paise in a rupee. Maintain provision for doubtful debts @ 5% on debtors.

TOPIC - ACCOUNTING FOR PARTNERSHIP (FUNDAMENTALS)

- A, B, C and D are equal partners in a firm. Their capitals on 1st April, 2021 were ₹50,000; ₹30,000; ₹25,000 and ₹15,000 respectively. After closing the accounts for the year ended 31st March, 2022 it was discovered that according to the partnership deed interest @ 10% per annum on partners' capitals was not provided before the distribution of profits. Pass the necessary journal entry for the above adjustment in the books of the firm.
- The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹80,000 in the ratio of 3:3:2 without providing for the following adjustments:
 - Alia and Chand were entitled to a salary of ₹1,500 each per month.

(b) Bhanu was entitled for a salary of ₹4,000 p.a.

Pass the necessary journal entry for the above adjustment in the books of the firm. Show your workings clearly.

3. A, B and C are partners in a firm. They have omitted interest on capital @ 10% p.a. for three years ended 31st March, 2022. Their fixed capitals on which interest was to be calculated throughout were:

A - ₹ 1,00,000

B - ₹ 80,000

C - ₹ 70,000

Give the necessary adjustment entry with working notes.

4. Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their capitals were ₹6,00,000; ₹8,00,000 and ₹11,00,000 as on April 01, 2021. As per Partnership Deed, interest on capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹2,00,000 were distributed without providing for interest on capitals.

Pass an adjustment entry and show your workings clearly.

5. P, Q and R were partners sharing profits and losses in the ratio of 5:3:2. The partnership deed provides for charging interest on drawings @ 10% p.a. The drawings of P, Q and R during the year ending March 31, 2020 amounted to ₹20,000, ₹30,000 and ₹50,000 respectively. After the final accounts have been prepared, it was discovered that interest on drawings had not been taken into consideration. Give the necessary adjusting journal entry. Show your workings clearly.

6. L, M and N partners have omitted interest on capitals for three years ended on 31st March, 2023. Their fixed capitals in three years were L- ₹40,000, M - ₹ 25,000, N - ₹15,000. Rate of interest on capital is 12% p.a. Their profit sharing ratios were 2021 – 5:2:1, 2022 – 3:2:1, 2023- 2:1:1. Give the necessary adjustment entry.

7. Mudit and Uday are partners in a firm sharing profits in the ratio 2:3. Their capital accounts as on April 1, 2021 showed balances of ₹70,000 and ₹60,000 respectively. The drawings of Mudit and Uday during the year 2021-22 were ₹16,000 and ₹12,000 respectively. Both the amounts were withdrawn on 1st January 2022. It was subsequently discovered that the following items had been omitted while preparing the final accounts for the year ended 31st March, 2022.

(a) Interest on capital @ 6% p.a.;

(b) Interest on drawings @ 6% p.a.;

(c) Mudit was entitled to a commission of ₹4,000 for the whole year.

Showing your workings clearly pass a rectifying entry in the books of the firm.

8. (Imp.) Praveen, Sahil and Riya are partners having fixed capitals of ₹2,00,000, ₹1,60,000 and ₹1,20,000 respectively. They share profits in the ratio of 3:1:1. The partnership deed provided for the following which were not recorded in the books:

(i) Interest on capital @ 5% p.a.

(ii) Salary to Praveen ₹1,500 p.m. and to Riya ₹1,000 p.m.

(iii) Transfer of profit to General Reserve ₹10,000. Net profit for the year ended 31st March, 2023 distributed among the partners was ₹1,00,000.

Pass necessary rectifying entry for the above adjustments in the books of the firm. Also show your workings clearly.

9. P, Q and R are partners in a firm sharing profits and losses in the ratio of 2:1:2. Their fixed capitals were ₹3,00,000; ₹1,00,000 and ₹2,00,000 respectively. Interest on capital for the year ended 31st March, 2023 was credited to them @ 9% p.a. instead of 12% p.a. The profit for the year before charging interest was ₹2,50,000. Pass necessary rectifying entry.
10. A, B and C are partners in a firm sharing profits and losses in the ratio of 2:1:2. Their fixed capitals were ₹15,00,000; ₹30,00,000 and ₹60,00,000 respectively. Interest on capital for the year ended 31st March, 2023 was credited to them @ 12% p.a. instead of 10% p.a. The profit for the year before charging interest was ₹2,50,000. Pass necessary rectifying entry.
11. A, B and C were partners. Their capitals were ₹30,000; ₹20,000 and ₹10,000 respectively on 1st April, 2021. According to the partnership deed they were entitled to an interest on capital at 5% p.a. In addition B was also entitled to draw a salary of ₹500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year ended 31st March, 2022 were ₹30,000, distributed in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2 : 2 : 1. Pass the necessary adjustment entry showing the workings clearly.
12. (Imp.) X, Y and Z have been sharing profits in the ratio of 2 : 2 : 1 respectively. Z wants that he should be given equal share in profits with X and Y and he further wants that the change in the profits sharing ratio should come into effect retrospectively for the last three years. Y and Y have no objection to this. The profit for last three years were, ₹52,000, ₹44,200 and ₹51,610.
13. From the following Balance Sheet of A and B, calculate interest on capital @5% p.a. payable to A and B for the year ending 31st March, 2022:

Liabilities	₹	Assets	₹
A's Capital	1,00,000	Sundry Assets	1,92,000
B's Capital	80,000	Drawings: A	18,000
P & L Appropriation A/c - 2021-22	30,000		
	2,10,000		2,10,000

During the year ending 31st March, 2022, A's drawings were ₹18,000 and B's drawings were ₹12,000. Profit during the year ending 31st March, 2022 was ₹58,000.

14. The capital accounts of Amar and Harsh stood at ₹2,00,000 and ₹3,00,000 respectively after the necessary adjustments in respect of drawings and net profits for the year ended 31st March, 2022. It was subsequently ascertained that interest on capital @ 12% per annum was not taken into account while arriving at the divisible profits for the year.
During the year 2021-22, Amar had withdrawn ₹20,000 and Harsh's drawings were ₹10,000. The net profits for the year amounted to ₹1,50,000.

The partners shared profits and losses in the ratio of 3:2.

You are required to pass the necessary **journal entries** to rectify the errors in accounting.

15. X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1 with a minimum profit of ₹1,00,000 for Z. The profits for the year ended March 31, 2023 amounted to ₹4,80,000. Pass necessary journal entries in the books of the firm
16. Pranshu and Himanshu are partners sharing profits and losses in the ratio of 3:2 respectively. They admit Anshu as a partner with 1/6 share in the profits of the firm. Pranshu personally guaranteed that Anshu's share of profit would not be less than ₹30,000 in any year. The net profit of the firm for the year ending 31st March, 2023 was ₹90,000. Prepare Profit and Loss Appropriation Account.
17. A, B and C are partners sharing profits in the ratio of 5:4:1. C is given a guarantee that his share of profits in any year will not be less than ₹20,000. The profits for the year ending 31st March, 2023 amounts to ₹1,40,000. Amount of shortfall in the profits given to C will be borne by A and B in the ratio of 3:2. Pass necessary entry regarding deficiency borne by A and B.
18. Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of ₹2,00,000. The firm incurred a loss of ₹22,00,000 for the year ended 31st March, 2018. Pass necessary journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Account.
19. A, B and C are partners in a firm sharing profits and losses in the ratio of 2:2:1. According to the terms of the partnership agreement C has to get a minimum of ₹6,000 irrespective of the profits of the firm. Any excess payable to C on account of such guarantee shall be borne by A. Profits earned during the year ended 31st March, 2023 were ₹25,000. Pass journal entries in the books of the firm.

LATEST CBSE EXAMINATION BASED QUESTIONS

1. Mohan, Suhaan and Adit were partners in a firm sharing profits and losses in the ratio of 3:2:1. Their fixed capitals were: ₹2,00,000, ₹1,00,000 and ₹1,00,000 respectively. For the year ended 31st March, 2023, interest on capital was credited to their accounts @8% p.a. instead of 5% p.a.

Pass necessary adjusting journal entry. Show your workings clearly.

2. Manoj and Nitin were partners in a firm sharing profits and losses in the ratio of 2:1. On 31st March, 2023, the balances in their capital accounts after making adjustments for profits and drawings were ₹ 90,000 and ₹80,000 respectively. The net profit for the year ended 31st March, 2023 amounted to ₹30,000. During the year, Manoj withdrew ₹40,000 and Nitin withdrew ₹20,000. Subsequently, it was noticed that interest on capital @ 10% p.a. was not provided to the partners. Also interest on drawings to Manoj ₹3,000 and to Nitin ₹2,000 was not charged.

Pass necessary adjusting journal entry. Show your workings clearly.

3. P, Q and R were partners with fixed capitals of ₹40,000, ₹32,000 and ₹24,000. After distributing the profit of ₹48,000 for the year ended 31st March, 2022 in their agreed ratio of 3:1:1, it was observed that:

(a) Interest on capital was provided @ 10% p.a. instead of 8% p.a.

(b) Salary of ₹12,000 was credited to P instead of Q.

You are required to pass a single Journal Entry in the beginning of the next year to rectify the above omissions.

4. Cheese and Slice are equal partners. Their capitals as on April 1, 2022 were ₹50,000 and ₹1,00,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% p.a. and salary to Cheese @ ₹5,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits.

You are required to give necessary rectifying entries using P & L Adjustment Account.


SUBJECT - ECONOMICS

NUMERICAL PRACTICE

1. If legal reserve ratio is 20%, what will be the value of money multiplier?
2. Calculate the value of money multiplier and total deposits created, if the initial deposit is of Rs 500 Crore and Reserve Requirement is 10%. Also calculate the total amount of lendings.
3. If the total deposits created by commercial banks is 12,000 crores and legal reserve ratio is 25%, then calculate the amount of initial deposits. Also calculate the amount of lendings.
4. Calculate the legal reserve ratio, if the initial deposits of Rs 400 crores lead to the creation of total deposits of Rs 16,000 crores.
5. If the total deposits created by the commercial bank is Rs 50,000 crores and legal reserve ratio is 40%, then what would have been the amount of the initial deposits?
6. Calculate the value of the money multiplier, if the legal reserve ratio or legal reserve requirements are of 20%.
7. Calculate the total deposits created by the commercial bank, if reserve ratio is 10% and primary deposit is of 1250 crores. Also calculate the amount of lendings.
8. If total deposits created by commercial bank is 20,000 crore and primary deposit is of 2,500 crore then what will be The value of money multiplier and reserve ratio?
9. If legal reserve ratio is 0.2 and initial deposits are 1,000 explain the process of money creation by the commercial banks.
10. What will be the value of money multiplier when the initial deposits are Rs 500 Crore and LRR is 10%
11. Calculate total deposits created if the initial deposit is of 1,000 crore and legal requirement is 12.5%. Also calculate the total amount of lendings by the commercial bank
12. Explain using numerical example, how a reduction in reserve deposit ratio or LRR, affects the credit creation power of the banking system?
13. If legal reserve requirements is 0.25, and the final deposit created by commercial banks is Rs 20,000 explain the process of credit creation by commercial banks.
14. Calculate legal reserve requirement, if the initial deposits are Rs 2500 and banks are able to create total deposits of Rs 25000.
15. Calculate initial deposits and total lendings by commercial bank, if legal reserve requirements is 0.125 and final deposits created are Rs 62,500.
16. Suppose initial deposits with bank is Rs 25,000 and Legal Reserve Ratio is 20%. How much total money will be created in the economy? Also calculate the total lendings.
17. If the legal reserve ratio is 20% and you deposit rupees 150000 how much credit will be created by the commercial banks in the economy?
18. If the reserve ratio is 20% and initial deposits are of rupees 1000, what will be the value of deposit multiplier or credit multiplier and total lending by the commercial bank? Given the same amount of initial deposits, RBI increased the reserve ratio to 25% what would happen in the economy? Explain why?


II. Go through the following press release:

प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001
Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

May 19, 2023

**₹2000 Denomination Banknotes –
Withdrawal from Circulation; Will continue as Legal Tender**

The ₹2000 denomination banknote was introduced in November 2016 under Section 24(1) of RBI Act, 1934, primarily to meet the currency requirement of the economy in an expeditious manner after the withdrawal of legal tender status of all ₹500 and ₹1000 banknotes in circulation at that time. The objective of introducing ₹2000 banknotes was met once banknotes in other denominations became available in adequate quantities. Therefore, printing of ₹2000 banknotes was stopped in 2018-19.

2. About 89% of the ₹2000 denomination banknotes were issued prior to March 2017 and are at the end of their estimated life-span of 4-5 years. The total value of these banknotes in circulation has declined from ₹6.73 lakh crore at its peak as on March 31, 2018 (37.3% of Notes in Circulation) to ₹3.62 lakh crore constituting only 10.8% of Notes in Circulation on March 31, 2023. It has also been observed that this denomination is not commonly used for transactions. Further, the stock of banknotes in other denominations continues to be adequate to meet the currency requirement of the public.

3. In view of the above, and in pursuance of the "Clean Note Policy" of the Reserve Bank of India, it has been decided to withdraw the ₹2000 denomination banknotes from circulation.

4. The banknotes in ₹2000 denomination will continue to be legal tender.

5. It may be noted that RBI had undertaken a similar withdrawal of notes from circulation in 2013-2014.

6. Accordingly, members of the public may deposit ₹2000 banknotes into their bank accounts and/or exchange them into banknotes of other denominations at any bank branch. Deposit into bank accounts can be made in the usual manner, that is, without restrictions and subject to extant instructions and other applicable statutory provisions.

7. In order to ensure operational convenience and to avoid disruption of regular activities of bank branches, exchange of ₹2000 banknotes into banknotes of other denominations can be made upto a limit of ₹20,000/- at a time at any bank starting from May 23, 2023.

8. To complete the exercise in a time-bound manner and to provide adequate time to the members of public, all banks shall provide deposit and/or exchange facility for ₹2000 banknotes until September 30, 2023. Separate guidelines have been issued to the banks.

9. The facility for exchange of ₹2000 banknotes upto the limit of ₹20,000/- at a time shall also be provided at the 19 Regional Offices (ROs) of RBI having Issue Departments¹ from May 23, 2023.

10. The Reserve Bank of India has advised banks to stop issuing ₹2000 denomination banknotes with immediate effect.

11. Members of the public are encouraged to utilise the time up to September 30, 2023 to deposit and/or exchange the ₹2000 banknotes. A document on Frequently Asked Questions (FAQs) in the matter has been hosted on the RBI website for information and convenience of the public.

Press Release: 2023-2024/257

(Yogesh Dayal)
Chief General Manager

Answer the following questions on the basis of the above press release:

- What do you mean by legal tender?
- What is the current status of Rs 2000 notes?
- When and how will this status of Rs 2000 notes change?
- When and why were these Rs 2000 notes issued?
- Why these notes are being discontinued by RBI?
- What do you mean by "Clean Note Policy" of RBI?
- In which year a similar kind of withdrawal of notes was undertaken? Explain why and how?
- What guidelines need to be followed under this discontinuation of notes by general public as well as banks?
- What is the difference between demonetization done in November 2016 and this discontinuation of Rs 2000 currency notes?
- What will be its impact on money supply in the economy?
- What do you think will be its effect on the Indian economy?

III. Answer the questions on the basis of the picture as well as previous knowledge :



- A. Give the meaning of budget deficit.
- B. Differentiate between the three types of budget deficit.
- C. Analyse the trend given in the picture above.

INDIAN ECONOMIC DEVELOPMENT

IV. Watch the youtube videos and answer the following questions:

1. <https://youtu.be/KU3asqCoU8Y?si=vViBnE1xEv7Wv0hn>
2. <https://youtu.be/CYsGFyVRfz4?si=hEdkIOG380I84puA>

1. Arrange the following in the correct chronological order:

- (i) Demonetisation
- (ii) New Economic Policy
- (iii) Establishment of WTO
- (iv) Introduction of GST

Alternatives:

- (a) (i), (ii), (iv), (iii). (b) (ii), (iii),(i), (iv)
- (c) (ii) ,(iv),(i), (iii). (d) (iii), (i), (iv), (ii)

2. Which of the following is not a benefit of demonetisation in India :

- a) control over corruption
- b) counterfeiting use of high denomination notes for illegal activities
- c) control on black money
- d) more demanding customers

3. Which of the following was not a feature of demonetisation ?

- a) channelising savings into formal financial system
- b) tax administration. c) cashless economy. d) promotion of Black money

4. All indirect taxes have been subsumed under:

- A) income tax b) goods and service tax
- C) corporate tax. D) value added tax

5. _____ and _____ currency notes of old Mahatma Gandhi series were banned as legal tender money on 8th November 2016 :

- A) 1500 & 500 b) 1000 & 1500. C) 2500 & 200

6. Who is the chairman of GST council ?

- A) prime minister b) finance secretary c) finance minister. D) none of these

7. Which of the following currency notes are not in circulation post demonetization?

- A) 500 b) 1000 c) 200 d) all of these

8. The final burden of goods and service tax is borne by :

- A) producer or seller of the product
- B) the government.
- C) shifted to final user of the product

D) none of these

9. From the following statements regarding good and service tax identify the incorrect statement:

STATEMENT 1: It ensures uniformity of tax rates across all states

STATEMENT 2: It shows better tax compliance and tax collection .

Alternatives :

A) both of the statements are true

B) both the statements are false

C) statement 1 is true statement 2 is false.

D) statement 2 is true statement 1 is false.

10. STATEMENT 1: All types of direct and indirect taxes have been subsumed by it.

STATEMENT 2: It is imposed on the supply of goods and services.

Alternatives :

A) both of the statements are true

B) both the statements are false

C) statement 1 is true statement 2 is false.

D) statement 2 is true statement 1 is false.

11. Kritika and Vidisha were discussing the changes made by the government in the year 2017 in the taxation system. Kritika said that this revolutionary tax system has replaced many indirect taxes in India .Vidisha said that this system of taxation aims to subsume multiple taxes into one single tax across the country and make good uniformly priced across India.

Which tax they are discussing ?

A) value added tax b) goods and service tax

C) income tax. C) corporate tax

13. Read the following statements carefully and choose the correct alternative from the following :

Statement 1: Goods and service tax is a direct tax .

Statement 2: GST is levied on goods and services.

Alternatives :

A) both of the statements are true

B) both the statements are false

C) statement 1 is true statement 2 is false.

D) statement 2 is true statement 1 is false.

14. Read the following statements carefully and choose the correct alternative from the following :

Statement 1: Demonetisation was the step taken by the government of India in order to tackle the problems of corruption, blank money, terrorism and circulation of fake currency in the Indian economy

Statement 2: Demonetization has ensured improvement in tax compliance in India over the period over time

Alternatives :

A) both of the statements are true

B) both the statements are false

C) statement 1 is true statement 2 is false.

D) statement 2 is true statement 1 is false.

15. Read the following statements carefully and choose the correct alternative from the following :
Statement 1: The demonetisation of currency was undertaken by the Indian government on November 8 2016.

Statement 2: Demonetisation has increase the popularity of e wallets in India .

Alternatives :

- A) both of the statements are true
- B) both the statements are false
- C) statement 1 is true statement 2 is false.
- D) statement 2 is true statement 1 is false.

16. Mention the rates and any two commodities under the different tax slabs under goods and service tax GST.

17. Name any three state and centre taxes which are subsumed under GST.

SUBJECT – BUSINESS STUDIES

Case Studies – (Chapter -1) Nature and Significance of Management

Q. 1. Dheeraj is working as 'Operations Manager' in Tifco Ltd. Name the managerial level at which he is working. State any four functions he will perform as 'Operations Manager' in this company.

Q. 2. Volvo Ltd's target is to produce 10000 shirts per month at a cost of Rs. 100/- per shirt. The Production Manager achieved this target at a cost of Rs. 90/- per shirt. Do you think the 'Production Manager' is effective? Give one reason in support of your answer.

Q. 3. Yash Ltd. is facing a lot of problems these days. It manufactures electronic goods like washing machines, microwave ovens, refrigeration and air-conditioners. The company's margins are under pressure and the profits and market marketing department blames production department for producing goods, which are not of good quality to meet customers' expectations. The finance department blames both production and marketing departments for declining return on investment and bad marketing.

1. What quality of management do you think the company is lacking? Justify your answer.

2. State the importance of the concept identified in (a).

Q. 4. Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmad and Ally regarding the nature of management. Ahmad argued that management was a profession whereas Ally argued against it saying that the legal and medical professions are the only professions because they fulfill all the conditions of profession.

Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally. Explain, how Aman would have satisfied both Ahmad and Ally.

Q. 5. To meet the objectives of the firm, the management of Bhavya Ltd. offers employment to physically challenged persons. Identify the organizational objective it is trying to achieve. Give reason in support of your answer.

Q. 6. B Ltd. wants to modify its existing product, CD players in the market due to decreasing sales. What decisions/steps should each level of management take to give effort to this decisions?

Q. 7. Sonali is the manager of a large company manufacturing garments for kids. She plans her winter collection in the month of August itself. Then, she ensures that there is adequate workforce. She continuously monitors whether production is proceeding according to plans. She asks the marketing department to prepare their promotional and advertising campaigns also.

1. Identify and explain the concept of management explained in the above para.
2. What characteristic feature does the above para highlight? State.

Q. 8. H. Tech Ltd. is a company producing IT services. The company's profits are enough for the survival and growth. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders. So, it pays competitive salaries and perks to its all employees. All the employees are happy working in the organization because of personal growth and development.

The company has a strong sense of social responsibility. It has set up an engineering college in which one-third of the students are girls to whom the company gives 50% scholarship.

Is the management of H. Tech Ltd. fulfilling its objectives? Justify your answer by giving reasons. (6 marks)

Q. 9. Govinda Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Gauranga is responsible for the welfare and survival of the organization. He formulates overall organizational goals and strategies for their achievement. MR. Nityanand ensures that quality of output is maintained, wastage of materials is minimized and safety standards are maintained. Mr. Sanatan assigns necessary duties and responsibilities to the personnel and motivates them to achieve desired objectives

At what levels of management are MR. Gauranga, Mr. Nityanand and Mr. Sanatan working in Govinda Ltd.? justify your answer.

Q. 10. The management of Vrinda Ltd. strongly believes that the members of an organization should work towards fulfilling the common organizational goals. This requires team work and integration of efforts of all individuals, departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.

1. Identify the concept of management discussed above.
2. State any three features of the concept identified in (a).
3. Identify and explain the characteristic of management which is reflected from the above para.

Q. 11. Sanjana is the branch manager of ABC Handicrafts Pvt. The company's objective is to promote the sales of Indian handloom and handicraft products. Its sells fabrics, furnishings, ready-mades and household items are made out of traditional Indian fabrics. Sanjana decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk. Although they looked very impressive, they were more expensive than they had planned to sell. Average customer could not afford to buy it. Praising their effort, Sanjana suggested that they should keep the silk bed covers for special occasions like Diwali and Christmas and offer the cotton bed covers on a regular basis to keep costs under control.

Identify the functions of management which Sanjana performs by quoting the lines the above para.

Case Studies –(Chapter -2) Principles of Management

Q. 1. In your school, you observe that books are kept in office, chalks in the library and office records in the staff room.

1. Which principle of management is violated here and why?
2. How will that affect the achievement of school objectives?
3. As a manager, what steps will you take to rectify the shortcomings?

Q. 2. The production manager of an automobile company asked the foreman to achieve a target production of 200 scooters per day. But he did not give him the authority of requisition tools and materials from the stores department. Can the production manager blame the foreman if he is not able to achieve the desired target? Explain briefly the principle relating to the situation.

Q. 3. Soniya Ltd. was engaged in the business of manufacturing auto components. Lately, its business was expanding due to increased demand for cars. The competition was also increasing. In order to keep its market share intact, the company directed its workforce to work overtime. But this resulted in many problems.

Due to increased pressure of work the efficiency of workers declined. Sometimes, the subordinates had to work for more than one superiors. The workers were becoming indisciplined. The spirit of teamwork, which had characterized the company previously, had begun to wane.

Identify any three principles of management (as given by Henry Fayol) which were begin violated, quoting the lines from the above case.

Q. 4. The production manager of Harsh Ltd. instructs a salesman to go slow in selling the product, where the marketing manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case?

Q. 5. Kanika and Priyanka are typists in a company having same educational qualifications. Kanika is getting Rs. 16000 per month and Priyanka Rs. 10000 per month as salary for the same working hours. Which principle of management is violated in this case.

Q. 6. Rishabh, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked?

Q. 7. The management and workers have entered into an agreement that workers will do overtime to cover up losses of the company. In return, the manager will increase the wages. But management later refused to increase the wages. Name the principle violated in this situation.

Q. 8. In Simran Ltd., an employee has the objective of maximizing his salary, but the organizational objective is to maximize output at competitive cost. There was some dispute on this for a while. Eventually, the organization's interest was given priority over employees' interest. Name the principle related to this situation.

Q. 9. Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees. In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.

3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

Q. 10. Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family's benefit at the cost of larger general interest of the company. In such situations, he should rather exhibit exemplary behavior as it will raise his stature in the eyes of the company. Also, for interacting with anyone in the company on official matters, he should adopt the formal chain of authority and communication.

In context of the above case:

1. Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job..

Q. 11. Davinder is a class twelfth commerce student in a reputed school in Punjab. Satinder is his elder brother who is doing his Masters in Hospital administration from Delhi after completing his B. Sc course. During vacations when Satinder comes home, Davinder shows him the business studies project that he is preparing on the topic 'Principles of Management'. Satinder tells him that these principles are also a part of MBA course curriculum at the beginner's level as they form the core of management in practice. But he finds these principle different from those of pure science.

In context of the above case:

1. Outline the concept of principles of management.
2. Why does Satinder find the principle of management different from those of pure science?
3. Why do the principles of management form the core of management in practice?

Explain by giving any two points highlighting the importance of principles of management.

Q. 12. Nutan Tiffin Box service was started in Mumbai by Mumbai dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawals.com'. owing to their tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were invited as guest lecturers by top business schools. The Dabbawals operate in a group of 25-30 people along with a group pleader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade-No alcohol during working hours; No leave without permission; Wearing of white cap & carrying ID cards during business hours.

Recently on the suggestion of a few self-motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

1. State any one principle of management given by Fayol & one characteristic of management mentioned in the above case.

Q. 13. 'Aapka vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspect of the function. They all decided to use recycled paper for decoration. There was a spirit of unit and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply to same principle in his business. His father replied that he was already using this principle.

1. Identify the principle of management applied for the success of the programme.
2. State any two features of management highlighted in the above para.

Case Studies - (Chapter- 3) Business Environment

Q. 1. Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner Ecom Creations Ltd. He launches a new product in a e-learning for senior Secondary School students in Commerce stream, which already has n established market in UK and USA but not in India. His business starts flourishing in India. Now more Indian companies entered into the market with other subjects also.

Identify and quote the lines from above para which highlight the significance of understanding business environment.

Q. 2. Just after declaration of Lok Sabha Elections 2014 results, the Bombay stock exchange's price index (Sensex) rose by 1000 points in a day. Identify the environmental factor which led to this rise giving reason. Also explain any two other dimensions of business environment.

Q. 3. The court passed an order that all schools must have water purifier for the school children as

1. Society in general is more concerned about quality of life.
2. Innovative techniques are being developed to manufacture water purifier at competitive rates.

3. Incomes are rising and children at home are also drinking purified water.

The government is also showing positive attitude towards the water purifier business.

Identify the different dimensions of business environment by quoting from the above details.

Q. 4. 'It is common now to see CD-ROM's, computerized information kiosks, and Internet/World Wide Web multimedia pages highlighting the virtues of products.' Name the dimension of the business environment highlighted by this statement.

Q. 5. Which component of business environment requires that advertisements of baby food must necessarily inform the potential buyers that mother's milk is the best?

Q. 6. The Court passed an order to ban polythene bags as

1. The bags are creating many environmental problems which affect the life of people in general.
2. Society in general is more concerned about quality of life.

The Government decided to give subsidy to jute industry to promote this business.

Innovative techniques are being developed to manufacture jute bags at low rates.

Incomes are rising and people can afford to buy these bags.

Identify the different dimensions of Business Environment by quoting the lines from the above particulars.

Q. 7. The government of India is seriously thinking of allowing the oil-marketing public sector undertaking to fix their own prices for petrol and diesel. Which economic reform is the reason for this change in the government's policy?

Q. 8. Kapil Sharma is working as the Country Head of a company which owns a chain of malls under the name of 'Virtuoso' in the various parts of India. Through an analysis report of the business environment, it has been brought to his notice that in the coming years, shopping at a mall will not be a necessity for the buyers as purchases can be made online from anywhere and at any time with ease and at the consumer's convenience. Hence, malls will have to provide much more than shopping to be able to attract customers. So, he recommends that 'Virtuoso' malls should to be restructured into recreation centres, offering more spaces to socialize, host events and concerts, and provide ample Food and Beverages options.

Consequently the share of entertainment segment and Beverages segment in the overall mall space is increased by 20%. As a result, the company gains enormously by getting the first mover advantage.

In context of the above case:

1. Define the term 'Business Environment'.
2. Explain the terms 'Threats' and 'Opportunities' by quoting lines from the paragraph.

Q9. “Zero Defect Zero Effect” (ZED) is a slogan coined by the Prime Minister of India, Narendra Modi with reference to the Make in India initiative launched by the government. The slogan reflects the efficiency of production processes, i.e. the products have no defects and the process through which the product is made has zero adverse environmental and ecological effects. The Zed model aims to make India the manufacturing hub of the world and prevent the products developed in India from being rejected by the global market. Moreover, before the initiative was launched, the limits of foreign direct investment in various sectors had been relaxed. The application for licences was made available online and the validity of licences was increased to three years. Various other norms and procedures were also relaxed by the government.

In the light of the above paragraph, identify and explain the major component of New Economic Policy of 1991 that are being referred to by quoting lines from the paragraph.

Q. 10. Over the years, e-business in our country has witnessed tremendous growth due to several reasons. There is significant improvement in the Information Technology infrastructure over the last decade as the Government has taken important steps in high-speed Internet connectivity. As a result, the broadband networks have not only become better but also more affordable. Additionally, Government is trying to make rural India connected through broadband – a great possibility for e-business to expand the retail market by reaching out to the most remote rural customer. Another catalyst strengthening the e-business segment is the country’s favourable demography. It has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in the year 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan, this promises for phenomenal increase in e-business. Moreover, the penetration of the smartphone in a large section of the population has aptly addressed the problem of compute illiteracy. Not with standing the fact that consumers also prefer e-business due to multiple factors like convenience, time etc.

Identify and explain the various dimensions of business environment being referred to in the above case.