

FREE PRACTICE PACK · EDITION 1

Class 11 Commerce Olympiad practice

16 original questions + explained answers

For students preparing for SOF ICO.

Inside this pack

Eight topic-practice questions and an eight-question, 25-minute mini-mock.

Topics selected for practice

- Business organisation
- Accounting
- Economics
- Finance
- Entrepreneurship

How to use it

Try the practice first. Complete the mini-mock in one sitting. Check the explanations, mark mistakes, and retry them the next day.

This pack covers selected topics. It is original BodhiScore material, independent of SOF, and is not an official paper or a full-length exam. Check the official syllabus for the complete scope.

Topic practice

Work through these eight questions without a timer. Explain your choice before checking the solutions.

1. Business organisation

Which feature distinguishes a sole proprietorship?

- A.** Government owns it
 - B.** One owner bears business risk
 - C.** Shares are sold publicly
 - D.** Members have no owner
-

2. Accounting

A business buys furniture for cash. Which effect is correct?

- A.** Furniture increases and cash decreases
 - B.** Both cash and capital increase
 - C.** Sales increase
 - D.** Liability decreases
-

3. Economics

What does a demand curve show?

- A.** Only total production cost
 - B.** Government tax collection
 - C.** A firm's accounting entries
 - D.** Quantity buyers are willing to buy at different prices
-

Topic practice (continued)

4. Finance

Why should a firm compare interest rates before borrowing?

- A.** Rate changes inventory into cash
 - B.** Interest is a sales tax
 - C.** Interest affects borrowing cost
 - D.** Loans have no repayment
-

5. Entrepreneurship

Which is an entrepreneur's core role?

- A.** Guaranteeing profit
 - B.** Eliminating all competition
 - C.** Avoiding decisions
 - D.** Organising resources and taking business risk
-

6. Business organisation

What is a partnership deed primarily used for?

- A.** Registering voters
 - B.** Measuring inflation
 - C.** Recording partners' agreed terms
 - D.** Issuing currency
-

Topic practice (continued)

7. Accounting

If assets are ₹80,000 and liabilities are ₹30,000, owner's equity is _____.

- | | |
|--------------------|-------------------|
| A. ₹110,000 | B. ₹30,000 |
| C. ₹80,000 | D. ₹50,000 |
-

8. Economics

Which is a fixed cost in the short run for a shop?

- | | |
|-------------------------------------|------------------------------|
| A. Cost of each bag sold | B. Packaging per unit |
| C. Sales commission per unit | D. Monthly rent |
-

Timed mini-mock

Set a 25-minute timer for these eight questions. Score 1 point per correct answer; there is no penalty for an incorrect answer. This is BodhiScore's practice scoring.

9. Finance

₹10,000 is borrowed at 8% simple interest per year for 2 years. What is the interest?

- A. ₹11,600
 - B. ₹1,600
 - C. ₹800
 - D. ₹8,000
-

10. Entrepreneurship

A founder tests a small version of an app with users before a full launch. What is the main purpose?

- A. Avoid any planning
 - B. Increase fixed cost automatically
 - C. Learn from feedback and reduce uncertainty
 - D. Guarantee every sale
-

11. Business organisation

Which advantage can a company have over a sole proprietor?

- A. Ability to raise capital from many shareholders
 - B. No legal obligations
 - C. No management needed
 - D. No risk of loss
-

Timed mini-mock (continued)

12. Accounting

Goods costing ₹4,000 are sold for ₹5,200 on credit. What is the gross profit?

- | | |
|------------------|------------------|
| A. ₹4,000 | B. ₹9,200 |
| C. ₹1,200 | D. ₹5,200 |
-

13. Economics

If the price of tea rises and demand for coffee increases, tea and coffee are likely ____.

- | | |
|-------------------------------|------------------------|
| A. substitutes | B. complements |
| C. inferior goods only | D. public goods |
-

14. Finance

Why does a budget include an emergency fund?

- | | |
|---|--|
| A. To avoid recording expenses | B. To prepare for unexpected expenses |
| C. To ensure spending exceeds income | D. To remove all savings |
-

Timed mini-mock (continued)

15. Entrepreneurship

A business idea has high sales but its costs rise even faster. Which measure should the founder examine?

- A.** Founder's favourite product
 - B.** Profit margin
 - C.** Number of social-media followers only
 - D.** Shop colour
-

16. Accounting

A shop starts with cash ₹12,000, buys stock for cash ₹3,500, then sells all that stock for cash ₹4,200. Ignoring other transactions, closing cash is _____.

- A.** ₹12,700
 - B.** ₹8,500
 - C.** ₹15,500
 - D.** ₹700
-

Answers and explanations

Check why the answer works, then retry any question you missed.

1. B - One owner bears business risk

A sole proprietor owns and controls the business and bears its risks.

2. A - Furniture increases and cash decreases

The transaction exchanges one asset, cash, for another asset, furniture.

3. D - Quantity buyers are willing to buy at different prices

Demand relates quantities consumers are willing and able to buy to price, other factors held constant.

4. C - Interest affects borrowing cost

Interest is the charge for using borrowed funds and affects total financing cost.

5. D - Organising resources and taking business risk

Entrepreneurs identify opportunities, organise resources and accept uncertainty.

6. C - Recording partners' agreed terms

A deed sets out partners' rights, duties and profit-sharing terms.

7. D - ₹50,000

Accounting equation: $\text{equity} = \text{assets} - \text{liabilities} = ₹50,000$.

8. D - Monthly rent

Rent is payable even if output changes in the short run.

Answers and explanations (continued)

9. B - ₹1,600

Simple interest = principal $\times$ rate $\times$ time = $10,000 \times 0.08 \times 2 = ₹1,600$.

10. C - Learn from feedback and reduce uncertainty

Testing a minimum version provides evidence about user needs before larger investment.

11. A - Ability to raise capital from many shareholders

Companies can raise capital by issuing shares, subject to law and investor choice.

12. C - ₹1,200

Gross profit is sales less cost of goods sold: $₹5,200 - ₹4,000 = ₹1,200$.

13. A - substitutes

Consumers may switch from tea to coffee when tea becomes relatively more expensive.

14. B - To prepare for unexpected expenses

An emergency fund provides a buffer for unplanned but necessary costs.

15. B - Profit margin

Profit margin compares profit with sales and indicates whether sales are covering costs adequately.

16. A - ₹12,700

Cash becomes $₹12,000 - ₹3,500 + ₹4,200 = ₹12,700$; the transaction produces ₹700 gross profit.

Keep practising

Topic scope checked against SOF syllabus: [SOF ICO Class 11 syllabus](#)