

Please check the examination details below before entering your candidate information

Candidate Name

Class

Section

BLOOM Commerce
Olympiad (BCO)
Question Paper 2024-25

Class
12

Total Questions: **50 + 5** (Tie-Breaking Section)


Total Time Allotted :
60 minutes

Total Marks
60

Instructions

1. There are **50 Multiple Choice Questions** in this booklet having 4 options out of which **ONLY ONE** is correct.
2. There are two sections in the Question Paper; **Section A** having 40 Questions carrying 1 Mark each & **Section B** having 10 Higher Difficulty Order Questions carrying 2 Marks each.
3. All questions are compulsory. There is **NO negative** marking for incorrect answers.
4. Total time allotted to complete the paper is 60 minutes.
5. Please fill in your details in the space provided on this page before attempting the paper.

OMR Sheet Instructions

1. Before starting the paper, fill in all the details in the OMR Sheet.
2. Additional 10 minutes will be provided to fill up the OMR sheet, before the start of the exam.
3. Use HB Pencil to darken the circle of the correct Option in OMR sheet. The correct way to darken the circle in OMR sheet is shown below.

4. Use black or blue ball point pen/HB pencil to fill the information in the OMR sheet. Partially filled OMR sheet will not be checked.
5. Return the OMR sheet to the invigilator after the exam.

CODE #209

C012



Section A (1 Mark)

Accountancy

1. While revaluating the assets, the value of machinery was increased to ₹ 4,00,000. It was previously recorded as ₹ 3,60,000. Pass necessary journal entry.
(a) Debit Revaluation A/c and Credit Machinery A/c by ₹ 40,000
(b) Debit Machinery A/c and Credit Revaluation A/c by ₹ 4,00,000
(c) Debit Revaluation A/c and Credit Machinery A/c by ₹ 4,00,000
(d) Debit Machinery A/c and Credit Revaluation A/c by ₹ 40,000
2. It is that in case of death of a partner, profit and loss suspense account is debited with the amount of profit of the deceased partner. Also, it is that it is difficult to compute profit/loss during the year.
(a) false, false (b) false, true
(c) true, false (d) true, true
3. Which of the following is the correct journal entry when goodwill appears in the books of accounts in case of retirement of a partner?
(a) Debit Gaining Partners' Capital A/c and Credit Sacrificing Partners' Capital A/c
(b) Debit Sacrificing Partners' Capital A/c and Credit Gaining Partners' Capital A/c
(c) Debit Old Partners' Capital and Credit Goodwill A/c
(d) Debit Goodwill A/c and Credit Old Partners' Capital A/c
4. Which of the following statements is/are incorrect?
I. Horizontal analysis is also called dynamic analysis.
II. Common size statement is an example of horizontal analysis.

Alternatives

- (a) Both are correct (b) Only I is incorrect
(c) Only II is incorrect (d) Both are incorrect
5. Which of the following is the correct sequence of preparation of cash flow from operating activities?

- A. Operating profit before working capital changes
B. Net profit before tax
C. Cash flow from operating activities
D. Cash generated from operations

Alternatives

- (a) A>B>C>D (b) B>A>D>C
(c) A>D>C>B (d) A>B>D>C
6. Which of the following is a correct statement?
I. Zero coupon rate debentures do not carry any interest rate.
II. Zero coupon rate debentures are issued at heavy discounts.
III. A company cannot issue zero coupon rate debentures.
- #### Alternatives
- (a) I and II are correct (b) Only I is correct
(c) I and III are correct (d) All are correct
7. Which of the following is the correct distinction between average profit method and super profit method?
(a) Normal rate of return is essential in case of average profit method whereas it is not essential in case of super profit method
(b) Average capital employed is not considered in case of average profit method whereas it is considered in case of super profit method.
(c) Abnormal losses are added to net profit in case of average profit method whereas it is deducted from the profits in case of super profit method
(d) Number of year purchases is relevant in case of average profit method whereas it is not relevant in case of super profit method
 8. Which of the following statements is/are correct?
I. Realisation account is a nominal account.
II. Cash received from sale of assets is first used to pay the partners' loan, then his/her spouse's loan.
III. Dissolution of partnership cannot happen without dissolution of partnership firm.
IV. Unrecorded assets are first recorded on the debit side of realisation account, then realised on the credit side of realisation account.

Alternatives

- (a) I and II are correct (b) I, III and IV are correct
(c) II and III are correct (d) Only I is correct

9. Which of the following statements is/are correct?

- I. Cheque-in-hand is classified under the head cash and cash equivalents.
II. Provision for doubtful debts can either be shown under long-term/short-term provisions, or it can be shown by way of deduction from trade receivables.
III. Operating cycle cannot exceed the period of 12 months.

Alternatives

- (a) I and III are correct (b) I, II and III are correct
(c) II and III are correct (d) I and II are correct

10. While admitting a partner, it was found that the furniture was undervalued by 10%. The value of furniture in the balance sheet was ₹ 1,21,500. What is the revalued value of the furniture?

- (a) ₹ 1,35,000 (b) ₹ 1,40,000
(c) ₹ 1,33,650 (d) ₹ 1,32,800

11. XGH Ltd. forfeited 2,000 shares of ₹ 10 each issued at a premium of ₹ 3 per share for non-payment of first call of ₹ 2 and final call of ₹ 1 per share. 1,000 of these shares were re-issued at ₹ 11 per share as fully paid-up. Calculate the amount to be transferred to capital reserve.

- (a) ₹ 2,000 (b) ₹ 4,500
(c) ₹ 7,000 (d) ₹ 6,000

12. WER Ltd. took a loan from bank for ₹ 50,00,000. They issued 1,20,000 14% debentures of ₹ 50 each as collateral security. Calculate the amount to be shown under long-term borrowings.

- (a) ₹ 1,10,00,000 (b) ₹ 60,00,000
(c) ₹ 50,00,000 (d) ₹ 51,20,000

13. DFL Ltd. purchased a plant from GRL Ltd. for ₹ 24,50,000. ₹ 2,50,000 were to be paid through a bank draft and balance by issuing shares of ₹ 10 each at a premium of 10%. Calculate the number of shares issued to GRL Ltd.

- (a) ₹ 2,20,000 (b) ₹ 2,00,000
(c) ₹ 2,45,000 (d) ₹ 2,22,720

14. The opening and closing balances of goodwill in the books of GHR Ltd. were ₹ 1,80,000 and ₹ 2,20,000. What amount will be transferred to operating activity while preparing cash flow statement?

- (a) ₹ 40,000 (b) ₹ (40,000)
(c) ₹ 4,00,000 (d) Nil

15. ASD Ltd. issued 14,000 shares of ₹ 10 each at a premium of ₹ 3 per share payable as ₹ 3 on application, ₹ 5 on allotment and balance on final call. Applications were received for 18,000 shares. Company decided to make pro-rata allotment on 15,000 shares and balance to be refunded. Calculate the amount adjusted by the company on allotment.

- (a) ₹ 3,000 (b) ₹ 5,000
(c) ₹ 2,000 (d) ₹ 8,000

Business Studies

16. It is that the right to be informed includes the right to be protected against unfair trade practices, while it is also that consumers have the right to seek redressal only for defective goods.

- (a) true, false (b) false, true
(c) true, true (d) false, false

17. Select the correct statement from the following

- I. Management is primarily concerned with overseeing and controlling resources to ensure efficiency, leaving innovation and strategy to specialised departments.
II. Management encompasses planning, organising, staffing, directing and controlling, but the application of these functions may vary based on the specific goals and context of the organisation.

Alternatives

- (a) Only I is true (b) Only II is true
(c) Both are true (d) Both are false

18. Which of the following statements is/are true about organising?

- I. Organising helps in avoiding duplication of efforts by clearly defining roles and responsibilities.
II. Organising is a dynamic process that adapts to changes within an organisation.

III. Organising facilitates the development of an efficient communication system within the organisation.

Alternatives

- (a) I and III (b) II and III
(c) I and II (d) I, II and III

19. Which of the following statements about the political and legal environment's impact on businesses is/are correct?
- I. Political instability can disrupt business regulations and strategies.
 - II. Changes in trade tariffs and taxes are irrelevant to multinational companies.
 - III. Strict environmental regulations can increase costs but also drive innovation.

Alternatives

- (a) I and III (b) II and III
(c) I and II (d) I, II and III

20. Which of the following statements correctly distinguishes between 'marketing' and 'selling'?
- (a) Marketing involves comprehensive activities like planning, pricing and distribution, while selling focuses solely on the transaction process to transfer ownership
 - (b) Marketing emphasises short-term promotional tactics and sales, whereas selling includes long-term strategic planning and market research
 - (c) Marketing and selling are identical, both referring to the promotion and sale of products
 - (d) None of the above
21. Identify the correct sequence of steps in the staffing process from the following statements
- **Performance Appraisal** Evaluating employees' job performance and providing feedback.
 - **Job Analysis** Defining the requirements and responsibilities of a job role.
 - **Training and Development** Implementing programmes to enhance the skills of the workforce.
 - **Recruitment** Engaging in activities to attract a pool of candidates.
 - **Selection** Choosing candidates who are the best fit for the job role.

Alternatives

- (a) Job Analysis → Recruitment → Selection → Training and Development → Performance Appraisal

(b) Job Analysis → Recruitment → Selection → Performance Appraisal → Training and Development

(c) Recruitment → Job Analysis → Selection → Training and Development → Performance Appraisal

(d) Job Analysis → Selection → Recruitment → Training and Development → Performance Appraisal

22. A company is considering investing in advanced technology to enhance its manufacturing capabilities and improve efficiency. The investment involves a significant outlay and will impact the company's long-term operational performance. Identify the type of financial decision being made.

- (a) Working capital decision
(b) Capital budgeting decision
(c) Financial planning decision
(d) Risk management decision

23. Vision Solutions, a rapidly growing software development firm, was established by four partners: Maria, Raj, Laura and Sam. As the company expanded, they decided to adopt a new organisational structure to manage their increased scale of operations effectively. They created separate departments for software development, customer support, finance and marketing, each led by a department head who reported directly to the CEO, Maria. This structure allowed them to focus on distinct areas of the business while maintaining clear reporting lines and accountability. Identify the type of organisational structure highlighted in this case.

- (a) Matrix structure (b) Line structure
(c) Divisional structure (d) Functional structure

24. Rachel, the human resources manager at a growing tech company, decided to implement a new performance appraisal system.

She aimed to ensure fairness and motivation among employees by providing performance-based bonuses. However, Rachel chose to base the bonuses on subjective evaluations and gave higher bonuses to employees who were more vocal and visible to the management, rather than those who showed consistent performance and dedication.

As a result, many employees felt that the bonus system was biased and unfair, which led to decreased morale and productivity.

Which of the following management principles is being violated by Rachel in the given case?

- (a) Scalar chain (b) Division of work
(c) Equity (d) Unity of command

25. Understanding and analysing external factors is critical for strategic business planning. Which step in the business environment analysis process involves this?
- (a) Identifying environmental opportunities and threats
(b) Assessing the impact of internal factors
(c) Developing a contingency plan
(d) Evaluating the effectiveness of strategic responses

Economics

26. If a carpenter purchases wood worth ₹ 200 and sells a table for ₹ 500 after using intermediate materials worth ₹ 100, what is the total value added by the carpenter?
- (a) ₹ 100 (b) ₹ 200 (c) ₹ 300 (d) ₹ 400
27. Which of the following combinations of policy tools is most appropriate for addressing a deflationary gap?
- (a) Increasing government spending and increasing repo rates
(b) Decreasing taxes and decreasing bank rates
(c) Increasing taxes and decreasing repo rates
(d) Decreasing government spending and increasing bank rates
28. It isthat capital expenditure adds to assets of the government, or reduces its liability, while it is that capital expenditure reduces capital stock of the government.
- (a) true, true (b) false, true
(c) true, false (d) false, false
29. I. Purchase of shares and bonds is to be included in national income.
II. Corporate tax and dividends are added in national income rather than corporate profit.
- Alternatives**
- (a) Statement I is true and Statement II is false
(b) Statement I is false and Statement II is true
(c) Both statements are true
(d) Both statements are false
30. Which aspect of organic farming most directly supports sustainable development?
- (a) Reliance on synthetic chemicals
(b) Emphasis on long-term soil health
(c) Focus on immediate crop health yields
(d) Improved water management and conservation
31. After the initial wave of the COVID-19 pandemic, India witnessed a gradual economic recovery. However, this recovery was accompanied by rising inflation due to supply chain disruptions and increased production costs. To control inflation, the Reserve Bank of India (RBI) is considering several monetary policy tools.
- If you are an economist on the RBI's Monetary Policy Committee, what action would you suggest to curb inflation without hampering economic growth?
- (a) Increase the repo rate to reduce money supply
(b) Decrease the cash reserve ratio to encourage lending
(c) Maintain the current interest rates to monitor inflation trends
(d) Impose strict price controls on essential commodities
32. What would be value of investment multiplier if $MPC = MPS$?
- (a) 1 (b) 2
(c) 3 (d) 4
33. As outlined in NCERT, international economic transactions includes autonomous and accommodating transactions.
- Identify the correct statement about autonomous and accommodating transactions.
- (a) Autonomous trade items are conducted by the government to restore balance in the Balance of Payments (BoP)
(b) 'Above the line items' in BoP accounts include both autonomous and accommodating items
(c) The BoP always balances when accommodating items are recorded as part of the capital account
(d) An improvement in the exchange rate of a country's currency necessarily indicate an improvement in its BoP status

34. It is that sustainable development keeps a check on the current pace of economic growth while it is that the sustainable development requires reliance on non-conventional sources of energy.
- (a) true, true (b) false, true
(c) true, false (d) false, false
35. Which of the following best describes the primary focus of the “Pradhan Mantri Kaushal Vikas Yojana”?
- (a) Providing loans to small businesses
(c) Increasing agricultural subsidies
(c) Offering skill development and vocational training
(d) Funding technological research

Entrepreneurship

36. Which of the following sequences accurately describes the typical order of stages in the creative process of entrepreneurship?
- (a) Idea generation comes after preparation, followed by incubation, then illumination and finally verification
(b) Preparation is the first stage, followed by idea generation, incubation, illumination and then verification
(c) Incubation precedes idea generation, followed by preparation, illumination and finally verification
(d) None of the above
37. It is that manufacturing can involve a range of activities from high-tech industrial production to simple handicraft. Also, it is that services, unlike goods, do not result in ownership and are consumed immediately.
- (a) true, true (b) false, true
(c) true, false (d) false, false
38. Which of the following statements about franchising is/are true?
- I. A franchise agreement ensures uniform expectations across all franchisees within an organisation.
II. The franchisee is responsible for providing the proprietary statements used in marketing and advertising.
III. The operations manual in a franchise agreement is not subject to amendments once established.

Alternatives

- (a) Only I (b) I and III
(c) II and III (d) I and II
39. Global Ventu Inc., has recently undergone a significant merger. The company initially specialised in the production of household appliances but decided to merge with a renowned entertainment company, StLights Entertainment. This merger brought together two completely unrelated sectors — appliances and entertainment.
- The result of this merger allowed Global Ventu Inc. to diversify its business portfolio significantly, moving into the entertainment industry while still retaining its original appliance manufacturing operations. The merger aimed to tap into new markets and reduce the company's reliance on a single industry. Identify the type of merger highlighted in this case.
- (a) Horizontal merger
(b) Market extension merger
(c) Product extension merger
(d) Conglomerate merger
40. Select the correct statement from the following about advantages of franchising to franchisee
- I. Franchisee usually enters into a business that has an accepted name, product or service.
II. Franchisor provides managerial assistance related to all aspects of operating the franchise, to the franchisee.
III. In some cases, the franchisor finances the initial investment to start the franchise operation.

Alternatives

- (a) I and II (b) Only III
(c) I and III (d) All of these

Section B (2 Marks)

41. Match the following business events with the dimensions of the business environment they impact.

List-I	List-II
A. Government initiatives to enhance digital infrastructure	(i) Legal environment

List-I	List-II
B. A shift in consumer attitudes towards sustainable fashion	(ii) Economic environment
C. Implementation of a minimum wage law for the workforce	(iii) Social environment
D. New trade agreements between countries affecting export tariffs	(iv) Technological environment

Codes

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

Direction (Q. No. 42 to 46) There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate answer 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

- 42. Assertion** (A) Regular updates and transparency in product information can help prevent consumer grievances and legal issues.

Reason (R) Transparency and timely updates ensure that consumers are well-informed about product features and potential issues, reducing the likelihood of disputes and legal challenges.

- 43. Assertion** (A) Increasing operational efficiency is crucial for achieving long-term success in a competitive market.

Reason (R) Efficiency improvements lead to reduced operational costs and higher productivity.

- 44. Assertion** (A) Human capital formation is primarily influenced by government policies and investments in health and education.

Reason (R) Private sector investments in human capital are generally less significant compared to government contributions.

- 45. Assertion** (A) One of the central bank's key functions is to act as the lender of last resort.

Reason (R) By providing emergency funding to banks facing liquidity crises, the central bank helps prevent systemic failures and ensures the stability of the financial system.

- 46. Assertion** (A) The 1991 economic reforms in India were primarily aimed at liberalising the economy by reducing state intervention and promoting private sector participation.

Reason (R) Under NEP, the role of RBI was shifted from regulator to a facilitator.

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

A, B and C were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their capital balances as at 1st April, 2023 amounted to ₹ 5,00,000, ₹ 5,00,000 and ₹ 2,50,000 respectively. Interest on capital is allowed @ 12% and @ 8% p.a. on drawings respectively. A withdrew ₹ 2,000 at the beginning of every month, B ₹ 6,600 at the beginning of every quarter and C ₹ 22,500 during the year.

On 30th September, C introduced additional capital of ₹ 50,000. A is entitled for a commission @ 5% of net profit after charging such commission and B @ 10% of net profit before charging such commission. The net profit for the year ended 31st March, 2024 amounted to ₹ 6,30,000.

- 47. Calculate the interest on C's capital.**

- (a) ₹ 36,000
- (b) ₹ 33,000
- (c) ₹ 30,000
- (d) ₹ 34,000

- 48. What amount of commission is transferred to A's capital A/c?**

- (a) ₹ 30,000
- (b) ₹ 45,000
- (c) ₹ 42,000
- (d) ₹ 34,500

- 49. Calculate the interest on drawings of C.**

- (a) ₹ 1,800
- (b) ₹ 2,000
- (c) ₹ 900
- (d) ₹ 1,100

- 50. Calculate the divisible profit to be transferred to B's capital account.**

- (a) ₹ 1,54,874
- (b) ₹ 1,54,904
- (c) ₹ 1,53,000
- (d) ₹ 1,53,704

Tie-Breaking Section

Instructions

1. This section consists of 5 Questions.
2. The score achieved in this section will not be included in the total marks.
3. If overall marks of two or more students are same, winner will be decided based on the score in this section.
4. Participation in this section is optional and students may choose to attempt it or not.

1. In distinguishing management as an art, the emphasis often shifts from a structured approach to one that involves individual creativity. How does the concept of management as an art challenge the idea of universal applicability?
 - (a) By promoting a standardised set of procedures
 - (b) Through the use of subjective personal judgment
 - (c) By ensuring consistent outcomes across various contexts
 - (d) Through reliance on empirical, quantifiable data
2. Which promotional tool is most effective in creating immediate consumer response but may offer less in terms of building long-term brand equity?
 - (a) Direct marketing
 - (b) Personal selling
 - (c) Advertising
 - (d) Sales promotion
3. Which of the following statements about the circular flow of income in an economy is correct?
 - (a) The value of total output always exceeds the total income, due to production inefficiencies
 - (b) Total income can be more than total expenditure if savings exceed investments
 - (c) Total expenditure may exceed the value of total output if there is government borrowing
 - (d) The value of total output, total income and total expenditure are always equal
4. Given the following economic scenarios, identify which statement correctly apply to the concepts of ex-ante saving?

Scenario A A government predicts that households will save 20% of their income in the upcoming fiscal year based on economic forecasts and tax incentives.

Scenario B At the end of the fiscal year, data reveals that households have actually saved 15% of their income due to unforeseen increases in consumer spending and inflation.

Scenario C A household plans to save \$5,000 this year for a future vacation, but unexpected medical expenses reduce the actual saving to \$2,500.

Scenario D An economic report states that the planned savings rate for businesses was 10% of their profits, but the actual savings rate turned out to be 8% due to lower than expected revenue.

 - (a) Scenario A
 - (b) Scenario B
 - (c) Scenario C
 - (d) Scenario D
5. The opening and closing balance of machinery in the books of CDE Ltd amounted to ₹ 10,00,000 and 13,50,000 respectively. On 31st March, 2024, they sold a machinery of original cost ₹ 1,40,000 (accumulated depreciation ₹ 80,000) for ₹ 30,000. Calculate the cash flow from/used in investing activities.
 - (a) ₹ 4,40,000 (Outflow)
 - (b) ₹ 4,40,000 (Inflow)
 - (c) ₹ 3,80,000 (Outflow)
 - (d) ₹ 3,80,000 (Inflow)