



**ICSE 2026 EXAMINATION**  
**SPECIMEN QUESTION PAPER**  
**CASHIER**

*Maximum Marks: 100*

*Time allowed: Two hours*

1. *Answers to this Paper must be written on the paper provided separately.*
2. *You will **not** be allowed to write during the first 15 minutes.*
3. *This time is to be spent in reading the question paper.*
4. *The time given at the head of this Paper is the time allowed for writing the answers.*

5. *Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*
6. *The intended marks for questions or parts of questions are given in brackets [ ].*

***Instruction for the Supervising Examiner***

*Kindly read aloud the Instructions given above to all the candidates present in the Examination Hall.*

**NOTE:**

*The Specimen Question Paper in the subject provides a realistic format of the Board Examination Question Paper and should be used as a practice tool. The questions for the Board Examination can be set from any part of the syllabus. However, the format of the Board Examination Question Paper will remain the same as that of the Specimen Question Paper.*

**SECTION A (40 Marks)**

*(Attempt all questions from this Section.)*

**Question 1**

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

[20]

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

- (i) Why is time management crucial for entrepreneurs?
- (a) To ensure personal leisure time.
  - (b) To efficiently allocate time to various tasks and enhance productivity.
  - (c) To impress investors with a busy schedule.
  - (d) To avoid hiring too many employees.
- (ii) Which of the following pairs is **NOT** a part of the 7C's of communication?
- (a) Completeness and Conciseness
  - (b) Consideration and Clarity
  - (c) Concreteness and Courtesy
  - (d) Confinement and Conduciveness
- (iii) Feedback such as 'good job' or 'you did great', are which kind of feedback?
- (a) Descriptive
  - (b) Specific
  - (c) General
  - (d) Informal
- (iv) By which method can we know that the receiver has understood the message?
- (a) Transmitting
  - (b) Feedback
  - (c) Message
  - (d) Listening

(v) **Assertion (A):** Effective communication requires both the sender and the receiver to understand the same message.

**Reason (R):** Feedback from the receiver helps the sender to know if the message has been understood correctly.

(a) (A) is true and (R) is false.

(b) (A) is false and (R) is true.

(c) Both (A) and (R) are true and (R) is the correct explanation of (A).

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

(vi) Using abbreviations in communication leads to which type of communication barrier?

(a) Linguistic

(b) Physical

(c) Cultural

(d) Organisational

(vii) Which of the following is **NOT** a communication barrier?

(a) Linguistic barrier

(b) Interpersonal barrier

(c) Financial barrier

(d) Organisational barrier

(viii) What does a straight body posture show?

(a) Pride

(b) Professionalism

(c) Confidence

(d) Humility

(ix) **Assertion (A):** Noise is an element in the communication process that can distort or interfere with the message being communicated.

**Reason (R):** Noise only refers to physical sounds that disrupt communication.

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

(x) Which of the following is not an element of the communication cycle?

- (a) Channel
- (b) Receiver
- (c) Time
- (d) Sender

(xi) Written communication can be classified as which type of communication?

- (a) Non-verbal
- (b) Verbal
- (c) Visual
- (d) Interpersonal

(xii) What is the primary purpose of a business plan?

- (a) To avoid paying taxes.
- (b) To secure funding and provide a roadmap for the business.
- (c) To increase the workload.
- (d) To hire more employees.

(xiii) **Assertion (A):** Creativity and innovation are the core qualities of a successful entrepreneur.

**Reason (R):** Entrepreneurs bring new products and services that meet consumer needs.

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

(xiv) Study the image given below. Why is this technique used?



- (a) To recover from illness.
  - (b) To improve mental health.
  - (c) To maintain time management.
  - (d) To build muscle in strength training.
- (xv) Which of the following is an example of self-motivation?
- (a) Waiting for someone to tell you what to do.
  - (b) Setting personal goals and striving to achieve them.
  - (c) Relying on external rewards to get tasks done.
  - (d) Complaining about tasks that are not interesting.

(xvi) Observe the image given below and identify the type of mode of payment.



- (a) Debit card
  - (b) Credit card
  - (c) Net banking
  - (d) E-wallet
- (xvii) What is a key component of time management?
- (a) Procrastination
  - (b) Goal setting
  - (c) Multitasking
  - (d) Ignoring deadlines
- (xviii) Aural communication is based on \_\_\_\_\_.
- (a) body language
  - (b) language and tone of voice
  - (c) facial expressions
  - (d) listening and hearing
- (xix) Which of these is a common barrier to effective self-management?
- (a) Clear goal setting
  - (b) Lack of planning
  - (c) Regular self-reflection
  - (d) Effective time management

(xx) Cash and Credit transactions are recorded together in the same register.

- (a) True
- (b) False

**Question 2**

(i) Fill in the blanks:

[5]

- (a) \_\_\_\_\_ refers to the physical components of a computer system.  
*(Hardware / Software)*
- (b) \_\_\_\_\_ is the skill of managing financial resources and ensuring the profitability of the business.  
*(Financial management / Self-management)*
- (c) \_\_\_\_\_ requires self-mastery, self-control, self-responsibility and self-direction. *[Self-discipline / Innovation]*
- (d) Effective communication requires both the speaker and the \_\_\_\_\_ to be actively engaged. *(interpreter / receiver)*
- (e) The \_\_\_\_\_ is responsible for encoding and transmitting the message in the communication process. *(receiver / sender)*

(ii) State whether True or False.

[5]

- (a) Deep breathing exercises can help manage stress.
- (b) Self-management only involves managing time and tasks.
- (c) Entrepreneurs should always rely on their own instincts rather than seeking advice from others.
- (d) Nonverbal communication is just as important as verbal communication.
- (e) Effective communication is only the responsibility of the speaker.

**Question 3**

- (i) What role does time management play in working independently? [2]
- (ii) What is the difference between formal communication and informal communication? [2]
- (iii) What is the main advantage of using cloud storage? [2]
- (iv) Why are green skills important in the modern workplace? [2]
- (v) How does active listening contribute to effective communication? [2]

**SECTION B (60 Marks)**

(Answer **any four** questions from this Section.)

**Question 4**

- (i) Briefly explain cash transactions and credit transactions with *one* example for each. [5]
- (ii) The credit to the customer is good for profitability through maximising sales but it also comes with inherent risks. Explain *any five* risks of credit transactions. [5]
- (iii) Briefly explain: [5]
  - (a) Credit limit
  - (b) Legal rights

**Question 5**

- (i) Mention *any five* common reasons why customers fail to make payments. [5]
- (ii) Discuss the role of ineffective credit management practices in contributing to missed payments. [5]
- (iii) Explain the steps involved in reporting customers who exceed their credit limits to credit bureaus. [5]  
What are the implications of such reporting for both the company and the customer?

**Question 6**

(i) List *any five* acceptable methods for customers to make payments to a business. [5]

(ii) Describe *any three* best practices for securely storing payment records and customer financial information. [5]

What measures should a business implement to protect sensitive data?

(iii) Describe *any three* roles of customer preferences and demographics which determine the optimal mix of payment methods for businesses. [5]

Mention *any two* strategies that can be used by businesses to meet diverse customer needs.

**Question 7**

(i) Discuss *any three* factors that contribute to discrepancies in customer accounts during the reconciliation process. [5]

How can businesses minimise these discrepancies?

(ii) Evaluate *any three* roles played by technology in streamlining the reconciliation of customer accounts. [5]

How can automated systems enhance accuracy and efficiency in this process?

(iii) Discuss *any two* challenges that businesses may face when reconciling large volumes of customer accounts. [5]

Mention *three* strategies that businesses can adopt to overcome these challenges.

### Question 8

- (i) Aryan bought a pair of shoes online. When the package was delivered, he found that the shoes did not fit him. [5]

The website says, '7 days' exchange policy only if item is unused.'



- (a) Can Aryan exchange the shoes if they were worn once?  
(b) What does an exchange policy mean?  
(c) What is the time limit to return the product in this case?
- (ii) Explain using *five* points, the importance of having a clear refund payment policy for businesses. [5]  
Provide examples to support your answer.
- (iii) *Sparkle Electronics* got complaints because customers didn't understand the refund rules. The store started explaining refund rules to the customers and added refund information online and on bills. [5]  
Mention *any two* ways for businesses to effectively communicate their refund rules to customers.  
With reference to the above statement, provide *three* strategies of refund rules.

### Question 9

- (i) Discuss *three* reasons why age verification policies are important in retail settings. Provide two examples of age-restricted products and explain the potential consequences of non-compliance with age restrictions. [5]

(ii) Explain with examples, the ethical considerations involved in refusing to sell age-restricted products and balancing legal obligations with customer service? [5]

(iii) *Ritu, a new retailer employee, was trained in handling age-restricted products. During her shift, a minor tried to buy tobacco. Ritu asked for an ID and refused the sale when the customer couldn't provide one. Her manager appreciated her action.* [5]

Describe any five importance of employee training in the sale of age-restricted products.

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ICSE 2026 SPECIMEN

DRAFT MARKING SCHEME – CASHIER

SECTION A

Question 1		[20]
(i)	(b) To efficiently allocate time to various tasks and enhance productivity.	
(ii)	(d) Confinement and Conduciveness	
(iii)	(c) General	
(iv)	(b) Feedback	
(v)	(c) Both (A) and (R) are true and (R) is the correct explanation of (A).	
(vi)	(a) Linguistic	
(vii)	(c) Financial barrier	
(viii)	(c) Confidence	
(ix)	(a) (A) is true and (R) is false.	
(x)	(c) Time	
(xi)	(b) Verbal	
(xii)	(b) To secure funding and provide a roadmap for the business.	
(xiii)	(c) Both (A) and (R) are true and (R) is the correct explanation of (A).	
(xiv)	(b) Cloth bags are reusable and eco-friendly.	
(xv)	(b) Setting personal goals and striving to achieve them.	
(xvi)	(d) E-wallet	
(xvii)	(b) Goal setting	
(xviii)	(d) listening and hearing	
(xix)	(b) Lack of planning	
(xx)	(b) False	



<b>Question 2</b>		
(i)	(a) Hardware (b) Financial management (c) Time management (d) receiver (e) sender	[5]
(ii)	(a) True (b) False (c) False (d) True (e) False	[5]
<b>Question 3</b>		
(i)	Time management helps individuals working independently to prioritize tasks, meet deadlines, and maintain productivity without constant supervision. It ensures efficient use of time and reduces stress.	[2]
(ii)	Formal communication follows official channels and uses structured language, while informal communication is casual, personal, and often occurs between friends or colleagues without following official procedures.	[2]
(iii)	The main advantage of using cloud storage is that it allows users to access data anytime, anywhere, and easily back up and share files over the internet.	[2]
(iv)	Green skills are important in the modern workplace because they help promote environmentally friendly practices, support sustainable development, and prepare workers for eco-conscious jobs in a changing global economy.	[2]
(v)	Active listening contributes to effective communication by ensuring that the listener fully understands the speaker's message, shows respect, reduces misunderstandings, and builds stronger relationships.	[2]
<b>SECTION B</b>		
<b>Question 4</b>		
(i)	<b>Cash Transaction:</b> A cash transaction is one where payment is made immediately at the time of purchase or sale. <b>Example:</b> Buying groceries and paying cash at the counter.	[5]



	<p><b>Credit Transaction:</b> A credit transaction is one where payment is delayed and made at a later date.</p> <p><b>Example:</b> Purchasing a mobile phone on EMI or buying goods on credit from a supplier.</p>	
(ii)	<p>Risks of credit transactions:</p> <ol style="list-style-type: none"><li>1. <b>The possibility of missed payments:</b> The major risk to offer credit is giving credit to those who do not pay cash immediately.</li><li>2. <b>Risk of paying collection agency:</b> If a customer does not make the payment, the retailer may lose their money. If the retailer hires a collection agency to recover the payment, the customer may also be required to pay the collection fee.</li><li>3. <b>Legal Fees May Be Incurred:</b> If a customer refuses to pay, the retailer may decide to take legal action by hiring a lawyer. This involves paying legal fees, which increases the retailer's expenses. In some cases, even after spending money on legal action, the retailer may not recover any payment, resulting in a financial loss.</li><li>4. <b>Need for Dilligent Record-Keeping:</b> Retailers must maintain accurate records for customers who purchase goods on credit. This includes tracking the credit amount given to each customer, calculating interest (if applicable), and keeping detailed account statements. Poor record-keeping can lead to confusion, missed payments, or disputes.</li><li>5. <b>Possibility of Slow Cash Flow:</b> Selling on credit delays the inflow of money into the business. Even though products are being sold, the payment is not received immediately. This can result in slow cash flow, making it difficult for the retailer to pay bills, purchase new stock, or meet other operational expenses.</li><li>6. <b>Loss of Inventory Value:</b> If goods are returned late or not at all, they might lose value due to obsolescence or damage.</li><li>7. <b>Fraudulent Transactions:</b> The buyer might intentionally deceive the seller by providing false information or misusing the credit.</li></ol> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]
(iii)	<p>(a) <b>Credit limit:</b> A credit limit is the maximum amount of money a person or business is allowed to borrow, usually given by a bank or financial service through a credit card or line of credit. If someone spends more than this limit, it can become a serious risk. In business, suppliers often give credit to retailers, and retailers give credit to their customers. This creates a credit risk, which includes unpaid bills, invoices with VAT, extra charges, and any remaining dues. It is important for lenders and businesses to manage this risk carefully to avoid financial problems.</p> <p>(b) <b>Legal rights:</b> Legal rights refer to all the rights provided under a legal agreement. These include:</p> <ol style="list-style-type: none"><li>1. The right to take administrative action or use legal remedies.</li><li>2. The right to challenge or appeal legislative or judicial decisions.</li></ol>	[5]



	<ol style="list-style-type: none"><li>3. The right to take legal action in court.</li><li>4. The right to correct or fix any defaults or problems.</li><li>5. The right to enforce any promises or terms in the agreement.</li><li>6. The right to prevent or stop any attempted violations.</li><li>7. The right to seek compensation for losses or damages.</li><li>8. The right to ask the court to force someone to fulfil their obligations (specific performance).</li><li>9. The right to use any legal method to achieve the purpose of the agreement.</li></ol> <p>In short, legal rights cover all lawful ways to protect, enforce, and make use of the terms in a legal agreement.</p>	
<b>Question 5</b>		
(i)	<p>Five common reasons why customers fail to make payments:</p> <ol style="list-style-type: none"><li>1. <b>Financial Difficulties:</b> Customers may face job loss, low income, or unexpected expenses, making it hard to pay on time.</li><li>2. <b>Poor Budgeting:</b> Lack of financial planning can lead to missed due dates and insufficient funds.</li><li>3. <b>Forgetting Due Dates:</b> Customers may simply forget payment deadlines due to a busy schedule or poor reminders.</li><li>4. <b>Disputes Over Charges:</b> Disagreements with the business about the amount billed may delay payment.</li><li>5. <b>Technical Issues:</b> Problems with online payment systems or banking errors can prevent timely payments.</li><li>6. <b>Change in Payment Method or Account Details:</b> Customers might change banks, credit cards, or payment methods and forget to update the information, causing payment failures.</li><li>7. <b>Overwhelming Number of Bills:</b> With multiple obligations like utilities, loans or subscriptions, customers may lose track and unintentionally miss one or more payments.</li><li>8. <b>Lack of Automated Reminders:</b> Without email/SMS reminders or calendar alerts, customers may overlook the due date.</li><li>9. <b>Debt Overload:</b> When customers are juggling multiple debts, they may prioritize some over others, missing lower-priority payments.</li><li>10. <b>Delays in Salary or Income:</b> Late salary payments or irregular income streams (especially for freelancers or gig workers) can lead to insufficient funds at the time a payment is due.</li><li>11. <b>Travel or Absence:</b> Being away from home (e.g., on vacation or business trips) without proper arrangements can cause customers to miss due dates.</li><li>12. <b>Illness or Family Emergency:</b> Health issues or urgent personal matters can shift focus away from financial responsibilities temporarily.</li><li>13. <b>Miscommunication in Joint Accounts:</b> In households or businesses where finances are shared, one party may assume the other has made the payment.</li></ol>	[5]



	<p><b>14. Identity Theft or Fraud:</b> If a customer's account is compromised, they may miss payments due to frozen accounts or the need to resolve unauthorized transactions.</p> <p><b>15. Psychological Reasons:</b> Anxiety, denial, or fear related to mounting debt or poor financial literacy can lead some to avoid opening bills or taking action.</p> <p style="text-align: right;"><i>(Any five points)</i></p>	
(ii)	<p>Role of Ineffective Credit Management Practices in Contributing to Missed Payments:</p> <ol style="list-style-type: none"><li><b>1. Lack of Credit Checks:</b> Failing to assess a customer's creditworthiness increases the risk of giving credit to unreliable payers.</li><li><b>2. Unclear Credit Terms:</b> When businesses do not clearly define repayment terms, customers may misunderstand due dates or amounts.</li><li><b>3. Inadequate Follow-Up:</b> Weak or delayed reminders and follow-ups reduce the chances of timely payments.</li><li><b>4. No Credit Limits:</b> Allowing customers to exceed their credit limit without control can lead to over-borrowing and default.</li><li><b>5. Poor Record-Keeping:</b> Inaccurate tracking of credit transactions may result in missed payments due to confusion or disputes.</li><li><b>6. Untrained or Underqualified Credit Management Staff:</b> Staff lacking knowledge of credit policies, risk analysis, or collection techniques may mishandle accounts, leading to payment defaults.</li><li><b>7. Poor Communication Regarding Payment Terms:</b> If payment deadlines, penalties, or credit policies are not clearly communicated, customers may delay or ignore payments.</li><li><b>8. Failure to Enforce Late Payment Penalties:</b> When penalties are not imposed for delayed payments, customers may not take deadlines seriously.</li><li><b>9. Overdependence on a Limited Number of Credit Customers:</b> If a few clients make up a large portion of credit sales, a delay or default from even one can severely affect cash flow.</li><li><b>10. Infrequent Review of Credit Terms and Customer Performance:</b> Credit policies and customer credit behavior must be reviewed regularly to identify risks. Ignoring this can lead to ongoing missed payments.</li><li><b>11. Ignoring Early Warning Signs of Payment Default:</b> Signs like delayed partial payments, frequent excuses, or changes in customer behavior often precede defaults. Overlooking them can result in unpaid dues.</li></ol> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]
(iii)	<p>Steps involved in reporting customers who exceed their credit limits to credit bureaus:</p> <ol style="list-style-type: none"><li><b>1. Monitor Credit Limits:</b> Regularly track customer accounts to identify those who exceed their approved credit limits.</li><li><b>2. Notify the Customer:</b> Inform the customer about the breach and request immediate repayment or corrective action.</li></ol>	[5]



	<p>3. <b>Document the Case:</b> Maintain clear records of the customer's credit limit, outstanding amount, communication, and missed payments.</p> <p>4. <b>Prepare a Report:</b> Compile the necessary data as per the credit bureau's reporting format.</p> <p>5. <b>Submit to Credit Bureau:</b> Send the report to the authorized credit bureau through the proper channel.</p> <p><b>Implications:</b></p> <ul style="list-style-type: none"><li>• For the Company: Helps manage credit risk, discourages default, and protects financial stability.</li><li>• For the Customer: Negatively impacts their credit score, making it harder to get loans or credit in the future.</li></ul>	
<b>Question 6</b>		
(i)	<p>Five Acceptable Methods for Customers to Make Payments to a Business:</p> <ol style="list-style-type: none"><li>1. <b>Cash Payment:</b> Direct payment using physical currency at the point of sale.</li><li>2. <b>Debit/Credit Card:</b> Electronic payment using bank-issued cards through POS machines or online.</li><li>3. <b>Bank Transfer:</b> Payment made directly from the customer's bank account to the business's account.</li><li>4. <b>Mobile Payment Apps:</b> Payments through digital wallets or apps like Google Pay, Paytm, or PhonePe.</li><li>5. <b>Cheque Payment:</b> A written, signed, and dated instrument instructing the bank to pay a specific amount to the business.</li></ol>	[5]
(ii)	<p>Best Practices for Securely Storing Payment Records and Customer Financial Information:</p> <ol style="list-style-type: none"><li>1. <b>Use Strong Data Encryption:</b> Encrypt sensitive financial data both during transmission and when stored, to prevent unauthorized access.</li><li>2. <b>Implement Access Controls:</b> Restrict access to financial records only to authorized personnel using strong passwords and multi-factor authentication.</li><li>3. <b>Maintain PCI-DSS Compliance:</b> Follow the Payment Card Industry Data Security Standard (PCI-DSS) for handling and storing cardholder data securely.</li><li>4. <b>Regular Data Backups:</b> Perform regular, secure backups of financial records to prevent data loss in case of system failure or cyberattacks.</li><li>5. <b>Install Security Software:</b> Use firewalls, antivirus programs, and intrusion detection systems to protect against malware, hacking, and data breaches.</li><li>6. <b>Regular Security Audits and Vulnerability Scans:</b> Perform internal and third-party audits. Regularly scan for vulnerabilities and apply patches.</li><li>7. <b>Network Security:</b> Use firewalls, intrusion detection/prevention systems (IDS/IPS), and secure VPNs. Isolate storage systems from public-facing servers.</li></ol>	[5]



	<p><b>8. Data Masking and Anonymization:</b> Mask sensitive information (e.g., show only last 4 digits of a card). Anonymize data where feasible to reduce sensitivity risk.</p> <p><b>9. Logging and Monitoring:</b> Enable secure logging of access and transactions. Use SIEM tools to detect and respond to suspicious activity in real time.</p> <p><b>10. Secure APIs:</b> Ensure all APIs used for payment processing are authenticated, rate-limited, and encrypted. Regularly update and test APIs for vulnerabilities.</p> <p><b>11. Employee Training and Awareness:</b> Educate staff about phishing, social engineering, and secure handling of financial data.</p> <p style="text-align: right;"><i>(Any three points)</i></p> <p>A business should implement data encryption, access controls, strong passwords, regular security updates, secure backups, and compliance with data protection regulations like GDPR or PCI-DSS.</p>	
(iii)	<p>Role of customer preferences and demographics in determining the optimal mix of payment methods:</p> <ol style="list-style-type: none"><li><b>1. Payment Habits:</b> Understanding customer preferences helps businesses offer payment options (e.g., cash, cards, digital wallets) that customers are most comfortable with.</li><li><b>2. Age Group:</b> Younger customers may prefer mobile payments and UPI, while older customers might favour cash or debit cards.</li><li><b>3. Income Level:</b> Higher-income customers may prefer credit cards or online banking, while lower-income groups may rely more on cash.</li><li><b>4. Location:</b> Urban customers often use digital payments, whereas rural customers may prefer cash due to limited access to digital infrastructure.</li><li><b>5. Convenience and Trust:</b> Offering payment methods aligned with customer trust and convenience builds satisfaction and improves sales.</li><li><b>6. Technology Adoption and Literacy:</b> Technologically savvy customers prefer fast and seamless payment options like Biometric authentication, Auto-debit setups. Customers with low digital literacy may prefer simple or assisted payment methods.</li><li><b>7. Cultural and Regional Factors:</b> Certain regions or countries have strong preferences: India: UPI and wallets (Paytm, PhonePe) US: credit cards dominate Germany: Strong inclination towards cash China: Widespread use of WeChat Pay and Alipay</li></ol> <p>Businesses can tailor their payment strategies by offering multiple payment options (cash, cards, UPI, wallets), analyzing customer preferences, ensuring ease of use, providing secure transactions, and adapting to regional and demographic trends.</p> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]



Question 7		
(i)	<p>Factors Contributing to Discrepancies in Customer Accounts During Reconciliation:</p> <ol style="list-style-type: none"><li><b>Data Entry Errors:</b> Mistakes such as incorrect amounts, dates, or account numbers can lead to mismatches during reconciliation.</li><li><b>Timing Differences:</b> Transactions recorded at different times by the business and the customer (e.g., delayed payments or deposits) can cause temporary discrepancies.</li><li><b>Unrecorded Transactions:</b> Missing entries like bank fees, interest, or customer payments not yet posted may result in account differences.</li><li><b>Duplicate Entries:</b> Recording the same transaction more than once can inflate balances and create inconsistencies.</li><li><b>Unauthorized or Fraudulent Transactions:</b> Unrecognized or fraudulent charges can lead to significant differences during account review.</li><li><b>Policy or Procedure Misalignment:</b> Different accounting methods: Differences in revenue recognition or recording standards. Inconsistent reconciliation practices: Lack of standardized procedures across departments.</li><li><b>External Factors:</b> Bank errors: Mistakes by financial institutions (e.g., deposit not processed). Currency conversion discrepancies: Inaccuracies when dealing with foreign transactions.</li><li><b>Lack of Communication:</b> Delayed notifications: Customer not informed of adjustments or disputes. Unresolved disputes: Pending clarifications on returns, credits, or chargebacks.</li></ol> <p style="text-align: right;"><i>(Any three points)</i></p> <p>Businesses can minimize discrepancies by maintaining accurate records, performing regular reconciliations, automating data entry, training staff properly, and using reliable accounting software to detect and prevent errors.</p>	[5]
(ii)	<p>Role of Technology in Streamlining the Reconciliation of Customer Accounts:</p> <ol style="list-style-type: none"><li><b>Automation of Processes:</b> Technology enables automated matching of transactions, reducing manual work and human errors.</li><li><b>Real-Time Data Access:</b> Cloud-based systems provide real-time updates, allowing quicker identification and resolution of discrepancies.</li><li><b>Improved Accuracy:</b> Advanced accounting software minimizes errors through validation checks and accurate record-keeping.</li><li><b>Faster Processing:</b> Automated tools speed up reconciliation tasks, saving time and increasing efficiency.</li><li><b>Better Reporting and Auditing:</b> Technology provides detailed audit trails and reports, helping businesses monitor account accuracy and ensure compliance.</li></ol> <p style="text-align: right;"><i>(Any three)</i></p> <p>Automated systems enhance accuracy by reducing human errors and ensuring consistent data entry. They improve efficiency by quickly matching transactions, flagging discrepancies, and generating real-time reports, saving time and effort.</p>	[5]



(iii)	<p>Challenges Businesses May Face When Reconciling Large Volumes of Customer Accounts :</p> <ol style="list-style-type: none"><li><b>1. Data Overload:</b> Managing and analyzing large amounts of transaction data can be time-consuming and prone to errors.</li><li><b>2. Inconsistent Data Formats:</b> Differences in how data is recorded across systems can complicate the reconciliation process.</li><li><b>3. Limited Resources:</b> Lack of skilled staff or advanced tools can slow down reconciliation and increase the risk of mistakes.</li><li><b>4. Timing Differences:</b> Delays in recording transactions by customers or banks can cause temporary mismatches.</li><li><b>5. Fraud and Errors:</b> High volumes increase the chances of undetected fraudulent transactions or entry mistakes.</li><li><b>6. Regulatory and Compliance Pressure:</b> Reconciliation errors can lead to non-compliance with financial regulations and standards (e.g., SOX, IFRS). Risk of auditing issues or legal penalties if inaccuracies are found.</li><li><b>7. Lack of Skilled Personnel:</b> Insufficient trained staff to handle reconciliation efficiently, especially during peak accounting periods. Inadequate knowledge of reconciliation software and accounting practices.</li><li><b>8. Cybersecurity and Data Privacy:</b> Risks related to handling large volumes of sensitive financial data. Potential for fraud, unauthorized access, or data leaks during reconciliation process.</li><li><b>9. Inadequate Tools and Technology:</b> Using outdated or incompatible software can lead to inefficiencies and delays. Lack of automation tools to match records, flag discrepancies, or generate reconciliation reports.</li><li><b>10. Communication Gaps:</b> Poor coordination between accounts receivable teams, sales teams, and customer service. Delays in resolving queries, disputes, or verifying payments with customers.</li></ol> <p style="text-align: right;"><i>(Any two points)</i></p> <p>Businesses can overcome these challenges by using automated reconciliation software, standardizing data formats, training staff, conducting regular audits, and allocating sufficient resources to manage high volumes efficiently.</p>	[5]
<b>Question 8</b>		
(i)	<p>(a) No, the customer cannot exchange the shoes if they have been worn even once because, the website clearly states:</p> <p>“7 days exchange policy only if item is unused.”</p> <p>This means the product must be in brand-new condition, without any signs of use.</p> <p>Wearing the shoes once makes them used, so the customer no longer qualifies for an exchange.</p> <p>(b) Exchange policy: An exchange policy is a seller’s rule that allows customers to return a purchased item and receive a replacement usually for a different size, color, or identical product, under certain conditions.</p>	[5]



	<p>In this case, the condition is:</p> <p>The item must be unused.</p> <p>The request must be made within 7 days.</p> <p>(c) The customer has 7 days from the date of delivery to request an exchange, provided the shoes are unused.</p>	
(ii)	<p>Importance of Having a Clear Refund Payment Policy for Businesses:</p> <ol style="list-style-type: none"><li><b>1. Builds Customer Trust:</b> A transparent refund policy reassures customers that the business is reliable and values customer satisfaction. <i>Example:</i> An online clothing store with a clear "7-day refund for damaged items" policy encourages more purchases.</li><li><b>2. Reduces Disputes and Confusion:</b> It helps avoid misunderstandings regarding the terms and conditions for refunds. <i>Example:</i> A clear "no refund on clearance items" notice prevents complaints after purchase.</li><li><b>3. Protects the Business Legally:</b> A documented policy provides legal backing in case of disputes or chargebacks. <i>Example:</i> A service provider can refer to the signed agreement when a customer demands a refund beyond the agreed period.</li><li><b>4. Enhances Business Reputation:</b> Fair and well-implemented refund policies improve customer reviews and brand loyalty. <i>Example:</i> A tech company offering "30-day money-back guarantee" earns positive feedback even from unsatisfied customers.</li><li><b>5. Improves Operational Efficiency:</b> Staff can handle refund requests more effectively when a standard policy is in place. <i>Example:</i> A retail chain trains employees to follow a uniform refund process, speeding up customer service.</li><li><b>6. Streamlines Business Operations:</b> Employees are better equipped to handle refund requests when guidelines are clear. Minimizes confusion and inconsistency in customer service.</li><li><b>7. Establishes Professionalism:</b> Reflects that the business is well-organized, transparent, and customer centric. Helps differentiate from competitors who may not have clear policies.</li></ol> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]
(iii)	<p>Five strategies businesses can use to clearly and effectively communicate their refund payment policy to customers:</p> <ol style="list-style-type: none"><li><b>1. Clear Display at Point of Sale</b> <b>Strategy:</b> Post refund policies prominently in-store, especially near cash counters and entrances.  <i>Example:</i> Sparkle Electronics can display posters or signs outlining the refund and exchange rules in simple language.</li></ol>	[5]



**2. Printed Policy on Receipts and Bills**

**Strategy:** Include a brief version of the refund policy directly on purchase receipts or bills.

Example: “Refunds within 7 days with original receipt and undamaged product” can be printed at the bottom of the bill.

**3. Detailed Information on Website**

**Strategy:** Provide a comprehensive and updated refund policy on the business’s website.

Example: Sparkle Electronics can create a dedicated webpage for refund, return, and exchange rules, including FAQs.

**4. Staff Training and Verbal Explanation**

**Strategy:** Train staff to clearly explain the refund policy at the time of purchase or return.

Example: Salespersons at Sparkle Electronics should tell customers, “Please retain the bill; refunds are processed only within 7 days of purchase.”

**5. Use of Visual Aids and Language Options**

**Strategy:** Use infographics, icons, and multi-language posters to simplify understanding for all customers.

Example: Sparkle Electronics can display refund rules using visuals (calendar icons, bill icons) and in regional languages to reach a wider audience.

**6. Mention During Check-out Online**

Show a summary of the refund policy before final purchase.

**In-store:** Train staff to mention it when issuing receipts or at point-of-sale.

**7. Include in Confirmation Emails**

Attach or link to the refund policy in order confirmation emails or invoices.

**8. Maintain Transparency**

Clearly communicate exceptions, processing timeframes, and potential delays.

Avoid misleading claims (e.g., “Hassle-Free Returns” if conditions apply).

**9. Provide Multilingual Options**

Offer translations if serving a diverse customer base.

**10. Regularly Review and Update**

Ensure the policy reflects current business practices and legal compliance.

Notify customers of changes via email or website banners.

*(Any five points)*



Question 9		
(i)	<p>Importance of Age Verification Policies in Retail Settings:</p> <ol style="list-style-type: none"><li><b>Ensures Legal Compliance:</b> Age verification helps retailers follow laws that restrict the sale of certain products to minors. <i>Example:</i> Alcohol, tobacco, and lottery tickets are age-restricted in many countries.</li><li><b>Protects Public Health and Safety:</b> Preventing underage access to harmful products reduces risks to health and safety. <i>Example:</i> Selling cigarettes or e-cigarettes to minors can lead to early addiction and long-term health issues.</li><li><b>Prevents Legal Penalties:</b> Non-compliance can lead to fines, license suspension, or even business closure. <i>Example:</i> A liquor store caught selling alcohol to minors may face heavy fines or lose its liquor license.</li><li><b>Maintains Brand Reputation:</b> Following age verification protocols enhances public trust and brand image. <i>Example:</i> A video game store enforcing age ratings builds a reputation for being responsible and ethical.</li><li><b>Promotes Responsible Retailing:</b> It shows the business is serious about social responsibility and customer well-being. <i>Example:</i> Pharmacies checking ID before selling certain medicines like cough syrups with codeine help prevent misuse.</li><li><b>Business Reputation:</b> Adhering to age verification policies demonstrates professionalism and responsibility. Violations can result in negative publicity and loss of customer trust.</li><li><b>Employee Protection:</b> Clear policies provide staff with guidelines and support when refusing a sale. Protects employees from accusations of bias or discrimination by ensuring uniform application of rules.</li><li><b>Reducing Anti-social Behavior:</b> Preventing underage access to items like alcohol and tobacco can reduce crime, violence, and health issues in communities.</li></ol> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]
(ii)	<p>Ethical Considerations in Refusing to Sell Age-Restricted Products &amp; Balancing Legal Obligations with Customer Service:</p> <ol style="list-style-type: none"><li><b>Protecting Vulnerable Groups:</b> Ethically, businesses have a duty to protect minors from harm by restricting access to inappropriate or harmful products. <i>Example:</i> Refusing to sell alcohol to a teenager helps prevent underage drinking and its consequences.</li><li><b>Upholding the Law:</b> Ethically and legally, retailers must obey age restriction laws, even if it may upset a customer. <i>Example:</i> A cashier refusing to sell cigarettes without proper ID is doing the right thing despite customer pressure.</li></ol>	[5]



	<p>3. <b>Ensuring Fairness and Consistency:</b> Treating all customers equally by applying the same rules prevents bias or discrimination.</p> <p><i>Example:</i> Asking every customer who looks underage for ID ensures fairness and avoids targeting specific individuals.</p> <p>4. <b>Educating Staff and Customers:</b> Businesses should train employees to explain policies politely and clearly.</p> <p><i>Example:</i> Staff can say, “It’s our policy to check ID for all restricted items to follow the law and ensure safety.”</p> <p>5. <b>Providing Alternatives Respectfully:</b> Offering respectful alternatives or explanations maintains customer service while complying with rules.</p> <p><i>Example:</i> If a minor tries to buy a violent video game, staff can recommend age-appropriate options instead.</p>	
(iii)	<p>Importance of Employee Training in the Sale of Age-Restricted Products</p> <ol style="list-style-type: none"><li>1. <b>Legal Compliance:</b> Training helps employees understand and follow laws related to the sale of age-restricted products (like tobacco or alcohol), reducing the risk of legal penalties for the business and the individual.</li><li>2. <b>Prevention of Underage Access:</b> Trained employees can effectively prevent minors from accessing harmful products, which protects public health and ensures responsible retailing.</li><li>3. <b>Building Employee Confidence:</b> Training equips employees with the knowledge and skills to handle difficult situations, such as refusing a sale, firmly and professionally.</li><li>4. <b>Enhancing Store Reputation:</b> Proper handling of age-restricted sales shows that the store is responsible and law-abiding, which builds trust with customers and the community.</li><li>5. <b>Avoiding Fines and License Issues:</b> Businesses can face heavy fines or lose their license if they sell to minors. Well-trained employees help avoid these risks by strictly following ID-check procedures.</li><li>6. <b>Promoting Consistency:</b> Training ensures all employees follow the same procedures when dealing with age-restricted sales. This reduces confusion and error, especially with new or part-time staff.</li><li>7. <b>Improved Customer Service:</b> Well-informed employees can explain policies politely to customers, avoiding confrontations and misunderstandings.</li><li>8. <b>Handling Peer Pressure or Fraud:</b> Employees learn how to deal with situations like customers using peer pressure, fake IDs, or “shoulder surfing” (asking adults to buy for minors).</li><li>9. <b>Improving Audit and Monitoring Systems:</b> Training includes how to record refusals, log incidents, and support store audits, helping maintain internal control and documentation.</li><li>10. <b>Reducing Employee Turnover:</b> Comprehensive training makes employees feel valued and better prepared, which can increase job satisfaction and reduce staff turnover.</li></ol> <p style="text-align: right;"><i>(Any five points)</i></p>	[5]